



ZHONG HUA INTERNATIONAL HOLDINGS LIMITED

中華國際控股有限公司*

(Incorporated in Bermuda with limited liability)

Stock Code: 1064



Interim Report 2012

* For identification purposes only

BOARD OF DIRECTORS**Executive Director**

Ho Kam Hung

Non-Executive Director

Young Kwok Sui

Independent Non-Executive Directors

Tam Kong, Lawrence

Wong Miu Ting, Ivy

Wong Kui Fai

COMPANY SECRETARY

Tsang Tsz Hung, CPA

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 2911, West Tower

Shun Tak Centre

168-200 Connaught Road Central

Central

Hong Kong

PRINCIPAL OFFICE IN MAINLAND CHINA

Level 14, Gang Yu Square

Chiaodong Road

Chiaotianmen

Chongqing

AUDITORS

Ernst & Young

Certified Public Accountants

22nd Floor, CITIC Tower

1 Tim Mei Avenue

Central

Hong Kong

LEGAL ADVISERS*As to Hong Kong Law*

David Norman & Co

22B, Man On Commercial Building

12-13 Jubilee Street

Central

Hong Kong

董事會**執行董事**

何鑑雄

非執行董事

楊國瑞

獨立非執行董事

譚剛

黃妙婷

黃鉅輝

公司秘書

曾志鴻, CPA

註冊辦事處

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

香港總辦事處及主要營業地點

香港

中環

干諾道中168至200號

信德中心

西座2911室

中國大陸主要辦事處

重慶

朝天門

朝東路

港渝廣場14樓

核數師

安永會計師事務所

執業會計師

香港

中環

添美道1號

中信大廈22樓

法律顧問*香港法律*

David Norman & Co

香港

中環

租庇利街12-13號

萬安商業大廈22B

As to Bermuda Law

Conyers Dill & Pearman
2901 One Exchange Square
8 Connaught Place
Central
Hong Kong

PROPERTY VALUERS

Savills Valuation and Professional Services
Limited
23rd Floor, Two Exchange Square
Central
Hong Kong

Vigers Appraisal and Consulting Limited
10th Floor, The Grande Building
398 Kwun Tong Road
Kwun Tong
Kowloon
Hong Kong

PRINCIPAL BANKERS

The Wing Hang Bank Limited,
Guangzhou Branch
Nanyang Commercial Bank Ltd.

**PRINCIPAL SHARE REGISTRAR AND
TRANSFER OFFICE**

Butterfield Corporate Services Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

**HONG KONG BRANCH SHARE
REGISTRAR AND TRANSFER OFFICE**

Tricor Tengis Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

COMPANY WEBSITE

www.zhonghuagroup.com

STOCK CODE

1064

百慕達法律

Conyers Dill & Pearman
香港
中環
康樂廣場8號
交易廣場第一座2901室

物業估值師

第一太平洋戴維斯估值及專業顧問
有限公司
香港
中環
交易廣場第二座23樓

威格斯資產評估顧問有限公司
香港
九龍
觀塘
觀塘道398號
嘉域大廈10樓

主要往來銀行

永亨銀行有限公司，
廣州分行
南洋商業銀行有限公司

股份登記及過戶總處

Butterfield Corporate Services Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

香港股份登記及過戶分處

卓佳登捷時有限公司
香港
灣仔
皇后大道東28號
金鐘匯中心26樓

公司網址

www.zhonghuagroup.com

股份代號

1064

UNAUDITED INTERIM RESULTS

The Board of Directors (the “Directors”) of Zhong Hua International Holdings Limited (the “Company”) would like to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2012 (the “Interim Results”), together with the comparative figures for the corresponding period in 2011, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

未經審核中期業績

中華國際控股有限公司(「本公司」)董事會(「董事會」)謹此宣佈，本公司及其附屬公司(統稱「本集團」)截至二零一二年六月三十日止六個月未經審核綜合業績(「中期業績」)，連同二零一一年同期之比較數字，如下：

簡明綜合收益表

		For the six months ended 30 June 截至六月三十日止六個月		
		2012 二零一二年 (Unaudited) (未經審核) HK\$'000 千港元	2011 二零一一年 (Unaudited) (未經審核) HK\$'000 千港元	
	Notes 附註			
Revenue	收益	2	17,528	16,958
Other income	額外收入		207	292
Administrative expenses	行政開支		(12,503)	(7,650)
Finance costs	財務費用	3	(5,555)	(5,408)
PROFIT/(LOSS) BEFORE TAX	稅前溢利／(虧損)	4	(323)	4,192
Income tax expense	利得稅開支	5	(1,370)	(2,091)
PROFIT/(LOSS) FOR THE PERIOD	期間溢利／(虧損)		(1,693)	2,101
ATTRIBUTABLE TO:	歸屬於：			
Ordinary equity holders of the Company	本公司普通股權益持有人		(4,774)	(1,092)
Non-controlling interests	非控股權益		3,081	3,193
			(1,693)	2,101
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	本公司普通股權益持有人應佔每股虧損	7		
– Basic	– 基本		HK(3.15) cents港仙	HK(0.72) cents港仙
– Diluted	– 攤薄		HK(3.15) cents港仙	HK(0.72) cents港仙

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

簡明綜合全盤收益表

For the six months ended 30 June

截至六月三十日止六個月

		2012	2011
		二零一二年	二零一一年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Profit/(loss) for the period	期間溢利／(虧損)	(1,693)	2,101
Other comprehensive income/(expense)	額外全盤收益／(開支)		
Exchange differences on translation of foreign operations	換算海外業務時計出的匯兌差額	(1,050)	39,361
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD	期間全盤總收益／(開支)	(2,743)	41,462
Total comprehensive income/(expense) attributable to:	全盤總收益／(開支)歸屬於：		
Ordinary equity holders of the Company	本公司普通股權益持有人	(5,824)	11,948
Non-controlling interests	非控股權益	3,081	29,514
		(2,743)	41,462

**CONDENSED CONSOLIDATED
STATEMENT OF FINANCIAL
POSITION**
簡明綜合財務狀況表

		30 June 2012 二零一二年 六月三十日 (Unaudited) (未經審核)	31 December 2011 二零一一年 十二月三十一日 (Audited) (經審核)
		HK\$'000 千港元	HK\$'000 千港元
		Notes 附註	
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	7,719	8,024
Investment properties	投資物業	3,545,844	3,545,844
Total non-current assets	非流動資產總值	3,553,563	3,553,868
CURRENT ASSETS	流動資產		
Properties held for sales	待售物業	40,702	40,702
Trade receivables	貿易應收款項	11,757	11,544
Deposits and other receivables	按金及其他應收款項	15,296	13,794
Cash and bank balances	現金及銀行結存	19,395	59,148
Total current assets	流動資產總值	87,150	125,188
CURRENT LIABILITIES	流動負債		
Trade payables	貿易應付款項	(2,847)	(246)
Tax payable	應付稅項	(30,368)	(28,998)
Other payables and accruals	其他應付款項及 應計負債	(41,364)	(85,191)
Interest-bearing bank and other borrowings	計息銀行貸款及 其他借款	(7,185)	(6,915)
Total current liabilities	流動負債總額	(81,764)	(121,350)
NET CURRENT ASSETS	流動資產淨值	5,386	3,838
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	3,558,949	3,557,706

**CONDENSED CONSOLIDATED
STATEMENT OF FINANCIAL
POSITION (Cont'd)**

簡明綜合財務狀況表(續)

		30 June 2012 二零一二年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2011 二零一一年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
NON-CURRENT LIABILITIES	非流動負債		
Loan from a director	董事貸款	(78,695)	(78,695)
Due to a director	應付董事款項	(123,351)	(115,599)
Long term other payables	其他長期應付款項	(122,693)	(122,814)
Interest-bearing bank and other borrowings	計息銀行貸款及 其他借款	(53,821)	(57,466)
Deferred tax liabilities	遞延稅項負債	(737,430)	(737,430)
Total non-current liabilities	非流動負債總額	(1,115,990)	(1,112,004)
Net assets	淨資產	2,442,959	2,445,702
EQUITY	權益		
Equity attributable to equity holders of the Company	本公司權益持有人 應佔權益		
Issued capital	已發行股本	15,140	15,140
Reserves	儲備	749,170	754,994
		764,310	770,134
Non-controlling interests	非控股權益	1,678,649	1,675,568
Total equity	總權益	2,442,959	2,445,702

