



DAN FORM HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code : 271)

2007 INTERIM RESULTS

RESULTS

The Directors of Dan Form Holdings Company Limited (the “Company”) announce the unaudited condensed consolidated results of the Company and its subsidiaries (together the “Group”) for the six months ended 30th June 2007 with comparative figures for the previous corresponding period as follows:

CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 30TH JUNE 2007

	Note	2007 HK\$'000	2006 HK\$'000
Turnover	(3)	15,963	14,062
Cost of sales		(5,022)	(4,701)
Gross profit		10,941	9,361
Other income		5,828	2,458
Administrative expenses		(10,082)	(8,675)
Other operating expenses		-	(313)
Change in fair value of investment properties		13,103	32,000
Write back of provision for properties for sale		195	2,087
Operating profit	(4)	19,985	36,918
Finance costs	(5)	(6)	(3,432)
Share of profits/(losses) of associated companies		114,313	(3,326)
Profit before taxation		134,292	30,160
Taxation	(6)	(2,167)	(5,843)
Profit for the year		132,125	24,317
		HK cents	HK cents
Earnings per share Basic and diluted	(7)	11.63	2.14

CONSOLIDATED BALANCE SHEET (UNAUDITED)
AS AT 30TH JUNE 2007

	30th June 2007 Note	31st December 2006 HK\$'000
ASSETS		
Non-current assets		
Property, plant and equipment	(8) 365	501
Investment properties	460,136	446,897
Prepayments of leasehold land	324	325
Associated companies	1,163,364	1,040,500
Available-for-sale financial assets	40,421	39,384
	1,664,610	1,527,607
Current assets		
Properties for sale	1,800	222,613
Investment for sale	(9) -	55,416
Debtors and prepayments	(10) 20,324	30,806
Amounts due from associated companies	256,800	284,374
Taxation recoverable	527	336
Cash and bank balances	145,559	96,394
	425,010	689,939
Total assets	2,089,620	2,217,546
EQUITY		
Share capital	567,803	567,803
Reserves	1,438,436	1,307,443
Total equity	2,006,239	1,875,246
LIABILITIES		
Non-current liabilities		
Deferred taxation liabilities	57,159	54,900
Current liabilities		
Creditors and accruals	(11) 19,527	222,978
Amounts due to associated companies	6,695	5,947
Bank loans and overdrafts	-	52,376
Taxation payable	-	6,099
	26,222	287,400
Total liabilities	83,381	342,300
Total equity and liabilities	2,089,620	2,217,546
Net current assets	398,788	402,539
Total assets less current liabilities	2,063,398	1,930,146

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS ENDED 30TH JUNE 2007

	Share capital HK\$'000	Other reserves HK\$'000	Retained profit HK'000	Total HK\$'000
At 31st December 2006	567,803	720,475	586,968	1,875,246
Changes in exchange rates	-	(2,600)	-	(2,600)
Change in fair value of available-for-sale financial assets	-	1,037	-	1,037
Release of reserve upon liquidation of a subsidiary	-	431	-	431
Profit for the period	<u>-</u>	<u>-</u>	<u>132,125</u>	<u>132,125</u>
At 30th June 2007	<u>567,803</u>	<u>719,343</u>	<u>719,093</u>	<u>2,006,239</u>
 At 31st December 2005	 567,803	 721,559	 534,075	 1,823,437
Changes in exchange rates	-	19	-	19
Change in fair value of available-for-sale financial assets	-	(987)	-	(987)
Profit for the period	<u>-</u>	<u>-</u>	<u>24,317</u>	<u>24,317</u>
At 30th June 2006	<u>567,803</u>	<u>720,591</u>	<u>558,392</u>	<u>1,846,786</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

(1) GENERAL INFORMATION

The Company is a limited liability company incorporated in Hong Kong and has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited. The address of its registered office is Room 901-903, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong.

The principal activities of the Group are property development, property investment, estate management and holding of investments.

The interim financial information has been approved by the Board of Directors on 11th September 2007.

(2) BASIS OF PREPARATION

The interim financial information has been prepared under the historical cost convention as modified by the revaluation of certain properties, available-for-sale financial assets and investment for sale, which are carried at fair value, and also presented in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”).

