

Interim
Report
中期報告
2008

 新澤控股有限公司
New Heritage Holdings Ltd.

(於開曼群島註冊成立之有限公司)

(Incorporated in the Cayman Islands with limited liability)

香港聯交所上市編號: 95 HKSE Stock Code: 95

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Corporate Information 公司資料

DIRECTORS

Executive Directors

Mr. TAOCHAIFU Choofuang (*also known as CF Tao*) (*Chairman*)
Mr. TAO Richard (*Vice Chairman*)
Mr. TAO Paul (*also known as TAOCHAIFU Pom*)
(*Managing Director*)
Mr. KONG Mui Sum Lawrence
Mr. YIM Chun Leung

Non-Executive Director

Mr. CHAN Bernard Charnwut

Independent Non-Executive Directors

Mr. WONG Gary Ka Wai
Mr. SUN Leland Li Hsun
Mr. CHAN Norman Enrique

AUDIT COMMITTEE

Mr. WONG Gary Ka Wai (*Chairman*)
Mr. SUN Leland Li Hsun
Mr. CHAN Norman Enrique

NOMINATION COMMITTEE

Mr. CHAN Norman Enrique (*Chairman*)
Mr. SUN Leland Li Hsun
Mr. TAO Paul

REMUNERATION COMMITTEE

Mr. SUN Leland Li Hsun (*Chairman*)
Mr. CHAN Norman Enrique
Mr. TAO Richard

AUTHORISED REPRESENTATIVES

Mr. YIM Chun Leung
Ms. CHAN Meily

COMPANY SECRETARY

Ms. CHAN Meily ACS, ACIS, MBA

QUALIFIED ACCOUNTANT

Mr. LAU Kam Kwok, Dickson CPA

AUDITORS

Grant Thornton

董事

執行董事

陶哲甫先生(*別名CF Tao*)(*主席*)
陶家祈先生(*副主席*)
陶錫祺先生(*別名 TAOCHAIFU Pom*)
(*董事總經理*)

江淼森先生
嚴振亮先生

非執行董事

陳智思先生

獨立非執行董事

王家偉先生
孫立勳先生
陳樂文先生

審核委員會

王家偉先生(*主席*)
孫立勳先生
陳樂文先生

提名委員會

陳樂文先生(*主席*)
孫立勳先生
陶錫祺先生

薪酬委員會

孫立勳先生(*主席*)
陳樂文先生
陶家祈先生

授權代表

嚴振亮先生
陳美莉女士

公司秘書

陳美莉女士 ACS, ACIS, MBA

合資格會計師

劉金國先生 CPA

核數師

均富會計師行

Corporate Information (Cont'd) 公司資料(續)

REGISTERED OFFICE

Clifton House
75 Fort Street
P.O. Box 1350 GT
George Town
Grand Cayman
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2301, 23/F
Fortis Bank Tower
77-79 Gloucester Road
Wanchai, Hong Kong

LEGAL ADVISERS (in alphabetical order)

Appleby Hunter Bailhache
Grandall Legal Group (Shanghai)
Sidley Austin

PRINCIPAL BANKERS (in alphabetical order)

Bank of China Limited (Suzhou Branch)
Bank of Communications Co., Ltd. Hong Kong Branch
China Construction Bank Corporation (Suzhou Branch)
Chong Hing Bank Limited
Public Bank (Hong Kong) Limited
Standard Chartered Bank (Hong Kong) Limited
The Bank of East Asia, Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Corporate Services (Cayman) Limited
Clifton House
75 Fort Street
P.O. Box 1350 GT
George Town
Grand Cayman
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
26/F Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

HKSE STOCK CODE

95

WEBSITE

www.nh-holdings.com

註冊辦事處

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George Town
Grand Cayman
Cayman Islands

總辦事處及香港主要營業地點

香港灣仔
告士打道77-79號
華比富通大廈
23樓2301室

法律顧問 (按英文字母排列次序)

Appleby Hunter Bailhache
國浩律師集團(上海)事務所
盛德律師事務所

主要往來銀行 (按英文字母排列次序)

中國銀行股份有限公司(蘇州分行)
交通銀行股份有限公司香港分行
中國建設銀行股份有限公司(蘇州分行)
創興銀行有限公司
大眾銀行(香港)有限公司
渣打銀行(香港)有限公司
東亞銀行有限公司

主要股份過戶登記處

Appleby Corporate Services (Cayman) Limited
Clifton House
75 Fort Street
P.O. Box 1350 GT
George Town
Grand Cayman
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
灣仔
皇后大道東28號
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香港聯交所股份代號

95

公司網址

www.nh-holdings.com

Chairman's Statement

主席報告

To our Shareholders

Results and Dividends

During the six months ended 30 June 2008, the Group's turnover amounted to approximately HK\$8.6 million (2007: HK\$12.8 million). Consolidated loss attributable to equity holders of the Company was approximately HK\$11.7 million, as compared with net profit attributable to equity holders of approximately HK\$18.4 million for the same period in the previous year. Losses per share was HK\$0.01, compared to earnings per share of HK\$0.02 in the first half of 2007.

The Directors do not propose an interim dividend for the period (2007: Nil).

Business Review

The macroeconomic situation for the last few months have been generally unfavourable to real estate developers with the Central government determined to fight inflation and inflows of hot money into the PRC which speculate on the appreciation of the renminbi. With their broad brush approach, their policies have affected both demand for properties as well as developers' financing options.

The Suzhou real estate market can best be characterised by buyers adopting a "wait and see" approach. The purchasing power of Suzhou inhabitants continues to be strong because of a combination of strong high value-added industrial output and continued high levels of foreign direct investment in industry in the region. This has resulted in continued inflows of skilled workers from around the country taking better than average paying jobs. With the vastly improved environment, infrastructure and social infrastructural systems in Suzhou, many families are also attracted to relocate to the region creating a natural increase in the demand for housing. However with news of falling house prices in southern China and generally pessimistic coverage by the press, potential buyers have naturally adopted the approach mentioned above. Nevertheless, home prices in Suzhou have generally remained firm.