簡明綜合股本變動表

CONDENSED CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

Attributable to equity holders of the Company
歸屬於本公司權益持有人

	Issued capital 已發行股本 (Unaudited) (未經審核) HK\$'000 千港元	Share premium account 股份溢價 (Unaudited) (未經審核) HK\$'000 千港元	Contributed surplus 繳入盈餘 (Unaudited) (未經審核) HK\$'000 千港元	Equity component			Retained profits 保留溢利 (Unaudited) (未經審核) HK\$'000 千港元	Total 合計 (Unaudited) (未經審核) HK\$'000 千港元	Non-controlling interest 非控股權益 (Unaudited) (未經審核) HK\$'000 千港元	Total reserves 儲備總額 (Unaudited) (未經審核) HK\$'000 千港元
				Convertible bond 可換取債券之股本部分 (Unaudited) (未經審核) HK\$'000 千港元	Exchange fluctuation reserve 匯兌溢利 及 遞延儲備 (Unaudited) (未經審核) HK\$'000 千港元					
At 1 January 2012 Total comprehensive income/(expense) for the period	15,140	398,726	80,258	22,368	157,271	96,371	770,134	1,675,568	2,445,702	
於二零一二年一月一日 期間全盤總收益/(開支)	-	-	-	(22,368)	(1,050)	17,594	(5,824)	3,081	(2,743)	
At 30 June 2012 (Unaudited)	15,140	398,726	80,258	-	156,221	113,965	764,310	1,678,649	2,442,959	
於二零一二年六月三十日 (未經審核)	15,140	398,726	80,258	44,737	125,006	41,362	705,229	1,550,397	2,255,626	
At 1 January 2011 Total comprehensive income/(expense) for the period	-	-	-	-	13,040	(1,092)	11,948	29,514	41,462	
於二零一一年一月一日 期間全盤總收益/(開支)	15,140	398,726	80,258	44,737	138,046	40,270	717,177	1,579,911	2,297,088	
At 30 June 2011 (Unaudited)	15,140	398,726	80,258	44,737	138,046	40,270	717,177	1,579,911	2,297,088	
於二零一一年六月三十日 (未經審核)										

CONDENSED CONSOLIDATED
STATEMENT OF CASH FLOWS

簡明綜合現金流量報表

For the six months ended 30 June

截至六月三十日止六個月

2012	2011
二零一二年	二零一一年
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)
HK\$'000	HK\$'000
千港元	千港元

NET CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES	經營業務所得／(所用) 現金淨額	(36,257)	2,888
NET CASH CASH FLOWS USED IN INVESTING ACTIVITIES	投資業務所用 現金淨額	-	(87)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	融資活動所用現金 淨額	(3,496)	(4,541)
DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值 項目減少	(39,753)	(1,740)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	期初現金及現金 等值項目	59,148	19,582
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期終現金及現金 等值項目	19,395	17,842
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值項目 結餘分析		
Cash and bank balances	現金及銀行結存	19,395	17,842

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”. The accounting policies and basis of preparation adopted in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 31 December 2011, except in relation to the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) which also include HKASs and Interpretations, that affect the Group and are mandatory for the accounting period beginning on or after 1 January 2012:

HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Transfers of Financial Assets</i>
HKAS 12 Amendments	Amendments to HKAS 12 <i>Income Taxes – Deferred Tax: Recovery of Underlying Assets</i>

The adoption of these new and revised HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

1. 編製基準及主要會計政策

本簡明綜合中期財務報表是按照香港會計準則（「HKAS」）第34號「中期財務報告」編製的。除了以下會影響本集團且於二零一二年一月一日或之後開始的會計期間強制採用的新訂及經修訂的香港財務報告準則（「HKFRSs」，也包括HKASs和詮釋），編製本中期財務報表所採用的會計政策和編製基準均與截至二零一一年十二月三十一日止年度的全年財務報表一致：

HKFRS 1(修訂本)	HKFRS 1「首次採納香港財務報告準則」之修訂－嚴重極端通貨膨脹及剔除首次採納者之既定日期
HKFRS 7(修訂本)	HKFRS 7「金融工具：披露」之修訂－轉讓金融資產
HKAS 12(修訂本)	HKAS 12「所得稅」之修訂－遞延稅項：相關資產的收回

採納新訂和經修訂HKFRSs對如何編製本會計期間或過往會計期間之業績及財務狀況並無重大影響。因此，毋須對過往期間作出調整。

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these interim financial statements.

1. 編製基準及主要會計政策 (續)

本集團並無於該等中期財務報表內提早應用以下已頒佈但尚未生效之新訂及經修訂HKFRSs。

HKFRS 1 Amendments	Amendment to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards-Government Loans</i> ²	HKFRS 1 (修訂本)	修訂香港財務報告準則第1號 首次採納香港財務報告準則 - 政府貸款
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities</i> ²	HKFRS 7 (修訂本)	HKFRS 7「金融工具：披露」之 修訂－抵銷金融資產與 金融負債 ²
HKFRS 9	<i>Financial Instruments</i> ⁴	HKFRS 9	「金融工具」 ⁴
HKFRS 10	<i>Consolidated Financial Statements</i> ²	HKFRS 10	「綜合財務報表」 ²
HKFRS 11	<i>Joint Arrangements</i> ²	HKFRS 11	「合營安排」 ²
HKFRS 12	<i>Disclosure of Interests in Other Entities</i> ²	HKFRS 12	「披露於其他實體之權益」 ²
HKFRS 13	<i>Fair Value Measurement</i> ²	HKFRS 13	「公平值計量」 ²
HKAS 1 Amendments	Amendment to HKAS 1 <i>Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income</i> ¹	HKAS 1 (修訂本)	HKAS 1「財務報表的呈列」之 修訂－其他全面收入項目的 呈列 ¹
HKAS 19 (2011)	<i>Employee Benefits</i> ²	HKAS 19 (2011)	「僱員福利」 ²
HKAS 27 (2011)	<i>Separate Financial Statements</i> ²	HKAS 27 (2011)	「獨立財務報表」 ²
HKAS 28 (2011)	<i>Investments in Associates and Joint Ventures</i> ²	HKAS 28 (2011)	「於聯營公司及合營企業 之投資」 ²
HKAS 32 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities</i> ³	HKAS 32 (修訂本)	HKAS 32「金融工具：呈列」之 修訂－抵銷金融資產與 金融負債 ³
HK(IFRIC)-Int 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i> ²	HK(IFRIC)-Int 20	「露天礦場生產階段的 剝採成本」 ²
Annual Improvements Project	Annual Improvements to HKFRSs 2009-2011 Cycle ²	年度改進項目	香港財務報告準則二零零九至 二零一一年週期之年度改進 ²

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

- ¹ Effective for annual periods beginning on or after 1 July 2012
- ² Effective for annual periods beginning on or after 1 January 2013
- ³ Effective for annual periods beginning on or after 1 January 2014
- ⁴ Effective for annual periods beginning on or after 1 January 2015

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that these new and revised HKFRSs, if become effective, are unlikely to have a significant impact on the Group's results operations and financial position.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and two reportable operating segments as follows:

- (a) the property investment segment, which invests in properties located in the Mainland of the People's Republic of China ("Mainland China") for rental income potential; and
- (b) the corporate and other segment, which provides management services to group companies.

The accounting policies of the operating segments are the same as those described in the Group's financial statements for the year ended 31 December 2011.

1. 編製基準及主要會計政策 (續)

- ¹ 於二零一二年七月一日或之後開始之年度期間生效
- ² 於二零一三年一月一日或之後開始之年度期間生效
- ³ 於二零一四年一月一日或之後開始之年度期間生效
- ⁴ 於二零一五年一月一日或之後開始之年度期間生效

本集團正在評估初次應用此等新訂及經修訂HKFRSs之影響。迄今為止，本集團認為該等新訂及經修訂HKFRSs即使生效，不大可能對本集團之經營業績及財務狀況產生重大影響。

2. 經營分類資料

就管理而言，本集團按所提供之服務劃分業務單位，兩個可報告經營分類如下：

- (a) 物業投資分類，就租金收入潛力於中華人民共和國大陸（「中國大陸」）物業之投資；及
- (b) 企業及其他分類，向集團公司提供管理服務。

經營分類之會計政策與本集團截至二零一一年十二月三十一日止年度之財務報表所述者一致。

2. OPERATING SEGMENT INFORMATION (Cont'd)

No geographical segment information is presented as over 90% of the Group's revenue is derived from customers based in Mainland China.