The accounting policies and methods of computation used in the preparation of the interim financial information are consistent with those adopted in the annual financial statements for the year ended 31st December 2006. For the six months ended 30th June 2007, the Group has also applied a number of new standards, amendments and interpretations which are effective for the accounting periods beginning on or after 1st January 2007. The adoption of these new standards has no material impact to the accounting policies of the Group.

NOTES TO THE INTERIM FINANCIAL INFORMATION

(3) SEGMENT INFORMATION

(a) Business segments

	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Estate management <i>HK\$'000</i>	Investment holding <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the six months ended 30th June 2007						
Turnover	<u>1,571</u>	<u>9,816</u>	<u>3,743</u>	<u>833</u>		<u>15,963</u>
Operating profit	<u>675</u>	<u>19,999</u>	<u>2,858</u>	<u>1,526</u>	(5,073)	19,985
Finance costs						(6)
Share of profits/(losses) of associated companies	(8,551)	122,864	-	-		<u>114,313</u>
Profit before taxation						134,292
Taxation						<u>(2,167)</u>
Profit for the period						<u><u>132,125</u></u>
For the six months ended 30th June 2006						
Turnover	<u>1,606</u>	<u>9,623</u>	<u>2,612</u>	<u>221</u>		<u>14,062</u>
Operating profit	<u>1,904</u>	<u>38,460</u>	<u>2,326</u>	<u>2,632</u>	(8,404)	36,918
Finance costs						(3,432)
Share of profits/(losses) of associated companies	(10,090)	6,764	-	-		<u>(3,326)</u>
Profit before taxation						30,160
Taxation						<u>(5,843)</u>
Profit for the period						<u><u>24,317</u></u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

(3) SEGMENT INFORMATION (CONTINUED)

(b) Geographical segments

	2007		2006	
	Turnover <i>HK'000</i>	Segment results <i>HK\$'000</i>	Turnover <i>HK'000</i>	Segment results <i>HK\$'000</i>
Hong Kong	13,851	18,814	12,364	32,870
Mainland China	2,112	1,171	1,698	4,048
	<u>15,963</u>	<u>19,985</u>	<u>14,062</u>	<u>36,918</u>

(4) OPERATING PROFIT

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Operating profit is arrived at after crediting:		
Gross rental income	11,387	11,229
Outgoings of investment properties	(4,139)	(4,382)
Net rental income	7,248	6,847
Exchange gain	4,780	-
and after charging:		
Depreciation and amortisation	90	52
Exchange loss	-	373
Operating lease rental for land and buildings	1,297	648
Write-off of plant and equipment	-	5
	<u>90</u>	<u>52</u>

(5) FINANCE COSTS

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Interest on bank loans and overdrafts	-	3,340
Interest on other loans	6	6
Other incidental borrowing costs	-	86
	<u>6</u>	<u>3,432</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

(6) TAXATION

	2007	2006
	<i>HK\$'000</i>	<i>HK\$'000</i>
Deferred	<u>2,167</u>	<u>5,843</u>

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profit for the period. Taxation on profits generated in Mainland China has been provided at the prevailing rates applicable to those subsidiaries which operate in Mainland China.

The Group's share of profits/(losses) of associated companies is stated after deducting the Group's share of taxation amounting to HK\$28,450,000 (2006: HK\$1,239,000).

(7) EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity holders of HK\$132,125,000 (2006: HK\$24,317,000) and 1,135,606,132 (2006: 1,135,606,132) shares in issue during the period. The diluted earnings per share equals to the basic earnings per share since there are no dilutive potential shares in issue during both periods.

(8) PROPERTY, PLANT AND EQUIPMENT

	<i>HK\$'000</i>
Net book value at 31st December 2006	501
Changes in exchange rates	5
Additions	12
Depreciation	(88)
Liquidation of a subsidiary	(65)
	<hr/>
Net book value at 30th June 2007	<u>365</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