Our group has adopted a positive and proactive response to the current market sentiment. We are leveraging our strong brand recognition in Suzhou and further enhancing it through increased and intelligent marketing to position our products amongst the best that are on offer in the city. At the same time, through prudent cost control in land acquisition and construction, and our experience in design and local product positioning, we are able to provide a product of better value and attractiveness. We believe this will stand us in good stead in a challenging market environment. We also continue to watch the market closely and are nimble and attentive enough in our management to respond to changes and opportunities in such times.

致本公司股東

業績及股息

於截至二零零八年六月三十日止六個月，本集團的營業額約為8,600,000港元(二零零七年：12,800,000港元)。本公司權益持有人應佔綜合虧損約為11,700,000港元，而上年度同期則錄得權益持有人應佔純利約18,400,000港元。每股虧損為0.01港元，二零零七年上半年錄得每股盈利0.02港元。

董事會不建議就回顧期間派發中期股息(二零零七年：無)。

業務回顧

中國通脹高企及熱錢流入投機人民幣升值，促使中央政府決定採取應對措施，最近數月的宏觀經濟環境對房地產發展商整體較為不利。由於中央政府的打擊面頗廣，有關政策已對物業需求及發展商的融資渠道造成影響。

蘇州房地產市場的買家均採取「觀望」態度。蘇州居民的購買力持續強勁，原因是蘇州的高附加值工業產量理想，以及外商在區內的直接投資保持於較高水平。前述因素吸引全國各地的熟練勞工進入蘇州，賺取高於平均薪資。蘇州的環境、基礎設施及社會基建體系大幅改善，亦吸引許多家庭落戶，推動房地產需求自然增長。然而，面對華南地區房價不斷下跌的消息及媒體普遍悲觀的報導，潛在買家自然採取上述觀望態度。儘管如此，蘇州的房價整體仍保持穩定。

面對現時的市場情緒，本集團已採取積極主動的應對措施。本集團正利用其在蘇州的高知名度，並透過加強推廣及靈活市場策略，進一步提升品牌知名度，推動本集團的產品躋身蘇州市最優秀產品之列。同時，透過對收購土地及建築開發實施審慎的成本控制，及憑藉本集團於設計及當地產品定位的經驗，本集團可提供物超所值、更具吸引力的產品。本集團相信，這將使本集團在艱難市道中仍能屹立不倒。本集團亦會持續密切關注市場動向，實施靈活而慎密的管理，因應市場變化及機遇採取恰當措施。

Chairman's Statement (Cont'd) 主席報告(續)

Our land acquisition programme continues in earnest in spite of considerably fewer sites being made available for tender or auction this year. We continue to identify good potential sites and to wait for the appropriate time to purchase them. It is expected that land tenders and auctions this year may attract much less bidding competition and this type of environment is regarded by us as an opportune time to further increase a quality land bank.

Outlook

With the effective completion and delivery of Phase One of Wuzhong Garden Court at the end of 2007, the success of a new project in a new neighbourhood has underlined our Group's well-earned reputation as a respected and branded residential developer in Suzhou's medium to high-end residential market. We are pleased to report that in March 2008, Phase Two presales commenced, while detailed design of the commercial portion has been completed and construction work is scheduled to commence in the 2nd half of 2008.

Another major lifestyle residential community project for the Group in Suzhou is located in the historical Guangfu Town of Wuzhong District on a site of approximately 131,445 sq.m.. Despite the sizeable site area, it will comprise low-density townhouses of modern Chinese style. Our customers can look forward to this new conception to be in perfect match with the natural environment and spectacular scenery of its surroundings.

Comprising around 370 townhouses and a club house accounting for a total gross floor area of around 89,000 sq.m., the project will be developed in two phases. Phase One will consist of around 180 townhouses and the club house, totaling approximately 45,000 sq.m. gross floor area, whereas Phase Two will deliver around 190 townhouses of approximately 44,000 sq.m. of gross floor area. We are pleased to report that construction of Phase One commenced in May 2008 while that of Phase Two should start early 2009.

The Group has also begun design on an office project located in Wuzhong District. This is on a site of approximately 14,600 sq.m. with a plot ratio allowing for the development of a high-rise office tower with a retail podium, making up a total gross floor area of around 58,400 sq.m. above ground and around 20,000 sq.m. below ground. Construction of the project is expected to commence in mid 2009.

In spite of the very challenging economic conditions in the first half of 2008, we have great confidence in our business experience and management discipline, riding on our proven approach in identifying promising sites and pursuing related acquisitions, our healthy profit margins and ability to deliver outstanding products in emerging districts in Greater Suzhou. The promising demographics of Suzhou and its dynamic municipalities are key factors to its resilience and the positive outlook for its real estate market.

儘管本年度可供招標或拍賣的地塊相對較少，本集團的土地收購計劃仍在積極進行。本集團繼續物色有較大潛力的地塊，並等待適當購入時機。預計本年度在土地招標及拍賣方面的競爭可能會顯著減少，本集團認為這是進一步增加高質素土地儲備的良機。

展望

隨著蘇州錦悅苑第一期於二零零七年底竣工及完成交付予買家，這個於新社區落成的新項目，更能突顯本集團在蘇州中高檔住宅物業市場作為優質住宅發展商的美譽及品牌。本集團欣然公佈，於二零零八年三月，第二期預售已開始，商用物業部分的設計細節已落實，預計將於二零零八年下半年展開建築工程。

本集團在蘇州的另一大型時尚生活住宅社區項目位於吳中區歷史悠久的光福鎮，地塊面積約131,445平方米。儘管地塊面積大，項目由現代中國風格的低密度住宅群組成。這一嶄新概念與周遭的自然和歷史環境完全融合，本集團客戶對此充滿期待。

該項目將分兩期發展，包括約370幢聯排別墅及一個會所，總樓面面積約89,000平方米。第一期將包括約180幢聯排別墅及會所，總樓面面積約45,000平方米，而第二期將包括約190幢聯排別墅，總樓面面積約44,000平方米。本集團欣然公佈，第一期已於二零零八年五月開始建造，而第二期應於二零零九年初動工。

本集團亦已開始對一項位於吳中區的辦公室項目進行設計。該項目的地塊面積約14,600平方米，將發展為一幢綜合式零售商場及多層辦公大樓，地上總樓面面積約為58,400平方米，地下總樓面面積將約為20,000平方米。預期於二零零九年中展開該項目的建築工程。

儘管二零零八年上半年的經濟環境充滿挑戰，但憑藉本集團物色優質地塊及尋求相關收購的成功策略、穩健的利潤率及在大蘇州區內新興地段提供優質產品的能力，管理層對本集團的業務經驗及管理準則充滿信心。蘇州市人口組合優化及市政不斷發展，是蘇州市房地產市場保持活力及前景向好的關鍵因素。

Management Discussion and Analysis

管理層討論及分析

REVIEW OF OPERATION

During the period under review, the Group continued to engage in property development and investment businesses in the cities of Suzhou, Beijing, Shanghai and Jiangsu Province with the aim of providing the best value and quality of properties to its customers. Our focus in these regions enables us to utilise best our local market knowledge and expertise built up over more than 15 years in Jiangsu Province and to keep costs as low as possible with a concentration of a management team and resources in the region.