The following table presents revenue and results information for the Group's operating segments:

2. 經營分類資料(續)

因本集團90%以上之收入源自中國大陸之客戶，故並無呈報地區分類資料。

下表為本集團按經營分類呈列之有關收入及業績之資料：

For the six months ended 30 June

截至六月三十日止六個月

		Property investment 物業投資		Corporate and others 公司及其他		Total 總計	
		2012	2011	2012	2011	2012	2011
		二零一二年 (Unaudited) (未經審核) HK\$'000 千港元	二零一一年 (Unaudited) (未經審核) HK\$'000 千港元	二零一二年 (Unaudited) (未經審核) HK\$'000 千港元	二零一一年 (Unaudited) (未經審核) HK\$'000 千港元	二零一二年 (Unaudited) (未經審核) HK\$'000 千港元	二零一一年 (Unaudited) (未經審核) HK\$'000 千港元
Segment revenue:	分類收入：						
Sales to external customers	銷售予外界客戶	17,528	16,958	-	-	17,528	16,958
Segment results	分類業績	10,435	13,467	(5,410)	(4,159)	5,025	9,308
Other income	額外收入					207	292
Finance costs	財務費用					(5,555)	(5,408)
Profit/(loss) before tax	稅前溢利/(虧損)					(323)	4,192
Income tax expense	利得稅開支					(1,370)	(2,091)
Profit/(loss) for the period	期間溢利/(虧損)					(1,693)	2,101

2. OPERATING SEGMENT INFORMATION (Cont'd)

Information about major customers

For the six months ended 30 June 2012 (the "Period"), aggregate revenue from four customers (2011: four) with each of whom transactions had exceeded 10% of the Group's total revenue amounted to approximately HK\$17,528,000 (2011: HK\$16,958,000).

2. 經營分類資料(續)

有關主要客戶之資料

截至二零一二年六月三十日止六個月(「期間」)，來自四名客戶(二零一一年：四名)之總收入約為17,528,000港元(二零一一年：16,958,000港元)，而與各客戶進行之交易金額均已超逾本集團總收入之10%。

3. FINANCE COSTS

3. 財務費用

For the six months ended 30 June
截至六月三十日止六個月

2012	2011
二零一二年	二零一一年
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)
HK\$'000	HK\$'000
千港元	千港元

Interest on:	利息：		
Bank loans	銀行貸款	2,459	2,417
Finance lease	融資租賃	19	14
Loan from a director	董事貸款	3,077	2,977
		5,555	5,408

4. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

4. 稅前溢利／（虧損）

本集團之稅前溢利／（虧損）乃經扣除／（計入）：

		For the six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 (Unaudited) (未經審核) HK\$'000 千港元	2011 二零一一年 (Unaudited) (未經審核) HK\$'000 千港元
Depreciation	折舊	305	589
Interest income	利息收入	(16)	(15)
Net rental income	租金收入淨額	(17,528)	(16,958)

5. INCOME TAX EXPENSE**5. 利得稅開支**

		For the six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 (Unaudited) (未經審核) HK\$'000 千港元	2011 二零一一年 (Unaudited) (未經審核) HK\$'000 千港元
Provision for the period:	期內撥備：		
Elsewhere	其他地區	1,370	2,091

No provision for Hong Kong profits tax had been made as the Group did not generate any taxable profits in Hong Kong during the Period (2011: Nil).

由於本集團於期間並無在香港產生任何應課稅溢利，故未就香港利得稅作出撥備（二零一一年：無）。

5. INCOME TAX EXPENSE (Cont'd)

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof. The subsidiaries established in Mainland China are subject to income taxes at the rate of 25% (2011: 25%).

6. INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Period (2011: Nil).

7. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic loss per share for the Period is based on the loss attributable to ordinary equity holders of the Company of HK\$4,774,000 (2011: HK\$1,092,000) and the weighted average number of 151,404,130 (2011: 151,404,130) ordinary shares in issue during the Period.

During the six months ended 30 June 2012 and 2011, the Group had no potentially dilutive ordinary shares in issue.

5. 利得稅開支(續)

其他地區應課稅溢利稅項根據本集團經營業務所在國家之現行法例、詮釋及慣例，按該等國家之現行稅率計算。於中國大陸成立之附屬公司須按利得稅稅率 25% (二零一一年：25%) 繳稅。

6. 中期股息

董事會不建議派付期間之中期股息 (二零一一年：無)。

7. 本公司普通股權益持有人應佔每股虧損

期間每股基本虧損乃根據本公司普通股權益持有人應佔虧損4,774,000港元 (二零一一年：1,092,000港元) 及期間已發行普通股之加權平均數151,404,130股 (二零一一年：151,404,130股) 計算。

於截至二零一二年及二零一一年六月三十日止六個月，本集團並無已發行潛在攤薄普通股。

8. TRADE RECEIVABLES

An aged analysis of the Group's trade receivables at the end of the reporting period is as follows:

		30 June 2012 二零一二年六月三十日 (Unaudited) (未經審核)		31 December 2011 二零一一年十二月三十一日 (Audited) (經審核)	
		HK\$'000 千港元	% 百分比	HK\$'000 千港元	% 百分比
Within 6 months	6個月內	11,757	100	6,004	52
More than 6 months but within 1 year	超過6個月 但於1年內	-	-	3,690	32
More than 1 year but within 2 years	超過1年 但於2年內	-	-	1,850	16
		11,757	100	11,544	100

8. 貿易應收款項

本集團之貿易應收款項於報告期完結日之賬齡分析如下：

The Group generally grants a credit term of 3 months to 12 months to its customers.

The age of the Group's trade receivables is based on the date of recognition of turnover and the due date of instalments as stipulated in the sales contracts.

本集團一般授予其客戶3個月至12個月信貸期。

本集團貿易應收款項之賬齡根據銷售協議所列分期付款到期日營業額確認日計算。

9. TRADE PAYABLES

An aged analysis of the Group's trade payables at the end of the reporting period is as follows:

		30 June 2012 二零一二年六月三十日 (Unaudited) (未經審核)		31 December 2011 二零一一年十二月三十一日 (Audited) (經審核)	
		HK\$'000 千港元	% 百分比	HK\$'000 千港元	% 百分比
Within 1 year	一年內	2,608	92	7	3
More than 1 year	超過1年	239	8	239	97
		2,847	100	246	100

The age of the Group's trade payables is based on the date of the goods received or services rendered.

9. 貿易應付款項

本集團之貿易應付款項於報告期完結日之賬齡分析如下：

本集團之貿易應付款項之賬齡分析根據收取貨物或服務提供日起計算。

10. CONTINGENT LIABILITIES

At the end of the reporting period, the Group's contingent liabilities not provided for in the financial statements were as follows:

		30 June 2012 二零一二年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2011 二零一一年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Guarantees given for mortgage loans granted by banks to certain purchasers of the Group's properties	就銀行向本集團物業若干買家批出之按揭貸款所作之擔保	139	139

10. 或然負債

於報告期完結日，本集團並未於財務報表作出撥備之或然負債如下：

11. PLEDGE OF ASSETS

The Group's secured bank loans of HK\$60,395,000 (31 December 2011: HK\$63,688,000) were supported by certain of the Group's investment properties, a corporate guarantee executed by the Company and a personal guarantee executed by one of the Company's substantial shareholders.

12. OPERATING LEASE COMMITMENTS

The Group leases its office properties in Hong Kong under operating lease arrangements with leases negotiated for terms ranging from one to two years.

At 30 June 2012, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

11. 資產抵押

本集團之有抵押銀行貸款60,395,000港元(二零一一年十二月三十一日: 63,688,000港元)乃以本集團若干投資物業、本公司簽訂之公司擔保及本公司其中一名主要股東簽立之個人擔保作為支持。

12. 經營租約承擔

本集團根據經營租約安排租用香港辦公室物業，所議定之租期介乎一至兩年。

於二零一二年六月三十日，根據於下列期間到期之不可撤銷經營租約，本集團之未來應付最低租金總額如下：

		Group 本集團	
		30 June 2012 二零一二年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2011 二零一一年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Within one year	於一年內	1,426	1,426
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	356	1,069
		1,782	2,495

13. LITIGATIONS

(a) A writ of summons was issued in Hong Kong in August 2005 by a former director of a subsidiary of the Company (the “Plaintiff”) against, inter alia, the Company (the “Defendant”), a wholly-owned subsidiary of the Company, and a former director and certain accounting staff of the Company. According to the writ, the Plaintiff claimed certain damages in relation to the acquisition of a subsidiary by the Group from a private company controlled by the Plaintiff in December 2000. In the Indorsement of Claims, the Plaintiff claimed that a receipt for a consideration of HK\$33,500,000 signed by the private company controlled by the Plaintiff be set aside and demanded for payment of the outstanding consideration in the amount of HK\$33,500,000. The Defendant together with other defendants, filed a defence in February 2006. No further development took place since then until March 2012.

In March 2012, the Defendant, together with the other defendants, filed an application for dismissing the Plaintiff’s claim for want of prosecution. An “unless” order was subsequently made compelling the Plaintiff to proceed with the claim. The action is now being conducted in accordance with the timetable laid down by the court.