(9) INVESTMENT FOR SALE

The investment as at 31st December 2006 represented the Group's 25.5% equity interest in Beijing Lucky Building Company Limited ("Beijing Lucky"), formerly a subsidiary of the Group. On 26th April 2004, Turbo Dragon Limited ("Turbo Dragon"), a wholly-owned subsidiary of the Group, entered into a sale and purchase supplemental agreement, which was supplemental to the sale and purchase agreement dated 30th July 2003 and subsequently amended by supplemental agreements (collectively the "Agreements"), with China Yintai Investment Company Limited ("China Yintai") to sell its entire interest in Beijing Lucky, at an aggregate consideration, as subsequently amended on 22nd June 2004, of RMB134,070,000 (approximately HK\$131,047,000). On execution of the Agreements, a deposit of RMB25,000,000 (approximately HK\$24,038,000) was received and the remaining of RMB109,070,000 (approximately HK\$107,009,000) was receivable by instalments, which carried interest at agreed rates. On 21st November 2005, Turbo Dragon entered into another supplemental agreement with China Yintai, under which, inter alia, the payment schedule for the balance of the sale consideration was revised and the method of calculating interest on the instalments was agreed. According to the terms of the Agreements, Turbo Dragon has transferred the equity interest in Beijing Lucky to China Yintai in stages in proportion to the amount of consideration actually received, commencing in 2006. As at 30th June 2007, the Group received the whole consideration and transferred the entire equity interest in Beijing Lucky to China Yintai.

(10) DEBTORS AND PREPAYMENTS

	30th June 2007 HK\$'000	31st December 2006 HK\$'000
Trade debtors	4,199	6,521
Other debtors	4,394	8,720
Prepayments and deposits	<u>11,731</u>	<u>15,565</u>
	<u>20,324</u>	<u>30,806</u>

Trade debtors represent rental charges and estate management fees due from tenants which are payable on presentation of invoices. The ageing analysis of the trade debtors of the Group is as follows:

	30th June 2007 HK\$'000	31st December 2006 HK\$'000
Within 30 days	958	986
31 to 60 days	374	912
61 to 90 days	114	279
Over 90 days	<u>2,753</u>	<u>4,344</u>
	<u>4,199</u>	<u>6,521</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

(11) CREDITORS AND ACCRUALS

	30th June 2007 HK\$'000	31st December 2006 HK\$'000
Trade creditors	100	48,830
Other creditors	17,177	160,391
Accrued operating expenses	2,250	13,757
	<u>19,527</u>	<u>222,978</u>

The ageing analysis of the trade creditors of the Group is as follows:

	30th June 2007 HK\$'000	31st December 2006 HK\$'000
Within 30 days	100	479
Over 90 days	-	48,351
	<u>100</u>	<u>48,830</u>

(12) COMMITMENTS

(a) Operating leases commitments

The future aggregate minimum lease rental payments under non-cancellable operating leases in respect of land and buildings are payable in the following periods:

	30th June 2007 HK\$'000	31st December 2006 HK\$'000
Within one year	1,379	2,434
One to five years	-	261
	<u>1,379</u>	<u>2,695</u>

(b) Operating lease rental receivable

The future minimum lease rental receipts under non-cancellable operating leases in respect of investment and other properties are receivable in the following periods:

	30th June 2007 HK\$'000	31st December 2006 HK\$'000
Within one year	15,495	14,833
One to five years	35,569	31,916
Over five years	1,734	4,041
	<u>52,798</u>	<u>50,790</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

(13) LIQUIDATION OF A SUBSIDIARY

As more fully explained in note 31 of the 2006 annual financial statements, the Group has applied in December 2004 for the liquidation of Beijing Dan Yao Property Company Limited (“Dan Yao”) in order to enable the interest of all creditors of Dan Yao, including the Group, be dealt with fairly and properly. On 14th June 2007, the Second Intermediate People’s Court of Beijing Municipality granted an order for the liquidation of Dan Yao and the Group therefore is no longer able to exercise control on Dan Yao. Accordingly, the Group ceased to consolidate the financial statements of Dan Yao.

(14) RELATED PARTY TRANSACTIONS

	2007 <i>HK\$’000</i>	2006 <i>HK\$’000</i>
Estate management fee income from associated companies	<u>2,021</u>	<u>1,578</u>

The Group provided estate management services to Zeta Estates Limited and Kin Tong Land Investment Company Limited, associated companies of the Group, during the period. Estate management fees were charged at agreed percentage of rental income during the period.