The Group strives to maintain a balance between development as well as investment properties with the former providing the majority of our profits and turnover and the latter providing a steady flow of ongoing and long-term income.

As it is difficult to predict the precise time when certain property sites will be brought to market by the local government, our biggest challenge since our initial public offering in 2005 has been to maintain a smooth and consistent pipeline of development products to the market. Our major land acquisition programme occurred throughout 2007 resulting in most of our output expected to be in 2009 and beyond. Over time, this pipeline is expected to become more consistent as site acquisition and production becomes overlapping.

Property Development

Our major projects this year are located in the Wuzhong District of Suzhou, which has a very attractive living environment enhanced by new first class transportation networks and a large affluent migrating population from the old city centre. Wuzhong Garden Court is situated in the energetic Wuzhong Economic Development Zone amidst public parks and lakes and Taihu Garden Court is a low density development, which is now much sought after by an increasingly affluent and mobile local population.

Upcoming projects are also situated in the Wuzhong District of Suzhou, as well as neighbouring Wujiang City which lies in between the metropolis of Shanghai and Suzhou city and is a thriving centre for industry, manufacturing and commerce.

業務回顧

於回顧期內，本集團繼續在蘇州、北京、上海及江蘇省從物業發展及投資業務，致力為客戶提供最物有所值及最具質素的物業項目。本集團於該等地區集中發展業務，可使本集團更有效利用本身逾15年來在江蘇省累積的當地市場知識及專業技能，並透過將管理團隊及資源集中在該地區，將成本降至最低。

本集團致力維持物業發展與持有投資物業之間的平衡，前者為本集團帶來大部分盈利及營業額，而後者則為本集團提供持續穩定的長期收入。

由於難以預測地方政府將若干物業地塊投放市場的確切時間，因此本集團自二零零五年上市以來一直面臨的最大挑戰就是平穩及持續地把發展中的項目推出市場。本集團的主要土地收購計劃均在二零零七年落實，致使大部分項目將於二零零九年或以後投放市場。在往後時間，預期收購地塊與推出物業應市的銜接時間將更為順暢。

物業發展

本集團於本年度的主要項目位於蘇州吳中區，該地區居住環境宜人，同時擁有新建的一級交通網絡及眾多來自舊城中心區的移民人口。錦悅苑位於充滿活力的吳中經濟開發區，內有公園及湖泊。錦澤苑為低密度發展項目，目前受到當地日益富裕人士及流動人口的追捧。

即將興建的項目亦位於蘇州吳中區，並毗鄰吳江市。吳江市位於上海市與蘇州市之間，是一個繁榮的工業、製造業及商業中心。

Management Discussion and Analysis (Cont'd)

管理層討論及分析(續)

Status of Major Projects

1. Wuzhong District Projects in Suzhou

Wuzhong Garden Court

The project comprises a residential and a commercial portion with approximate gross floor areas of 45,500 sq.m. and 16,500 sq.m. respectively. The residential portion consists of nine six- to eleven-storey apartment blocks, a club house and an underground carpark. The commercial portion includes two twelve-storey buildings which are to be used as offices or serviced apartments and a shopping arcade comprising restaurants and retail shops.

The residential portion of the project is divided into two phases. Phase One consists of six apartment blocks and the club house whilst Phase Two consists of three apartment blocks and the underground carpark. Construction of Phase One commenced in November 2006 and was successfully completed in late 2007. More than 26,000 sq.m. gross floor area of units were sold and delivered to buyers in 2007. Construction of Phase Two commenced in April 2007 and is scheduled for completion in 2008. Preselling of Phase Two units was launched in March 2008.

Detailed design of the commercial portion has been completed and construction work is scheduled to commence in the 2nd half of 2008.

Taihu Garden Court

Located in the historical Guangfu Town of Wuzhong District on a site of approximately 131,445 sq.m., the project will be another major lifestyle residential community the Group will develop and establish in Suzhou. It comprises low-density residences as well as semi-detached townhouses of modern Chinese style in perfect match with the natural environment and spectacular scenery of its surroundings.

Designated for residential use, the site will comprise around 370 units and a club house accounting for a total gross floor area of around 89,000 sq.m.. The project will be developed in two phases. Phase One will consist of around 180 units and the club house, totaling approximately 45,000 sq.m. gross floor area, whereas Phase Two will deliver around 190 units of approximately 44,000 sq.m. of gross floor area.

Construction work for Phase One commenced in May 2008 while that of Phase Two is scheduled to start early 2009.

Proposed Office Development

Also located in Wuzhong District, this project is on a site of approximately 14,600 sq.m.. The plot ratio allows for the design of a high-rise office tower with a retail podium, making up a total gross floor area of around 58,400 sq.m. and an underground area of about 20,000 sq.m.. Construction of the project is expected to commence in mid 2009.