13. 訴訟

(a) 於二零零五年八月，本公司附屬公司一名前董事（「原告人」）在香港向（其中包括）本公司（「被告人」）、本公司全資附屬公司以及本公司一名前董事及若干會計人員發出傳訊令狀。根據傳訊令狀，原告人就本集團於二零零零年十二月向原告人控制的私營公司收購一間附屬公司所造成之若干損失提出索償。於索償書中，原告人聲稱其控制的私營公司簽署之代價33,500,000港元之收據應撤回，並要求支付未償代價金額33,500,000港元。被告人及其他被告人已於二零零六年二月提交抗辯狀。此後至二零一二年三月止案情並無任何進展。

於二零一二年三月，被告人，連同其他被告人，向法院以原訴人從未展開訴訟為理由申請撤銷原訴人的索償申請。其後法院頒佈「除非」執行令，勒令原訴人必需提交起訴理據（如有）。有關執行令現正按法院所頒令的限期內處理中。

13. LITIGATIONS (Cont'd)

(a) (Cont'd)

After seeking competent legal advice, the Company is of the view that the purported claim is unsustainable on legal ground and hence is optimistic in obtaining a favourable outcome.

- (b) The operating period of Guangzhou Zheng Da was initially set for a term of 15 years commencing from 31 December 1993 to 31 December 2008 and can be further extended at the request of either foreign or sino partner upon maturity. In December 2008, Guangzhou Zheng Da and its foreign Partner, Zheng Da, agreed to extend the joint venture period by 15 years with effect from 1 January 2009 but its sino partner withheld its consent to such extension. As such, Guangzhou Zheng Da served a writ against a third party (the "Defendant") at the Yuexiu District People's court (越秀區人民法院) demanding for disqualification of the Defendant as the sino partner to a sino-foreign joint venture established between Zheng Da (as the foreign party) and the Defendant (as the Sino partner).

13. 訴訟(續)

(a) (續)

經徵詢恰當法律意見後，本公司認為該所謂索償並無法律依據，因此對案情取得有利進展表示樂觀。

- (b) 廣州正大之經營期限初步定為十五年，自一九九三年十二月三十一日開始至二零零八年十二月三十一日到期，及於到期日可按外資合作方或國內合作方之要求進一步延長。於二零零八年十二月，廣州正大與其外資合作方正大同意延長合作企業期限15年，於二零零九年一月一日起生效，但其國內合作方撤銷對該延長的同意書。因此，廣州正大在廣州市越秀區人民法院向一名第三者（「被告人」）作出起訴書，要求取消被告人於正大（作為外資合作方）與被告人（作為國內合作方）成立之中外合作企業之中方角色。

13. LITIGATIONS (Cont'd)

(b) (Cont'd)

The relevant judgement was obtained in July 2009 with rulings endorsing the forfeiture of the partnership qualification and legal entitlements of the Defendant under the relevant joint venture agreement. Subsequent to this judgement, the Defendant filed an appeal petition at the Guangzhou Municipal Middle People's Court (廣州市中級人民法院) in August 2009 (the "Appeal") and a hearing of the Appeal was made in October 2009. Details about the developments of the Appeal were disclosed in the Company's announcement dated 23 March 2011. Both Guangzhou Zheng Da and Zheng Da are looking forward to receiving a formal and legally valid verdict, notice or directive in relation to the Appeal to be granted by the Guangzhou Court or its higher court in accordance with the relevant PRC laws and due judicial procedures.

Taking into account the latest rulings granted by the Yuexiu District People's Court in July 2009, the facts and legal ground substantiated at the first hearing of the Appeal, and the opinion given by the PRC legal counsels and advisors, the directors of the Company remain optimistic in obtaining a favourable judgement in the Appeal.

14. RELATED PARTY TRANSACTIONS

In addition to the related party transactions and balances with related parties as detailed elsewhere in the financial statements, the Group also incurred an interest expense of HK\$3,077,000 in respect of a loan from a director during the Period.

13. 訴訟(續)

(b) (續)

本集團已於二零零九年七月接獲相關裁決，認可被告人喪失合營企業協議項下之合作資格及合法權利。於作出該裁決後，被告人於二零零九年八月向廣州市中級人民法院提出上訴(「上訴」)，並已於二零零九年十月進行聆訊。有關上訴案件進展之進一步詳情於本公司日期為二零一一年三月二十三日之公佈中披露。廣州正大及正大現正等候廣州法院或更高級法院按相關中國法律及正當司法程序就上訴作出正式而在法律上有效之判決、通知或指示。

考慮到二零零九年七月越秀區人民法院作出之最新裁決、上訴首次聆訊證實之事實及法律依據及中國律師及法律顧問作出之意見，本公司董事仍然對在該上訴案件中獲得有利之判決仍然樂觀。

14. 關連人士交易

除本財務報表其他詳述之關連人士交易及關連人士結存外，本集團亦於期間產生董事貸款之利息支出3,077,000港元。

REVIEW OF RESULTS

The Group's consolidated turnover for the Period was HK\$17.53 million, which is almost the same level compared with the same period last year (30 June 2011: HK\$16.96 million). The Group's loss for the Period was HK\$1.69 million (30 June 2011: profit of HK\$2.10 million), which was mainly attributable to the increase in administrative expenses from HK\$7.65 million to HK\$12.50 million during the Period. The Group's loss attributable to equity shareholders was HK\$4.77 million for the Period (30 June 2011: HK\$1.09 million).

BUSINESS REVIEW

The Company is an investment holding Company. Its subsidiaries are principally engaged in property investment and development in Mainland China and has two property interests, one in Chongqing (重慶市) and the other in Guangzhou (廣州市).

Guang Yu Square (港渝廣場), a 16-storey plus a basement commercial building, is situated at the most prime commercial area at Chaotianmen (朝天門), Yuzhong District (渝中區), Chongqing (重慶市). Chaotianmen is one of the major clothing wholesale points in Chongqing while Guang Yu Square is the most popular clothing and footwear wholesale centre in the region. The Group has 100% interest in 7 floors of and 60% interest in the basement of Guang Yu Square with a total gross floor area of approximately 26,500 sq.m. and all of them are almost fully let. The Group is contemplating plan for repurchases of two additional floors which were sold to individual occupiers some years ago.

業績回顧

本集團期間之綜合營業額為17,530,000港元，與去年同期(二零一一年六月三十日：16,960,000港元)相比相差不大。本集團於期間之虧損為1,690,000港元(二零一一年六月三十日：溢利2,100,000港元)，盈利減少主要歸因於期內行政費用由7,650,000港元增加至12,500,000港元。權益持有人於期間應佔本集團之虧損為4,770,000港元(二零一一年六月三十日：1,090,000港元)。

業務回顧

本公司乃一間投資控股公司。其附屬公司主要於中國大陸從物業投資及發展，並擁有兩項物業權益，一項位於重慶市，另一項位於廣州市。

港渝廣場，一幢16層高連地庫商業樓宇位於重慶市渝中區朝天門之黃金商業地段。朝天門為重慶市主要服裝批發集散點之一，而港渝廣場則為該地區最火紅的服裝及鞋製品批發中心。本集團於港渝廣場地庫擁有60%權益及於七個樓層擁有100%權益，總樓面面積為約26,500平方米及所有物業已幾乎全部租出。本集團正計劃購回多年前已分散出售的其他兩個樓層。

BUSINESS REVIEW (Cont'd)

The property interest in Guangzhou (廣州市) is situated at the most prime commercial area in Yuexiu District (越秀區) with a total site area of approximately 22,800 sq.m. It is planned that the development site will be developed into a versatile grade A commercial building complex with wholesale and exhibition hall facilities having a total gross floor area of approximately 234,000 sq.m. and with an objective to be the landmark of the Yuexiu District. The development site is comprised of three contiguous land parcels located at the east of Jiefang Road South (解放南路), to the south of Daxin Road (大新路), to the north of Yede Road (一德路) and to the west of Xieen Road (謝恩里), Yuexiu District and is wholly owned by Guangzhou Zheng Da Real Estate Development Company Limited (廣州市正大房地產開發有限公司) (“Guangzhou Zheng Da”) which in turn Zheng Da Real Estate Development Co, Ltd. (“Zheng Da”) (a Hong Kong incorporated private company controlled by the Company’s largest single shareholder and its associates) has 100% interest.

業務回顧(續)

本集團於廣州市之物業權益位於越秀區黃金商業地區，總地盤面積約22,800平方米。該發展地盤將發展多功能甲級商業樓宇，並設有批發及展銷廳設施，可建總樓面面積約234,000平方米，並可望成為越秀區之地標建築。該發展地盤包括三幅位於越秀區解放南路以東、大新路以南、一德路以北及謝恩里以西之相連地塊，由廣州市正大房地產開發有限公司(「廣州正大」)全資擁有，而廣州正大則由正大房地產開發有限公司(「正大」)(一間由本公司最大單一股東及其聯繫人士所控制之香港註冊成立私人公司)擁有100%權益。

BUSINESS REVIEW (Cont'd)

Guangzhou Zheng Da was set up as a Sino-foreign joint venture by Zheng Da as the foreign partner and a third party as the Sino partner in Guangzhou in December 1993. Since its formation the Sino partner has not provided any capital or management support to Guangzhou Zheng Da to a material extent. Pursuant to the terms of the Enforcement Rules of the Joint Venture Agreement (合作合同實施細則) (the "Enforcement Rules") executed in 1994, the Sino partner agreed to surrender its entire interest in Guangzhou Zheng Da except those benefits specified in the Enforcement Rules and therefore Zheng Da assumed 100% interest in Guangzhou Zheng Da.