INTERIM DIVIDEND

The Directors of the Company have resolved not to declare any interim dividend for the six months ended 30th June 2007 (2006: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Operations

The Group recorded a turnover of HK\$15,963,000 for the six months ended 30th June 2007, which represented an increase of approximately HK\$1,901,000 or 14% as compared with the same period in 2006. This was mainly due to the increase in service income from estate management in Hong Kong.

The profit attributable to equity holders for the six months ended 30th June 2007 was HK\$132,125,000 whereas HK\$24,317,000 was made for the same period in 2006. The increase in profit was mainly due to the increase in fair value of properties held by associated companies.

Hong Kong Business

Property

For the six months ended 30th June 2007, the average occupancy rates of the Group’s residential properties situated at Red Hill Peninsula and South Horizons were approximately 72% and 85% respectively, while the average occupancy rate of commercial properties situated at Harbour Crystal Centre was approximately 70%. During the period, the Group’s net rental income from property leasing was slightly higher than that for the same period in last year as a result of the increase in occupancy levels of the properties situated at Harbour Crystal Centre and Red Hill Peninsula.

Beijing Business

The Wangfujing Projects

Lot No. F1

According to the supplementary sale and purchase agreements entered between Turbo Dragon Limited (“Turbo Dragon”), a wholly-owned subsidiary of the Group, and China Yintai Investment Company Limited (“China Yintai”) on 8th February 2006, Turbo Dragon has sold its 61.1% interest in Beijing Lucky Building Company Limited (“Beijing Lucky”) to China Yintai for a total consideration of RMB134,070,000 (approximately HK\$131,047,000) and interest thereon of approximately RMB12,225,000 (approximately HK\$12,012,000).

On 9th February 2007, the fifth instalment of approximately RMB22,870,000 (approximately HK\$22,870,000), representing 10.5% shareholding of Beijing Lucky, together with the accrued interest and penalty of approximately RMB2,957,000 (approximately HK\$2,957,000) were received by Turbo Dragon from China Yintai.

As at 30th June 2007, the Group received the whole consideration and transferred the entire equity interest in Beijing Lucky to China Yintai.

Dan Yao Building (85% owned)

On 14th June 2007, the Second Intermediate People’s Court of Beijing Municipality (the “PRC Court”) granted approval for the liquidation of Beijing Dan Yao Property Company Limited (“Dan Yao”) and assigned Beijing Enterprise Liquidation Co., Ltd. and W & H Law Firm China as the receivers (the “Receivers”) of Dan Yao. On 19th June 2007, the Receivers stationed in Dan Yao.

The Xidan Project (29.4% owned)

As at 30th June 2007, regarding the issue of separate real estate certificates for commercial units in respect of the building located at Lot No. 2, three out of sixteen units had been completed, while for individual business units, fifteen out of twenty-six units had been completed. According to the sale and purchase agreement of the land located at Lot No. 4, Beijing Jing Yuan Property Development Co., Ltd. (“Jing Yuan”) had received RMB1,130,937,000 (approximately HK\$1,070,359,000) out of the sales consideration of RMB1,220,000,000 (approximately HK\$1,150,943,000). Since the purchaser has delayed in paying the balance of RMB89,063,000 (approximately HK\$91,817,000), Jing Yuan has demanded for payment of the remaining balance and the related penalty by taking legal actions. The land and the building ownership certificate of the property at Lot No. 5, which was sold to China United Telecommunication Corporation (“China United Telecom”), has been registered in the name of China United Telecom; the remaining consideration of RMB 39,244,000 (approximately HK\$39,244,000) was received. The arrangement of the main building ownership certificate in respect of the project at Lot No. 8 has been completed; separate ownership certificates for nine out of three hundreds and eighty-one organizational resettlement units and eight out of three hundreds and seventy-two residential resettlement units have not been arranged. The marketing of the building at Lot No. 9 is still continuing. According to the preliminary agreement of assignment of land at Lot No. 10 entered with Beijing Yonganxingye Property Development Co., Ltd. (“Yonganxingye”), the intended price for the sale of land is RMB110,000,000 (approximately HK\$113,402,000) , of which RMB45,000,000 (approximately HK\$45,464,000) has been received.