主要項目的發展進度

1. 蘇州吳中區項目

錦悅苑

整個項目包括總樓面面積約45,500平方米的住宅物業，以及總樓面面積約16,500平方米的商用物業。住宅物業包括九座樓高六至十一層的公寓、一個會所及一個地下停車場。商用物業包括兩座樓高十二層並擬用作辦公室或服務式公寓的樓宇及一個內設餐廳及零售商店的購物商場。

該項目的住宅物業分為兩期。第一期工程包括興建六座公寓及會所，而第二期工程則包括興建三座公寓及地下停車場。第一期建築工程於二零零六年十一月展開，並已於二零零七年底順利完成。於二零零七年，總樓面面積逾26,000平方米的單位已售出並交付予買家。第二期建築工程於二零零七年四月展開，預定於二零零八年完成。第二期單位的預售工作已於二零零八年三月展開。

商用物業的設計細節已經完成，建築工程定於二零零八年下半年展開。

錦澤苑

該項目位於吳中區歷史悠久的光福鎮，地塊面積約131,445平方米，將成為本集團於蘇州開發及興建的另一個主要時尚生活住宅社區。這個項目的低密度及半獨立式住宅群將採用現代中式設計，與周遭的自然和歷史環境完全融合。

該項目劃作住宅用途，提供約370個單位及一個會所，總樓面面積合共約89,000平方米。該項目將分兩期開發。第一期工程包括興建約180個單位及一個會所，總樓面面積合共約45,000平方米，而第二期工程則將興建約190個單位，總樓面面積約44,000平方米。

第一期建築工程已於二零零八年五月展開，而第二期建築工程則定於二零零九年初展開。

辦公室發展計劃項目

該項目同樣位於吳中區，地塊面積約14,600平方米，地積比率容許將其發展為一幢綜合式零售商場及多層辦公大樓，總樓面面積合共約58,400平方米，地下面積約20,000平方米。預期於二零零九年中展開該項目的建築工程。

Management Discussion and Analysis (Cont'd) 管理層討論及分析(續)

2. Wujiang Project in Suzhou

Residential Development

The Group acquired another piece of land lot in Shengze Town, Wujiang City, Suzhou, Jiangsu Province in November 2007. It is situated on the east shore of the Long Zhong Lake in Shengze Town which is a main silk and textile production centre in China.

The project has a site area of around 86,236 sq.m. and will be developed into low rise townhouses and high-rise apartments with a total gross floor area of around 155,225 sq.m.. 2% of the total gross floor area will be earmarked for complementary commercial/retail facilities. Design of the project is progressing well. Construction work is expected to commence in 2009.

Property Investment

SGV Plaza

SGV Plaza's leasing activities continued to perform well during the period under review. The attractive retailing tenant mix after the well-timed renovation and upgrade resulted in profitable income and high occupancy levels. This generated a turnover level of RMB2.7 million as at 31 August 2008. The average occupancy level of SGV Plaza was 94% in August 2008.

Garden Court Plaza

Garden Court Plaza is a three storey retail centre in the vicinity of Suzhou Garden Court, with a total gross floor area of 4,440 sq.m.. 99% occupancy as at 31 August 2008, it was let with a total annual rental revenue of approximately RMB2.0 million.

High-Rise Apartments

The Group strives to generate better returns from its residential rental portfolio by continuing to monitor closely the needs of its valued tenants, to ensure that occupancy is maintained at a respectable level. During the period under review, the Group continued to upgrade its investment portfolio and property management services with the result that the leasing activities have performed well even in the highly competitive residential rental market environment.

The Group owns a total of 101 apartments in Phases 1, 2 and 3 of Suzhou Garden Villa, which if fully let would generate a total annual revenue of around RMB8.0 million. The occupancy rates have reached 61% in August 2008.

2. 蘇州吳江項目

住宅發展項目

本集團於二零零七年十一月在江蘇省蘇州吳江市盛澤鎮收購了另一幅土地，盛澤鎮乃中國主要絲綢及紡織品生產中心區，而該幅土地位於鎮內郎中蕩東側。

該項目的地塊面積約86,236平方米，將用作發展低層聯排別墅及高層公寓，總樓面面積合共約155,225平方米，其中2%將作為配套性商業／零售設施。該項目的設計進展良好，預期於二零零九年展開建築工程。

物業投資

錦華商業中心

錦華商業中心的租賃業務於回顧期內表現驕人。於適時的翻新及改善工程後，錦華商業中心成功吸引一批零售商戶，為本集團帶來豐厚的收入及較高的出租率。截至二零零八年八月三十一日止，錦華商業中心錄得營業額人民幣2,700,000元。於二零零八年八月，錦華商業中心的平均出租率為94%。

錦麗商業中心

錦麗商業中心為樓高三層的零售商場，鄰近蘇州錦麗苑，總樓面面積合共4,440平方米。於二零零八年八月三十一日止錦麗商業中心的出租率為99%，每年的租金收益合共約人民幣2,000,000元。

高層公寓

本集團透過繼續密切監察尊貴租戶的要求，致力為住宅租賃組合爭取理想回報，並確保出租率維持在較高水平。於回顧期內，本集團繼續提升其投資組合及物業管理服務，令租賃業務在競爭十分激烈的住宅租賃市場中仍有理想表現。

本集團持有蘇州錦華苑第一、二及三期共101間公寓單位，倘全部出租，將可帶來年總收益約人民幣8,000,000元。於二零零八年八月，出租率為61%。

Management Discussion and Analysis (Cont'd) 管理層討論及分析(續)

Investment in an associate (Beijing Landmark Towers Co., Ltd.)

Beijing Landmark Towers Co., Ltd., an associate of the Group, continues to enjoy high occupancy rates in its two grade A office towers, hotel and serviced apartments. The new conference centre which was completed last year continues to bring in healthy revenues to the rest of the property and is the choice venue for many high quality functions.

The investment is expected to make again a good cash contribution to the Group as in the previous year.

Other Investments

Shanghai Jia Ding Project

On 3 June 2008, the US\$5.5 million Convertible Note held by the Group was converted into 10% equity interest in and shareholder's loan to Key Apex Limited, the ultimate holding company of this project. This project includes residential portion and commercial/residential portion of gross floor area of approximately 200,000 sq.m. and gross floor area of approximately 50,000 sq.m. respectively. Construction activities have already begun and sales of its Phase I units are expected to be launched by the end of 2009.

China Malls Limited

Other shareholders of China Malls Limited (an associated company of the Group which the Company has a 36% indirect equity interest) have decided to direct their respective resources previously identified for this joint venture onto other projects. The Group has decided to follow suit and will still be looking for business opportunities in Nanjing city, the provincial capital of Jiangsu Province. The discontinuation of this joint venture would not cause any adverse impact on the Group's business.