The Group acquired an 25% indirect interest in Zheng Da in December 2007 while the remaining 75% interest to be completed by the Group not later than 30 June 2013 at an aggregate consideration of RMB1,361,100,000 (approximately HK\$1,546,705,000). Details of the intended acquisition, including terms and conditions, consideration and settlement mechanism, and their amendments thereafter were disclosed in the Company's circular dated 26 November 2007 and the Company's announcements dated 31 March 2009, 29 June 2009, 17 December 2009, 22 June 2010, 24 June 2011 and 28 June 2012 (primarily refers to the deferment of the long stop date for completion of the acquisition from 31 March 2009 to 30 June 2013).

業務回顧(續)

廣州正大乃由正大(作為外方夥伴)及一名第三者(作為中方夥伴)於一九九三年十二月在廣州市成立之中外合作企業。自其成立以來,中方夥伴實際上未曾向廣州正大出資或打理業務。根據於一九九四年簽訂之合作合同實施細則(「實施細則」)之條款,除實施細則中所指定之可獲分配利益外,中方夥伴同意放棄其於廣州正大之所有權益,因此正大於廣州正大承擔了100%權益。

本集團於二零零七年十二月收購正大25%之間接權益,餘下75%之權益擬由本集團於不遲於二零一三年六月三十日完成,總代價為人民幣1,361,100,000元(約1,546,705,000港元)。建議收購事項之詳情(包括條款及條件、代價及支付方式以及彼等其後之修訂)乃披露於本公司於二零零七年十一月二十六日刊發之通函及本公司於二零零九年三月三十一日、二零零九年六月二十九日、二零零九年十二月十七日、二零一零年六月二十二日、二零一一年六月二十四日及二零一二年六月二十八日發表之各公告(主要提述將完成收購之最後截止日期從二零零九年三月三十一日遞延至二零一三年六月三十日)。

BUSINESS REVIEW (Cont'd)

The development project was initially planned to be completed within a period of 15 years but its progress was interrupted by the modifications of municipal planning from time to time in the past years. Pursuant to the terms of the relevant joint venture agreement, the joint venture period of Guangzhou Zheng Da is from 31 December 1993 to 31 December 2008 and can be further extended at the request of either foreign or Sino partner upon maturity. In December 2008, both Guangzhou Zheng Da and its foreign partner, Zheng Da, agreed to extend the joint venture period by 15 years with effect from 1 January 2009 but its Sino partner withheld its consent to such extension. As such, Guangzhou Zheng Da filed a petition at the Yuexiu District People's Court (越秀區人民法院) in late December 2008 demanding for disqualification of the Sino partnership of the subject joint venture. Judgment was obtained in July 2009 with rulings endorsing the forfeiture of the partnership qualification and legal entitlements of the Sino partner in the joint venture. The Sino partner then filed an appeal petition (the "Appeal") at the Guangzhou Municipal Middle People's Court (廣州市中級人民法院) in August 2009 and an hearing was made in October 2009. Both Guangzhou Zheng Da and Zheng Da have not yet received any notice of judgement or written judgment in respect of the Appeal from the relevant authority to-date. Details of the developments of the Appeal were disclosed in the Company's announcement dated 28 June 2012 and Company's 2011 annual report.

業務回顧(續)

該發展項目原訂於十五年內完成，但由於過去多年越秀區政府不時修訂區內規劃以致工程進度受到延誤。按相關合作企業協議之條款，廣州正大之合作期限由一九九三年十二月三十一日至二零零八年十二月三十一日止，並可由中外方夥伴任何一方於到期時提出續期要求。於二零零八年十二月，廣州正大及其外方夥伴正大均已同意把合作期限延長十五年，由二零零九年一月一日起生效，但廣州正大之中方夥伴並不同意續期。因此，廣州正大於二零零八年十二月下旬向越秀區人民法院提出呈請，要求取消中方夥伴在有關合作企業之夥伴角色。本集團已於二零零九年七月獲取裁決，認同中方夥伴已喪失合營企業中合作資格及合作權利。其後，中方夥伴於二零零九年八月向廣州市中級人民法院提出上訴（「上訴」），並於二零零九年十月進行聆訊。截至目前，廣州正大及正大均未從有關政府部門接獲有關上訴之任何裁決通知或書面裁決。有關上訴之發展詳情於本公司於二零一二年六月二十八日發表之公告及本公司二零一一年度年報中披露。

BUSINESS REVIEW (Cont'd)

Pending for re-developing into a commercial complex, the development site is presently comprised of a 2-storey non-permanent commercial podium and a car park for loading and offloading inventory. With a history of over one century for footwear business in the area surrounding the development site, the commercial podium is the most popular footwear wholesale centre in Guangzhou.

Litigations

Details of the litigations are disclosed in note 13 to the financial statements.

業務回顧(續)

在商場落成之前，該地盤目前包括一幢兩層高之非永久性商場及方便裝卸存貨之停車場。由於該地盤周圍地區已有過百年鞋業集散地之歷史，該商場現成為廣州最火紅的鞋類批發中心。

訴訟

有關訴訟之詳情乃於財務報表附註13內披露。

FINANCIAL REVIEW

Liquidity and financial resources

The Group generally financed its businesses with internally generated cash flows and banking facilities during the Period. Cash and bank balances of the Group as at 30 June 2012 amounted to HK\$19.40 million (31 December 2011: HK\$59.15 million). As at 30 June 2012 and 31 December 2011, there were no pledged deposits.

As at 30 June 2012, the Group had outstanding borrowings of approximately HK\$139.71 million (31 December 2011: HK\$185.08 million) comprising interest-bearing bank loans amounted to HK\$60.40 million (31 December 2011: HK\$63.69 million), finance lease payable amounted to HK\$0.61 million (31 December 2011: HK\$0.69 million), and loan from a director amounted to HK\$78.70 million (31 December 2011: HK\$78.70 million). As at 31 December 2011, the Group also included certain long term other payables of HK\$42 million as its outstanding borrowings. Of the Group's interest-bearing bank loans, 12%, 13%, 55% and 20% respectively were repayable within one year or on demand, in the second year, in the third to fifth years, inclusive and beyond five years.

財務回顧

流動資金及財務資源

於期間內，本集團一般以內部產生之現金流及銀行信貸作為其運作所需資金。於二零一二年六月三十日，本集團之現金及銀行結存達19,400,000港元（二零一一年十二月三十一日：59,150,000港元）。於二零一二年六月三十日及二零一一年十二月三十一日，本集團並沒有已抵押存款。

於二零一二年六月三十日，本集團有未償還貸款約139,710,000港元（二零一一年十二月三十一日：185,080,000港元），包括計息銀行貸款60,400,000港元（二零一一年十二月三十一日：63,690,000港元）、應付融資租賃費610,000港元（二零一一年十二月三十一日：690,000港元）及董事貸款78,700,000港元（二零一一年十二月三十一日：78,700,000港元）。於二零一一年十二月三十一日，本集團亦將為數42,000,000港元之若干長期其他應付款項列為其尚未償還貸款。本集團的計息銀行貸款中，其中12%、13%、55%及20%分別須於一年內或按要求、第二年及第三至第五年（包括首尾兩年）內及五年後償還。

FINANCIAL REVIEW (Cont'd)**Liquidity and financial resources (Cont'd)**

As at 30 June 2012, the secured bank loans of HK\$60.40 million (31 December 2011: HK\$63.69 million) and the finance lease payables of HK\$0.61 million (31 December 2011: HK\$0.69 million) of the Group bore interest at floating interest rate and fixed interest rate, respectively. The secured bank loan of HK\$14.94 million (31 December 2011: HK\$16.10 million) and finance lease payables of the Group are denominated in Hong Kong dollars. HK\$45.46 million (31 December 2011: HK\$47.59 million) of the secured bank loans are denominated in Renminbi.

The Group's gearing ratio as at 30 June 2012 was 0.04 (31 December 2011: 0.04), calculated based on the Group's interest-bearing bank and other borrowings and loan from a director of HK\$139.71 million (31 December 2011: HK\$143.08 million) over total assets of HK\$3,640.71 million (31 December 2011: HK\$3,679.06 million). The Group's gearing was maintained at a relatively low level during the Period.

Currency structure

The Group had limited exposure to foreign exchange rate fluctuations as most of its transactions, including borrowings, were mainly conducted in Hong Kong dollars or Renminbi and the exchange rates of these currencies were relatively stable throughout the Period.