In the second half of 2007, it is expected that the issue of separate real estate certificate for each of the units of the project at Lot No. 2 will be carried on. The remaining outstanding amount of RMB89,063,000 (approximately HK\$91,817,000) and the related penalty under the sale and purchase agreement of the land at Lot No. 4 will be collected by taking legal actions. The marketing of the building at Lot No. 9 will be carried on. The transfer of title of land at Lot No. 10 will be completed and the official sale of purchase agreement will be entered with Yonganxingye. The remaining consideration of RMB65,000,000 (approximately 67,010,000) of the sale of land will also be received.

ASSETS AND CHARGES

The total assets of the Group decreased from HK\$2,217,546,000 as at 31st December 2006 to HK\$2,089,620,000 as at 30th June 2007. Net assets of the Group increased from HK\$1,875,246,000, as at 31st December 2006 to HK\$2,006,239,000 as at 30th June 2007. The Group had no bank borrowings as at 30th June 2007; whereas borrowings amounting to HK\$52,376,000 as at 31st December 2006 were secured by a pledge of property.

FINANCIAL POSITION, LIQUIDITY AND FINANCIAL RESOURCES

The total liabilities of the Group have decreased from HK\$342,300,000 as at 31st December 2006 to HK\$83,381,000 as at 30th June 2007. The Group had cash and bank balances of HK\$145,559,000 as at 30th June 2007 (2006: HK\$96,394,000). The ratio of total liabilities to total assets was approximately 4% (2006: 15%). As at 30th June 2007, the Group had no bank loans and bank overdrafts (2006: HK\$52,376,000) and the total equity was HK\$2,006,239,000 (2006: HK\$1,875,246,000); and therefore the capital gearing ratio of the Group was zero as at 30th June 2007. As at 30th June 2007, the current assets of the Group amounted to HK\$425,010,000 (2006: HK\$689,939,000), which exceeded its current liabilities by HK\$398,788,000 (2006: HK\$402,539,000). Given that the PRC Court has approved the application for liquidation of Dan Yao, no further payments except for a small amount of liquidation expenses are required for Dan Yao. The operations of the Group can generate sufficient cash flows to meet its requirements.

For the six months ended 30th June 2007, the Group had no exposure to fluctuations in exchange rates and there were no contingent liabilities.

EMPLOYEES

As at 30th June 2007, the Group, excluding associated companies, had 51 employees of which 39 were employed in Hong Kong.

In addition to basic salaries, employees in Hong Kong are provided with medical insurance and some of them are included under a defined contribution provident fund scheme and mandatory provident fund scheme.

PROSPECTS

The Hong Kong and global economies are continuously unstable and therefore their developments are probably variable. The Group is cautious in managing its finance. Based on completing the adjustment of the operation strategy, the Group will strike the balance between the need and possibility and the opportunity and risk, and will continuously seek for some investment projects which are beneficial to the Group's development.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not redeemed any of its shares during the six months ended 30th June 2007. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the six months ended 30th June 2007.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities (the "Listing Rules") as its own code of conduct regarding the directors' securities transactions. The Company has made specific enquiry of all Directors whether they have complied with the Model Code and all Directors confirmed that they have complied with the Model Code for the six-months ended 30th June 2007.

Written guidelines on no less exacting terms than the Model Code relating to securities transactions for employees have been sent to the relevant employees of the Group.

CORPORATE GOVERNANCE

The Company applied the principles and complied with all requirements set out in the Code on Corporate Governance Practices, contained in Appendix 14 of the Main Board Listing Rules, except with a deviation from code provision A.2.1 due to the fact that, currently the Group is still adjusting its business structure and strategy and therefore, at present the Group has no separation of the roles of the chairman and chief executive. Mr. Dai Xiaoming is still responsible for the roles of chairman and chief executive.

By Order of the Board
Fung Man Yuen
Company Secretary

Hong Kong, 11th September 2007

As at the date hereof, the board of directors of the Company comprises of five Directors, of which two are Executive Directors, namely Mr. Dai Xiaoming and Mr. Kenneth Hiu King Kon; and three are Independent Non-Executive Directors, namely Mr. Jesse Nai Chau Leung, Mr. Xiang Bing and Mr. Edward Shen.

A detailed interim results containing all the information required by paragraph 46(1) to 46(6) of Appendix 16 of the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") will be published on the Company's website (<http://www.danform.com.hk>) and the Stock Exchange's website (<http://www.hkex.com.hk>) in due.