Property Management

On 2 July 2008, a joint venture agreement has been entered into between the Group and the subsidiaries of Synergis Holdings Limited (HKSE Stock Code: 2340) to develop professional property and facility management services of the highest quality for the Group and its associates.

Through this cooperation, the Group will be able to strengthen its property management operations through a highly reputable partner whose core business is in this very discipline. As future developments of the Group come online, the joint venture is expected to meet the demands of the growing sophistication of the Group's customers.

於聯營公司的投資(北京亮馬河大廈有限公司)

本集團的聯營公司北京亮馬河大廈有限公司，其包括兩幢甲級辦公樓、酒店及服務式公寓繼續保持高出租率。於去年完工的新會議中心繼續為該物業其他部分帶來穩健收益，成為眾多高級宴會的首選場所。

該投資預期將如往年般繼續為本集團帶來可觀的現金進賬。

其他投資

上海嘉定項目

於二零零八年六月三日，本集團持有的5,500,000美元可換股票據已兌換為此項目最終控股公司凱亞有限公司10%股本權益以及股東貸款。該項目包括總樓面面積約200,000平方米的住宅物業，以及總樓面面積約50,000平方米的商用/住宅物業。項目已經開始興建，預期將於二零零九年底之前開始銷售第一期單位。

中國商城有限公司

中國商城有限公司(本公司擁有36%間接股本權益的本集團聯營公司)其他股東已決定把各自較早前計劃投入該合資企業的資源轉放於其他項目上。本集團已決定跟隨，但仍將於江蘇省省會南京市尋找商機。該合資企業的終止不會對本集團的業務造成任何負面影響。

物業管理

於二零零八年七月二日，本集團與新昌管理集團有限公司(香港聯交所股份代號：2340)的附屬公司訂立一份合資經營合同，為本集團及其聯營公司發展最優質的專業物業及設施管理服務。

由於合夥人的核心業務正是物業管理，且在業內信譽昭著，經過此次合作，本集團定能加強其物業管理業務。隨著本集團的未來發展，預期合資企業將能應付本集團客戶日益嚴格的要求。

Management Discussion and Analysis (Cont'd)

管理層討論及分析(續)

FINANCIAL REVIEW

Overall Performance

For the first six months of 2008, the Group launched pre-sale bookings of its development projects and 22 units were successfully sold. The corresponding bookings of these property sales are followed by the revenue recognition policy adopted by the Group which only allows recognition of revenue arising from property sales when such properties are actually transferred to customers and handover confirmations have been executed. Once the sold units have been delivered to buyers this year, the income will be reflected in the accounts for the full year 2008. Meanwhile, the Group's gross profit margin stood at around 60%, mainly arising from leasing rental of Group's investment properties.

Operating Results

During the period under review, the Group's turnover amounted to approximately HK\$8.6 million (first half of 2007: HK\$12.8 million). Consolidated loss attributable to equity holders of the Company was approximately HK\$11.7 million, as compared with the net profit attributable to equity holders of HK\$18.4 million for the same period in the previous year. The major reason of the decrease is due to a special item of gain on partial disposal of subsidiaries, of HK\$22.2 million in first half of 2007, and an increase in finance costs in 2008 mainly attributable to the interest expense on a convertible notes and imputed interest on minority shareholder loan, as well as project financing. Basic losses per share amounted to HK\$0.01, compared to earnings per share of HK\$0.02 in the first half of 2007.

Liquidity, Financial Resources and Gearing

Cash and cash equivalents as at 30 June 2008 amounted to HK\$81.1 million (first half of 2007: HK\$102.4 million).

As at 30 June 2008, the Group had total borrowings of approximately HK\$347.5 million (as at 31 December 2007: HK\$299.3 million). Of these borrowings, bank borrowings amounted to approximately HK\$246.5 million, and loans from minority shareholders of the Group's subsidiaries amounted to approximately HK\$100.9 million. Borrowings repayable within one year amounted to approximately HK\$158.7 million (as at 31 December 2007: HK\$113.7 million), and the Group's gearing ratio as at 30 June 2008 was 31.9% (as at 31 December 2007: 28.5%), calculated based on the ratio of interest-bearing borrowings to total shareholders' fund.

As at 30 June 2008, the Group had current assets of approximately HK\$870.3 million (as at 31 December 2007: HK\$849.9 million) and current liabilities of approximately HK\$252.7 million (as at 31 December 2007: HK\$194.8 million). The Group had total assets and total liabilities of approximately HK\$1,406.4 million and HK\$546.1 million respectively, representing a debt ratio (total liabilities over total assets) of 38.8% (as at 31 December 2007: 36.3%)

財務回顧

整體表現

於二零零八年首六個月，本集團開始預售其發展項目，其中22個單位已成功出售。然而，該等物業銷售的相應入賬跟從本集團採納的確認收益政策，確認收益政策僅容許該等物業實際轉讓予客戶及辦妥轉手確認後，方可確認物業銷售所得收益。本年度向買家交付所出售單位後，收入方計入二零零八年的全年賬目。本集團毛利率維持約60%，主要來自本集團投資物業的租金。

經營業績

於回顧期間，本集團的營業額約8,600,000港元(二零零七年上半年：12,800,000港元)。本公司權益持有人應佔綜合虧損約11,700,000港元，去年同期權益持有人應佔純利為18,400,000港元。造成下跌的主要原因是二零零七年上半年因出售附屬公司部分權益而取得特殊項目收益22,200,000港元，但二零零八年融資成本則主要因可換股票據所產生的利息開支、少數股東貸款的應歸利息及項目融資而增加。每股基本虧損為0.01港元，二零零七年上半年每股盈利為0.02港元。

流動資金、財務資源及資本負債比率

於二零零八年六月三十日，現金及現金等價物為81,100,000港元(二零零七年上半年：102,400,000港元)。

於二零零八年六月三十日，本集團的借貸總額約為347,500,000港元(二零零七年十二月三十一日：299,300,000港元)。其中銀行借貸約為246,500,000港元，而本集團附屬公司的少數股東借貸約為100,900,000港元。須於一年內償還的借貸約為158,700,000港元(二零零七年十二月三十一日：113,700,000港元)，而本集團於二零零八年六月三十日的資本負債比率(按附息借貸除以股東資金總額計算)為31.9%(二零零七年十二月三十一日：28.5%)。

於二零零八年六月三十日，本集團擁有流動資產約為870,300,000港元(二零零七年十二月三十一日：849,900,000港元)及流動負債約252,700,000港元(二零零七年十二月三十一日：194,800,000港元)。本集團的總資產及總負債分別約為1,406,400,000港元及546,100,000港元，負債比率(總負債除以總資產)為38.8%(二零零七年十二月三十一日：36.3%)。

Management Discussion and Analysis (Cont'd)

管理層討論及分析(續)

Charges on Assets

As at 30 June 2008, a bank loan of approximately HK\$153.5 million was secured by the Group's bank deposits, investment properties and leasehold interests in land included in properties held under development of approximately HK\$57.9 million, HK\$139.2 million and HK\$45.7 million respectively.