財務回顧(續)**流動資金及財務資源(續)**

於二零一二年六月三十日，本集團60,400,000港元(二零一一年十二月三十一日：63,690,000港元)有抵押銀行貸款及610,000港元(二零一一年十二月三十一日：690,000港元)應付融資租約款項分別以浮息及固定息率計算利息。本集團14,940,000港元(二零一一年十二月三十一日：16,100,000港元)有抵押銀行貸款及應付融資租約款項以港元定值。45,460,000港元(二零一一年十二月三十一日：47,590,000港元)有抵押銀行貸款以人民幣定值。

本集團於二零一二年六月三十日之資本負債比率為0.04(二零一一年十二月三十一日：0.04)，乃按本集團計息銀行貸款及其他借款及董事貸款139,710,000港元(二零一一年十二月三十一日：143,080,000港元)除以資產總值3,640,710,000港元(二零一一年十二月三十一日：3,679,060,000港元)計算。於期間，本集團之資產負債比率維持在相對較低之水平。

貨幣結構

由於本集團絕大部份交易(包括借款)主要以港元或人民幣進行，而該等貨幣匯率在本期間內相對穩定，故本集團於期間內所面對之外幣匯率波動不大。

FINANCIAL REVIEW (Cont'd)

Pledge of assets

The Group had utilized bank loan facilities amounting to approximately HK\$60.40 million (31 December 2011: HK\$63.69 million) as at 30 June 2012. The loans were charged by the Group's investment properties and corporate guarantee executed by the Company.

Contingent liabilities

As at 30 June 2012, guarantees given for mortgage loans granted by banks to certain purchasers of the Group's properties amounted to HK\$0.14 million (31 December 2011: HK\$0.14 million).

Material acquisition

On 26 October 2007, it was announced that the Group entered into a conditional sale and purchase agreement on 9 October 2007 (as amended on 26 October 2007) (the "Agreement") with the private companies wholly owned by Messrs. Ho Pak Hung, Ho Tsam Hung and Ho Kam Hung (collectively the "Vendors"), pursuant to which, amongst other things, the Vendors agreed to sell and an indirectly wholly-owned subsidiary of the Company (the "Purchaser") agreed to acquire 100% equity interest in Zheng Da Real Estate Development Company Limited ("Zheng Da") at a consideration of RMB1,814,800,000 (the "Acquisition"). The principal asset held by Zheng Da is the indirect entire interest in a property interest situated in Guangzhou. Details of the Acquisition had been set out in a circular of the Company dated 26 November 2007 (the "Circular").

財務回顧(續)

資產抵押

於二零一二年六月三十日，本集團已動用之銀行信貸額約為60,400,000港元(二零一一年十二月三十一日：63,690,000港元)。該貸款以本集團若干投資物業及本公司所作之企業擔保作為支持。

或然負債

於二零一二年六月三十日，就銀行向本集團物業若干買家批出之按揭貸款而作出之擔保達140,000港元(二零一一年十二月三十一日：140,000港元)。

重大收購

於二零零七年十月二十六日，本集團宣佈與由何伯雄先生、何湛雄先生及何鑑雄先生(統稱「賣方」)全資擁有之私人公司於二零零七年十月九日訂立有條件買賣協議(於二零零七年十月二十六日修訂)(「協議」)。據此，其中包括，賣方同意出售及本公司間接全資附屬公司(「買方」)同意收購正大房地產開發有限公司(「正大」)100%股權，代價為人民幣1,814,800,000元(「收購事項」)。正大持有之主要資產為擁有位於廣州市之物業權益之間接全部權益。收購事項之詳情載於本公司於二零零七年十一月二十六日刊發之通函(「該通函」)。

FINANCIAL REVIEW (Cont'd)

Material acquisition (Cont'd)

Pursuant to the terms and conditions of the Agreement, the Purchaser may at its sole discretion elect to defer completion of one or more tranches (except the First Tranche) to a date later than the expected completion date of the relevant tranche but in any event not later than 31 March 2009. If the Purchaser does not complete any of the tranches on or before the relevant expected completion date, the Purchaser is obliged to pay to the Vendors a deferred interest payment (the "Deferred Interest") calculated at the rate of 4% p.a. on the consideration for such tranche for the period commencing from the relevant original expected completion date and ending on and excluding the day when the relevant consideration is settled by the Purchaser or 31 March 2009, whichever the earlier. In the event that the entire Agreement does not complete by 31 March 2009 (the "Long Stop Date"), the Agreement shall lapse (save for any part of completed tranches) and the Purchaser shall have no liabilities save for the Deferred Interest obligations.

Completion of the First Tranche took place on 17 December 2007. As at 31 March 2009, the Second Tranche, the Third Tranche and the Fourth Tranche had not been completed. As such, the Purchaser was obliged to pay to Vendors the Deferred Interest of the Second Tranche and the Third Tranche, which was RMB22,927,000 (approximately HK\$25,837,000) in total. No Deferred Interest was required to be paid by the Purchaser in respect of the Fourth Tranche as the original expected completion date for the Fourth Tranche was on 31 March 2009. The Purchaser and the Vendors then executed five supplementary agreements to the effect that the Long Stop Date was deferred to 30 June 2012.

財務回顧(續)

重大收購(續)

根據該協議之條款及條件，買方可按其全權酌情決定選擇將一個或多個部分(第一部份除外)之完成日期遞延至相關部分之預期完成日期後之日期，惟於任何情況下不遲於二零零九年三月三十一日。倘買方未能於相關預期完成日期或之前完成相關部分之任何一部分，買方須向賣方支付遞延利息(「遞延利息」)。遞延利息乃就有關部分之相關原預期完成日期至買方支付相關代價或二零零九年三月三十一日(以較早者為準)(不包括該日)止期間之相關代價按年利率4厘計算。倘整體協議於二零零九年三月三十一日(「最後截止日期」)尚未完成，則該協議將告失效(已完成部分之任何部分除外)，買方將不承擔任何責任，惟其須支付遞延利息之責任除外。

第一部份已經於二零零七年十二月十七日完成。於二零零九年三月三十一日，第二部分、第三部分及第四部分尚未完成。因此，買方須向賣方支付第二部分及第三部分之遞延利息，總額估計為數人民幣22,927,000元(約25,837,000港元)。買方無須就第四部分支付任何遞延利息，原因為第四部分之原預期完成日期為二零零九年三月三十一日。買賣雙方其後訂立五份補充協議，使最後截止日期延遲至二零一二年六月三十日。

FINANCIAL REVIEW (Cont'd)

Material acquisition (Cont'd)

In June 2012, the Purchaser and the Vendors, entered into supplemental agreement on 28 June 2012 to further extend the Long Stop Date to 30 June 2013 in order to give additional time for the parties to the Agreement to explore any opportunity to arrive at any revised terms for settlement of the consideration for, and completion timetable in relation to the uncompleted tranches, under the Agreement. For the avoidance of doubt, despite the extension of the Long Stop Date, no additional Deferred Interest shall be chargeable for the period from 1 April 2009 to 30 June 2013, both days inclusive.

財務回顧(續)

重大收購(續)

於二零一二年六月，買方與賣方於二零一二年六月二十八日訂立第七份補充協議，將最後截止日期進一步延遲至二零一三年六月三十日，給予該協議有關各方更多時間探討任何機會以達成有關該協議內未完成部份之支付代價及完成時間表之任何經修訂條款。為免生疑問，儘管延遲最後截止日期，惟二零零九年四月一日至二零一三年六月三十日止期間(首尾兩天包括在內)並不需要收取任何額外遞延利息。

EMPLOYEES AND REMUNERATION POLICY

The total staff cost for the Period was HK\$1.77 million. The Group employed about 20 full time staff in Hong Kong, Chongqing and Guangzhou as at 30 June 2012. Employees are remunerated according to the nature of their job and market trend, with built-in merit components incorporated in the annual increment to reward and motivate individual performance. In Chongqing and Guangzhou, the Group provided staff welfare and bonuses to its employees in accordance with the prevailing labour law. In Hong Kong, other staff benefits included medical schemes, Mandatory Provident Fund Scheme and employee share option scheme.

僱員及薪酬政策

本期間之員工成本總額為1,770,000港元。於二零一二年六月三十日，本集團在香港、重慶及廣州共僱用約20名全職僱員。本集團根據員工之工作性質及市場趨勢釐定酬金，每年加薪亦考慮個別員工之優異表現，以獎勵及激勵員工爭取表現。就重慶及廣州而言，本集團按現行勞動法為員工提供福利及花紅，而在香港則提供醫療計劃、強制性公積金計劃及僱員購股權計劃等其他員工福利。

PROSPECTS

Despite the State Council has been taking stricter measures to cool down the booming property market in most cities, the Group remains optimistic in the development potential and prospects of the property market in Mainland China in the medium to long term spectrum. The Group also considers that the location spread of its investment property projects in Chongqing, the capital city of the western China, and Guangzhou, the capital city of the southern China, may, to a better extent, diversify the business risks of different economic magnitude of the two regions. As such, the investment properties in Chongqing and Guangzhou generated about 40% and 60% of the Group's total revenue respectively during the year under review.

前景

儘管國務院已採取較為嚴厲之措施為大多數城市火熱之物業市場降溫，本集團仍然對中期至長期之中國大陸物業市場之開發潛力及前景保持樂觀態度。本集團亦認為，其於中國西部中心城市重慶及中國南部中心城市廣州投資物業項目之地區延伸能更好地分散兩個地區不同經濟力度之業務風險。因此，於回顧年內，重慶及廣州之投資物業分別產生本集團總收益之約40%及60%。

PROSPECTS (Cont'd)

The Group expects that the investment potential of the Guang Yu Square (港渝廣場) will be further improved in the medium term, as the Chongqing Municipal Government has been undergoing a major urban re-development (城市改造工程) at Chaotinanmen (朝天門) so that most old and poorly managed buildings surrounding the Guang Yu Square will be demolished in coming years. To couple with this major urban re-development, the Group is prepared to refurbish the Guang Yu Square to upgrade its facilities and exterior design.

The development project in the Yuexiu District (越秀區), Guangzhou (廣州市) was intended to be completed in 2014 but the construction schedule is deferred pending the outcome of rulings of the Appeal. Meantime, the non-permanent commercial podium at the development site continues to operate as a footwear wholesale centre and to contribute 60% of the Group's total revenue.

Amid the forthcoming presidential election in the United States in late 2012, it is anticipated that the United States government will continue the quantitative easing policies in both fiscal and monetary sectors in order to boost its domestic economy. The European Community nations will take similar measures to stabilize the impact of the sovereign debt crisis and to maintain the market interest rates at an extremely low level. It is anticipated that the western economy will continue to enjoy a low interest rate environment with modest inflationary pressure in the forthcoming two years.

前景(續)

本集團預期，港渝廣場之投資潛力將於中期内獲得進一步改善，原因為重慶市政府已在朝天門進行城市改造工程，港渝廣場四周大部分老舊樓宇將於來年被拆除。為結合該城市改造工程，本集團正準備整修港渝廣場以更新其設施及外部設計。

廣州市越秀區之發展項目乃擬於二零一四年完成，惟建築進度受到延遲，以待上訴之訟裁結果。同時，發展地盤上的非永久性商業平台則繼續以鞋類批發中心經營，貢獻本集團總收入之60%。

由於美國將於二零一二年底進行總統大選，預期美國政府將繼續於財政及貨幣方面推行量化寬鬆政策，以促進其本地經濟。歐盟國家將採取類似措施，以穩定債務主權危機之影響，以及維持低市場利率。預期這兩年西方經濟將繼續在低利率環境下出現溫和通脹壓力。

PROSPECTS (Cont'd)

In Mainland China, the Government had been relaxing the money supply in the market by reducing the deposit reserve ratio and standard loan interest rate since early 2012. This may help to alleviate the extremely tight money flow in the market but the Government's determination on combating property prices remains. Having considered these matters, the Directors will keep on a cautious approach in its property development projects on hand and re-mapping its business directions for the coming three years and are of the view that the Group should diversify its business. It is foreseen that the engagement in renewable energy and related industries will be a new business model all over the world in the forthcoming years.

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The tight money flow in the Mainland China market may not hit the Group's financial position to a material extent given of its strong asset backing and low gearing ratio. Instead, the Group may further lever on these advantages to explore new business opportunities in 2012 and 2013. In particular, the Directors will strengthen its management expertise and redeploy the Group's resources for meeting these new challenges.

Looking ahead, the Directors are confident and optimistic about the Group's future prospects.

前景(續)

於中國大陸，政府自二零一二年年初開始，已透過減低存款準備金率及基準貸款利率，放鬆市場貨幣供應。此舉或有助於舒緩市場極度緊張的貨幣流，然而政府就對抗樓價升勢之決定不變。考慮到以上事項，董事局對其物業發展項目採取審慎態度，並重新規劃未來三年的業務方向。董事認為應將本集團業務分散。預期從事可再生能源及相關行業將會成為往後數年的全球商業新趨勢。

由於本集團擁有優質資產及低負債比率，預期中國內地市場現金流緊絀不會對本集團之財務狀況構成重大打擊。反之，本集團可進一步善用該等優勢，在二零一二年及二零一三年發掘新商機。具體而言，董事局將致力壯大其管理團隊，及重新劃撥本集團資源以應付新挑戰。

展望未來，董事局對本集團前景充滿信心並感樂觀。

DIRECTORS'/CHIEF EXECUTIVE'S INTERESTS IN THE SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2012, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), the Model Code for Securities Transactions by Directors and which were required to be entered into the register pursuant to Section 352 of the SFO, were as follows:

董事／主要行政人員於本公司及其相聯法團之股份中之權益

於二零一二年六月三十日，根據證券及期貨條例（「證券及期貨條例」）第XV部第7及8分部規定及根據董事進行證券交易標準守則須知會本公司及香港聯合交易所有限公司（「聯交所」），以及須根據證券及期貨條例第352條規定載入登記冊之本公司董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中之權益及淡倉（包括根據該等證券及期貨條例規定被認為或被視為擁有之權益及淡倉）如下：

**DIRECTORS'/CHIEF EXECUTIVE'S
INTERESTS IN THE SHARES OF THE
COMPANY AND ITS ASSOCIATED
CORPORATIONS (Cont'd)**

董事／主要行政人員於本公司及其相聯
法團之股份中之權益(續)

Long position in shares of the Company

於本公司股份之好倉

Name of Director	董事姓名	Capacity and nature of interest 身份及權益性質	Number of shares held 所持股份數目	Percentage of the issued share capital 佔已發行 股本百分比
Ho Kam Hung	何鑑雄	Through controlled corporation 透過受控法團持有	27,650,000 (Note 1)(附註1)	18.26%

Note:

附註：

1. Ho Kam Hung is deemed (by virtue of the SFO) to be interested in these shares in the following capacities:

1. 根據證券及期貨條例，何鑑雄被視為以下列身份於該等股份中擁有權益：

(i) 2,700,000 shares are held by Morcambe Corporation, a company beneficially owned by him.

(i) Morcambe Corporation (一間由彼實益擁有之公司) 持有之2,700,000股股份。

(ii) 21,780,000 shares are held by EC Fair Limited, which he has 33 $\frac{1}{3}$ % interest.

(ii) 易致富有限公司(彼擁有33 $\frac{1}{3}$ %權益)持有之21,780,000股股份。

(iii) 3,170,000 shares are held by High Rank Enterprises Limited, which he has approximately 31.6% interest.

(iii) High Rank Enterprises Limited (彼持有約31.6%權益)持有之3,170,000股股份。

SHARES IN ASSOCIATED CORPORATIONS OF THE COMPANY

本公司相聯法團股份

At 30 June 2012, the following Director of the Company had interests in the non-voting deferred shares in certain of the Company's subsidiaries:

於二零一二年六月三十日，下列本公司董事所擁有之本公司若干附屬公司無投票權遞延股之權益如下：

Long position in shares of the associated corporations

於相聯法團股份之好倉

Name of director	Name of associated corporation	Relationship with the Company	Shares/equity derivatives	Numbers of shares/equity derivatives	Capacity and nature of interest	Percentage of the associated corporation's issued share capital	
董事姓名	相聯法團名稱	與本公司關係	股份／股本衍生工具	股份／股本衍生工具數目	身份及權益性質	佔相聯法團已發行股本百分比	
				Long position 好倉	Short position 淡倉		
Ho Kam Hung	Smart Hero (Holdings) Limited	Company's subsidiary	Non-voting deferred shares	91	–	Directly beneficially owned	30.13
何鑑雄	超霸控股有限公司	本公司之附屬公司	無投票權遞延股份	91	–	直接實益擁有	30.13
	China Realty Investment Limited	Company's subsidiary	Non-voting deferred shares	91	–	Directly beneficially owned	30.13
	中華置業地產投資有限公司	本公司之附屬公司	無投票權遞延股份	91	–	直接實益擁有	30.13

SHARES IN ASSOCIATED CORPORATIONS OF THE COMPANY (Cont'd)

Long position in shares of the associated corporations (Cont'd)

All the above mentioned non-voting deferred shares carry no rights to dividends, to receive notice of or to attend or vote at any general meeting of the relevant company, or to participate in any distribution on winding-up.

Save as disclosed above, as at 30 June 2012, to the knowledge of the Company, none of the directors or chief executive of the Company had or was deemed to have any interest or short position in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code.