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group's monetary assets, loans and transactions are principally denominated in Hong Kong dollars, US dollars and Renminbi. During the period under review, there was no significant fluctuation in the exchange rates of the Hong Kong dollar and the US dollar. The appreciation in the currency value of the Renminbi has no significant influence on the Group's bottom line. The Group did not engage in any derivative activities and did not commit to any financial instruments to hedge its balance sheet exposure in the first half of 2008.

Contingent Liabilities

As at 30 June 2008, the Group had no material contingent liabilities.

Treasury Policies and Capital Structure

The Group adopts a prudent approach with respect to treasury and funding policies, with a focus on prudent risk management and transactions that are directly related to the underlying business of the Group.

Employees

As at 30 June 2008, the Group had a staff roster of 127, of which 99 employees were based in the China mainland and 28 employees in Hong Kong. The remuneration of employees was in line with market trends and commensurate to the levels of pay in the industry. Remuneration of the Group's employees includes basic salaries, bonuses and long-term incentives. Share options have also been granted to certain directors and employees of the Company and its subsidiary.

對資產的抵押

於二零零八年六月三十日，銀行貸款約153,500,000港元分別由本集團約57,900,000港元、139,200,000港元及45,700,000港元的若干銀行存款，投資物業及發展中物業包括土地租賃權益作為抵押。

匯率波動風險及有關對沖

本集團的貨幣資產、貸款和交易主要以港元、美元及人民幣計值。於回顧期內，港元與美元的匯率並沒有重大波動。人民幣的幣值升值對本集團的盈虧並無重大影響。本集團並沒有參與任何衍生工具活動，於二零零八年上半年亦沒有使用任何金融工具以對沖資產負債表的風險。

或然負債

於二零零八年六月三十日，本集團沒有重大的或然負債。

財資政策及資本結構

本集團就其財資及資本政策取態審慎，並專注於風險管理及與本集團的相關業務有直接關係的交易。

僱員

於二零零八年六月三十日，本集團擁有127名員工，其中99名員工長駐中國內地，香港則僱有28名員工。僱員的薪酬與市場趨勢一致，可與業內的薪酬水平相比。本集團僱員的薪酬包括基本薪金、花紅及長期獎勵。本公司及其附屬公司之若干董事及僱員亦已獲授購股權。

Other Information 其他資料

SHARE OPTION SCHEME

Pursuant to the written resolutions of all the then shareholders passed on 14 November 2005, the Company has conditionally adopted the Share Option Scheme (“Scheme”).

Pursuant to the Scheme, the board of directors (the “Board”) may, at its discretion, invite any executive or non-executive directors including independent non-executive directors or any employees (whether full-time or part-time) of the Company, its subsidiaries and associated companies; any discretionary objects of a discretionary trust established by any employees, executive or non-executive directors of each member of the Group or its associated companies; any consultants, professional and other advisers to each member of the Group or its associated companies (or persons, firms or companies proposed to be appointed for providing such services); any chief executives or substantial shareholders of the Company; any associates of any director, chief executive or substantial shareholder of the Company; and any employees (whether full-time or part-time) of substantial shareholders of the Company, provided that the Board may have absolute discretion to determine whether or not one falls within the above categories, (together, the “Participants” and each a “Participant”), to take up options (“Option(s)”) to subscribe for shares at a price determined in accordance with the paragraph below.

In determining the basis of eligibility of each Participant, the Board would take into account such factors as the Board may at its discretion consider appropriate.

The Scheme shall be valid and effective for a period of 10 years commencing on the date on which the Scheme is adopted, after which period no further options will be granted but in all other respects the provisions of the Scheme shall remain in full force and effect, and options which are granted during the life of the Scheme may continue to be exercisable in accordance with their terms of grant.

The subscription price in respect of each share issued pursuant to the exercise of options granted hereunder shall be a price solely determined by the Board and notified to a Participant and shall be at least the highest of:

- (a) the closing price of the Shares as stated in The Stock Exchange of Hong Kong Limited’s (the “Stock Exchange”) daily quotations sheet on the business day on which an offer is accepted by the grantee or if such date of acceptance by the grantee is not a business day, the immediately preceding business day;

購股權計劃

根據當時全體股東於二零零五年十一月十四日通過的書面決議案，本公司已有條件採納購股權計劃(「該計劃」)。

根據該計劃，董事會(「董事會」)可酌情邀請本公司、其附屬公司及聯營公司的任何執行或非執行董事，包括獨立非執行董事或任何僱員(不論全職或兼職)；本集團各成員公司或其聯營公司的任何僱員、執行或非執行董事所設立的全權信託的任何全權益人；本集團各成員公司或其聯營公司的諮詢人、專業人士及其他顧問(或擬委任以提供該等服務的人士、商行或公司)；本公司任何主要行政人員或主要股東；本公司任何董事、主要行政人員或主要股東的任何聯繫人；及本公司主要股東的任何僱員(不論全職或兼職)，惟董事會可全權酌情釐定有關人士是否屬於上述類別(上述人士均稱為及合稱「參與者」)，以接納購股權(「購股權」)，並根據下文確定的價格認購股份。

於釐定各參與者的資格標準時，董事會將考慮其可能酌情認為恰當的因素。

該計劃自獲採納日期起計有效期為十年，在限期後不會再授出購股權，惟在所有其他方面，該計劃的條文仍具有十足效力及作用，於該計劃期限內授出的購股權可按其授出條款繼續行使。

根據本文授出的購股權獲行使而發行的每股股份的認購價，將由董事會獨自釐定及知會參與者，而認購價最低為(以最高者為準)：

- (a) 於要約獲承授人接納的營業日(或如要約獲承授人接納當日並非營業日，則為緊接該日前的營業日)香港聯合交易所有限公司(「聯交所」)日報表所報的股份收市價；

Other Information (Cont'd) 其他資料(續)

(b) a price being the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date on which an offer is accepted by the grantee (provided that the new issue price shall be used as the closing price for any business day falling within the period before listing of the shares where the Company has been listed for less than 5 business days as at the date on which an offer is accepted by the grantee); and

(c) the nominal value of a share.