本公司相聯法團股份(續)

於相聯法團股份之好倉(續)

上述所有無投票權遞延股份無權獲派股息、接收有關公司之股東大會通告或出席任何大會或於大會上投票，或參與任何清盤資產分派。

除上文所披露者外，據本公司所知，於二零一二年六月三十日，根據證券及期貨條例第352條規定設置之登記冊所記錄，概無任何本公司董事或主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有或被視為擁有任何權益或淡倉，或根據證券及期貨條例第XV部第7及8分部及標準守則須知會本公司及聯交所之任何權益或淡倉。

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Apart from as disclosed under the heading "Directors'/chief executive's interests in the shares of the Company and its associated corporations" above, at no time during the Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors or their respective spouse or children under 18 years of age to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

The Company's share option scheme which was adopted on 19 September 1997 (the "Old Scheme") was terminated and replaced by a new share option scheme (the "New Scheme") on 11 June 2002.

The principal purpose of the New Scheme is to provide eligible participants with the opportunity to acquire proprietary interests in the Company and as an incentive to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole.

The detailed terms of the New Scheme were disclosed in the Company's 2011 annual report. No share options were issued during the Period. The New Scheme was expired on 10 June 2012.

董事購買股份之權利

除上文「董事／主要行政人員於本公司及其相聯法團之股份中之權益」所披露者外，於本期間內任何時間，概無將可藉購入本公司或任何其他法人團體之股份或債券而獲得利益之權利授予任何董事、彼等各自之配偶或18歲以下子女，而彼等亦概無行使該等權利。本公司或其任何附屬公司亦無參與訂立任何安排，使董事、彼等各自之配偶或18歲以下子女可自任何其他法人團體獲得該等權利。

購股權計劃

本公司於一九九七年九月十九日採納之購股權計劃（「舊計劃」）已於二零零二年六月十一日終止，並由新購股權計劃（「新計劃」）取代。

新計劃主要旨在給予合資格參與者獲得本公司權益之機會，並作為致力提高本公司及其股份之價值之誘因，使本公司及全體股東得益。

新計劃之詳細條款於本公司二零一一年度年報內披露。本期間內並無發行購股權。新計劃已於二零一二年六月十日屆滿。

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2012, as far as is known to the Directors or the chief executive of the Company, the following persons (other than Directors or chief executive of the Company) had interests or short positions in the shares and underlying share as recorded in the register required to be kept under section 336 of the SFO:

主要股東

於二零一二年六月三十日，據本公司任何董事或主要行政人員所知，以下人士（本公司之董事或主要行政人員除外）擁有登記於根據證券及期貨條例第336條之規定存置之登記冊之股份及相關股份中之權益或淡倉如下：

Long position in shares of the Company

於本公司股份之好倉

Name 名稱	Capacity and nature of interest 身份及權益性質	Number of Shares held 所持股份數目	Percentage of the issued share capital 佔已發行 股本百分比
Ye Jia Li (Note 1) 葉家禮(附註1)	Spouse 配偶	27,650,000	18.26
Ho Tsam Hung (Note 2) 何湛雄(附註2)	Through controlled corporation 透過受控法團持有	26,400,000	17.44
Ho Pak Hung (Note 3) 何伯雄(附註3)	Through controlled corporation 透過受控法團持有	24,950,000	16.48
Liang Gui Fen (Note 4) 梁桂芬(附註4)	Spouse 配偶	24,950,000	16.48
Strong Hero Holdings Limited (Note 5) (附註5)	Directly beneficially owned 直接實益擁有	25,000,000	16.51
Xie Xiaoxiang (Note 5) (附註5)	Through controlled corporation 透過受控法團持有	25,000,000	16.51
EC Fair Limited 易致富有限公司	Directly beneficially owned 直接實益擁有	21,780,000	14.39
Hero Grand Investments Limited (Note 6) (附註6)	Directly beneficially owned 直接實益擁有	7,700,000	5.09
Leung Po Wa (Note 6) (附註6)	Through controlled corporation 透過受控法團持有	7,700,000	5.09

SUBSTANTIAL SHAREHOLDERS (Cont'd)

Long position in shares of the Company (Cont'd)

Notes:

1. As Ye Jia Li is deemed (by virtue of the SFO) to be interested in these shares in the capacity as the spouse of Ho Kam Hung, a Director.
2. Ho Tsam Hung is deemed (by virtue of the SFO) to be interested in these shares in the following capacities:
 - (i) 1,450,000 shares are held by Morgan Estate Assets Limited, which is beneficially owned by him.
 - (ii) 21,780,000 shares are held by EC Fair Limited, a company which he has 33 $\frac{1}{3}$ % interest.
 - (iii) 3,170,000 shares are held by High Rank Enterprises Limited, which he has approximately 31.58% interest.

主要股東(續)

於本公司股份之好倉(續)

附註：

1. 根據證券及期貨條例，葉家禮作為董事何鑑雄之妻子，被視為於該等股份中擁有權益。
2. 根據證券及期貨條例，何湛雄被視為以下列身份於該等股份中擁有權益：
 - (i) Morgan Estate Assets Limited(一間由彼實益擁有之公司)持有之1,450,000股股份。
 - (ii) 易致富有限公司(一間由彼擁有33 $\frac{1}{3}$ %權益之公司)持有之21,780,000股股份。
 - (iii) High Rank Enterprises Limited(彼持有約31.58%權益)持有之3,170,000股股份。

SUBSTANTIAL SHAREHOLDERS (Cont'd)

主要股東(續)

Long position in shares of the Company (Cont'd)

於本公司股份之好倉(續)

3. Ho Pak Hung is deemed (by virtue of the SFO) to be interested in these shares in the following capacities:

- (i) 21,780,000 shares are held by EC Fair Limited, which he has 33 $\frac{1}{3}$ % interest.
- (ii) 3,170,000 shares are held by High Rank Enterprises Limited, which he has approximately 31.58% interest.

3. 根據證券及期貨條例，何伯雄被視為以下列身份於該等股份中擁有權益：

- (i) 易致富有限公司(彼擁有33 $\frac{1}{3}$ %權益)持有之21,780,000股股份。
- (ii) High Rank Enterprises Limited(彼持有約31.58%權益)持有之3,170,000股股份。

4. Liang Gui Fen is deemed (by virtue of the SFO) to be interested in these shares in the capacity as the spouse of Ho Pak Hung.

4. 根據證券及期貨條例，梁桂芬被視為以何伯雄之妻子之身份於該等股份中擁有權益。

5. Strong Hero Holdings Limited is wholly-owned by Xie Xiaoxiang.

5. Strong Hero Holdings Limited由Xie Xiaoxiang全資擁有。

6. Hero Grand Investments Limited is wholly-owned by Leung Po Wa.

6. Hero Grand Investments Limited由Leung Po Wa全資擁有。

Save as disclosed above, as at 30 June 2012, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

除上文所披露者外，於二零一二年六月三十日，概無除本公司董事(其權益載於上文「董事於股份及相關股份之權益及淡倉」一節)外之任何人士擁有根據證券及期貨條例第336條規定須予登記之本公司股份及相關股份之權益或淡倉。

CODE ON CORPORATE GOVERNANCE PRACTICE

In the opinion of the Directors, the Company complied with the Code on Corporate Governance Practice (the "Code") as set out in Appendix 14 of the Listing Rules from time to time throughout the Period, except for the following deviation:

Code Provision A.4.2

The second part of Code A.4.2 stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The Managing Director of the Company, though without a specific term, had retired and voluntarily offered himself for re-election at general meetings in the past years. The Directors consider that this practice, though is voluntary by nature, is in line with the spirit of the Code's practice.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company had adopted the Model Code set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by its directors. Having made specific enquiry of the Directors, the Company confirmed that the Directors had complied with required standard set out in the Model Code throughout the accounting period covered by the Company's interim report.

企業管治常規守則

董事會認為，除有下列偏離外，本公司於整段期間符合上市規則附錄十四所載不時之企業管治常規守則（「守則」）：

守則條文A.4.2條

守則A.4.2條第二部分訂明，每名董事（包括有指定任期之董事）應輪值退任，至少每三年一次。

儘管本公司董事總經理並無指定任期，彼於過往年度均在股東大會上辭任並自願重選。董事會認為儘管此慣例屬自願性質，其符合守則常規之精神。

證券交易之標準守則

本公司已採納上市規則附錄十所載之標準守則作為董事進行證券交易之操守守則。經向董事作出特定查詢後，本公司確認董事於本公司中期報告所涵蓋之會計期間一直遵守標準守則所規定之準則。

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

REVIEW BY AUDIT COMMITTEE

The Interim Results had been reviewed by the Audit Committee of the Company.

買賣或贖回本公司上市證券

期內，本公司或其任何附屬公司概無買賣或贖回任何本公司之上市證券。

由審核委員會審閱

中期業績已由本公司之審核委員會審閱。

By order of the Board

Ho Kam Hung

Executive Director

Hong Kong, 28 August 2012

承董事會命

執行董事

何鑑雄

香港，二零一二年八月二十八日