The total number of shares, which may be issued upon exercise of all options to be granted under the Scheme and any other share option scheme of the Company shall not in aggregate exceed 10% of the total number of shares in issue on the date of commencement of dealings in the shares on the Stock Exchange ("Scheme Mandate Limit"), unless the Company obtains an approval from its shareholders. Options lapsed in accordance with the terms of the Scheme will not be counted for the purpose of calculating such 10% limit.

On 9 May 2008, an ordinary resolution regarding the refreshment of Scheme Mandate Limit was approved by the shareholders at the annual general meeting ("AGM"). Starting from 9 May 2008, further options to subscribe up to 112,826,468 shares, being 10% of the total number of shares in issue on the date of the AGM are available to be granted under the Scheme.

Notwithstanding any other provisions of the Scheme, the maximum number of the shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of Shares in issue from time to time.

Unless approved by the shareholders, the total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding Options) in any 12-month period shall not exceed 1% of the total number of shares in issue.

Offer of an option ("Offer") shall be deemed to have been accepted by any Participant (the "Grantee") who accepts an Offer in accordance with the terms of the Scheme and the option to which the Offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the Offer duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the granting thereof is received by the Company within 14 days from the date upon which the Offer is made.

(b) 緊接要約獲承授人接納前五個營業日聯交所日報表所報的股份平均收市價(惟倘本公司於要約獲承授人接納當日前已上市之日數少於五個營業日,則新發行價應用作股份上市前期間任何營業日的收市價);及

(c) 一股股份面值。

因行使根據該計劃及本公司任何其他購股權計劃授出的所有購股權可發行的股份總數,合共不得超過於聯交所開始買賣當日已發行股份總數的10%(「計劃授權限額」),惟本公司取得股東的批准則除外。計算該10%限額並不計及根據該計劃條款已失效的購股權。

於二零零八年五月九日,一項更新計劃授權限額的普通決議案於股東週年大會(「股東週年大會」)獲本公司股東批准。自二零零八年五月九日起,根據該計劃,可進一步授出認購最多達112,826,468股股份的購股權,相當於股東週年大會日期已發行股份的10%。

儘管該計劃另有任何規定,於行使該計劃及本公司任何其他購股權計劃的已授出但尚未行使的所有未行使購股權時,最多可發行的股份數目不得超過不時已發行股份總數的30%。

除非獲股東批准,於任何十二個月期間因行使授予每名參與者的購股權(包括已行使及尚未行使的購股權)而已發行及將予發行的股份總數,不得超過已發行股份總數的1%。

任何參與者(「承授人」)凡按照該計劃的條款接納購股權要約(「要約」),即被視為接納要約,而當載有接納要約的要約書副本由承授人妥為簽署,並在本公司作出要約當日起14日內,接獲承授人在接納購股權時須向本公司支付1.00港元作為授出購股權的代價後,與要約有關的購股權即被視為已授出並生效。

Other Information (Cont'd) 其他資料(續)

Details of the share options granted by the Company pursuant to the Scheme and the options outstanding as at 30 June 2008 were as follows:

於二零零八年六月三十日，本公司根據該計劃授出而尚未行使的購股權詳情如下：

	Date of grant dd/mm/yyyy	Exercisable period dd/mm/yyyy	Number of share options 購股權數目				Balance at 30 June 2008	Exercise price per share HK\$
			Balance at 1 January 2008	Granted during the period	Exercised during the period	Lapsed during the period		
	授出日期 日/月/年	行使期間 日/月/年	於二零零八年 一月一日 結餘	於期內授出	於期內行使	於期內失效	於二零零八年 六月三十日 結餘	每股 行使價 港元
Executive Directors 執行董事	4/4/2006	10/4/2006 – 9/4/2009	33,501,637	–	–	–	33,501,637	0.806 (Notes 1 & 3) (附註1及3)
	4/7/2007	4/7/2007 – 3/7/2010	18,828,180	–	–	–	18,828,180	0.635 (Notes 1 & 3) (附註1及3)
	18/10/2007	18/10/2007 – 17/10/2010	18,000,000	–	–	–	18,000,000	0.524 (Note 1) (附註1)
	28/4/2008	29/4/2008 – 28/4/2011	–	15,300,000	8,900,000	–	6,400,000	0.375 (Note 2) (附註2)
Employees of the Group 本集團僱員	4/4/2006	10/4/2006 – 9/4/2009	5,360,257	–	–	–	5,360,257	0.806 (Notes 1 & 3) (附註1及3)
	4/7/2007	4/7/2007 – 3/7/2010	6,269,785	–	–	269,871	5,999,914	0.635 (Notes 1 & 3) (附註1及3)
	18/10/2007	18/10/2007 – 17/10/2010	7,966,000	–	–	402,000	7,564,000	0.524 (Note 1) (附註1)
	28/4/2008	29/4/2008 – 28/4/2011	–	5,500,000	–	–	5,500,000	0.375 (Note 2) (附註2)

Other Information (Cont'd) 其他資料(續)

Notes:

- (1) Please refer to 2007 Annual Report for the details of the fair value of the options granted prior to 2008.
- (2) Options granted on 28 April 2008:
- The fair values of Options of approximately HK\$1,610,000 granted on 28 April 2008 were determined using the Binomial Option Pricing Model. Significant inputs into the calculation included a weighted average share price on issue date of HK\$0.375 and exercise prices as illustrated above. Furthermore, the calculation took into account the expected dividend yield of 2.7% and a volatility rate of 47.84%, based on expected share price. Risk-free annual interest rate was determined at 1.564%. The underlying expected volatility was determined with reference to the historical volatilities of the Company over one year period.
- (3) Pursuant to the terms of the share option scheme, following the adjustment events arising from the changes in the Company's capital structure in 2007, the respective exercise prices per share of the unexercised options and the respective number of share options exercisable have been adjusted. The auditors of the Company have certified the adjustments were fair and reasonable.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2008, the Directors had the following interests in the shares and underlying shares of the Company which were recorded in the register required to be kept by the Company pursuant to section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Rules Governing the Listing of Securities of the Stock Exchange ("Listing Rules"):

- (A) Interest in shares and underlying shares under equity derivatives of the Company

Name of Director	Long position/ Short position	Capacity	Number of Shares held	Number of Underlying Shares (under equity derivatives of the Company) 相關 股份數目 (於本公司 股本衍生 工具下)	Aggregate interests	Approximate percentage of the issued share capital of the Company
董事姓名	好倉/淡倉	身份	所持 股份數目		權益總額	本公司 已發行股本之 概約百分比
Mr. TAOCHAIFU Choofuang	Long position	Interests of controlled corporation	477,288,700 (Note 1)		493,342,561	43.38
陶哲甫先生	好倉	受控法團權益	(附註1)			
	Long position	Personal interest	2,500,000	13,553,861 (Note 2)		
	好倉	個人權益		(附註2)		

附註:

- (1) 二零零八年前授出的購股權的公允價值詳情請參閱二零零七年年報。
- (2) 於二零零八年四月二十八日授出的購股權:
- 於二零零八年四月二十八日授出的購股權的公允價值約1,610,000港元乃以二項式期權定價模式釐定。此項計算所運用的重要數據，包括於發行日的加權平均股價0.375港元以及上表所述的行使價。此外，此項計算已考慮按預期股價計算的2.7%的預期股息率及47.84%的波幅。無風險年利率定為1.564厘。相關預期波幅乃參照本公司一年以上時期的歷史波幅釐定。
- (3) 根據購股權計劃的條款，於二零零七年本公司股本結構之變動所引發的調整事件後，未行使購股權之每股股份各自之行使價及可行使之購股權各自股份數目已作出調整。本公司之核數師已證明有關調整乃公平和合理。

董事及主要行政人員於本公司的股份及相關股份中擁有的權益

於二零零八年六月三十日，按本公司根據證券及期貨條例(「證券及期貨條例」)第352條所置存的登記冊所示，董事於本公司的股份及相關股份中擁有的權益，或根據聯交所證券上市規則(「上市規則」)所載董事進行證券交易的標準守則須以其他方式知會本公司及聯交所的權益如下:

- (A) 於本公司股份的權益及於股本衍生工具下相關股份之權益

Other Information (Cont'd) 其他資料(續)

Name of Director	Long position/ Short position	Capacity	Number of Shares held	Number of Underlying Shares (under equity derivatives of the Company) 相關 股份數目 (於本公司 股本衍生 工具下)	Aggregate interests	Approximate percentage of the issued share capital of the Company
董事姓名	好倉/淡倉	身份	所持 股份數目		權益總額	本公司 已發行股本之 概約百分比
Mr. TAO Richard	Long position	Interests of controlled corporation	477,288,700 (Note 1)		505,869,446	44.49
陶家祈先生	好倉	受控法團權益	(附註1)			
	Long position	Personal interest	14,386,757	14,193,989 (Note 2)		
	好倉	個人權益		(附註2)		
Mr. TAO Paul	Long position	Interests of controlled corporation	477,288,700 (Note 1)		505,869,446	44.49
陶錫祺先生	好倉	受控法團權益	(附註1)			
	Long position	Personal interest	14,386,757	14,193,989 (Note 2)		
	好倉	個人權益		(附註2)		
Mr. KONG Mui Sum Lawrence	Long position	Personal interest	2,500,220	17,393,989 (Note 2)	19,894,209	1.75
江淼森先生	好倉	個人權益		(附註2)		
Mr. YIM Chun Leung	Long position	Personal interest	1,232,605	17,393,989 (Note 2)	18,626,594	1.64
嚴振亮先生	好倉	個人權益		(附註2)		

Notes:

- Belbroughton Limited ("Belbroughton") is the legal and beneficial owner of 477,288,700 shares. Belbroughton is owned as to 20% by Seal United Investments Limited ("Seal United") and 80% by United Islands Group Limited ("United Islands"). Seal United is owned by Mr. TAOCHAIFU Choofuang ("Mr. C.F. TAO") and his spouse, Mrs. TAO POON Lai Yew Nancy ("Mrs. TAO") in equal proportions. United Islands is owned by Mr. C.F. TAO, Mrs. TAO, Mr. TAO Richard (the son of Mr. C.F. TAO), Mr. TAO Paul (the son of Mr. C.F. TAO) and Ms. TAO Miriam (the daughter of Mr. C.F. TAO) in equal proportions. Accordingly, Seal United, United Islands as well as Mr. C.F. TAO, Mrs. TAO, Mr. TAO Richard, Mr. TAO Paul and Ms. TAO Miriam are deemed to be interested in 477,288,700 shares held by Belbroughton.
- Share options were granted on 4 April 2006, 4 July 2007, 18 October 2007 and 28 April 2008 respectively. Details of share options granted to the Directors of the Company are set out in part (B) of this section.

附註：

- Belbroughton Limited (「Belbroughton」) 為 477,288,700 股股份的合法實益擁有人。Seal United Investments Limited (「Seal United」) 及 United Islands Group Limited (「United Islands」) 分別擁有 Belbroughton 20% 及 80% 之權益。Seal United 乃由陶哲甫先生(「陶哲甫先生」)及其配偶陶潘麗瑤女士(「陶太太」)按相等比例擁有。而 United Islands 則由陶哲甫先生、陶太太、陶家祈先生(陶哲甫先生之兒子)、陶錫祺先生(陶哲甫先生之兒子)及陶蘊怡女士(陶哲甫先生之女兒)按相等比例擁有。因此，Seal United、United Islands 連同陶哲甫先生、陶太太、陶家祈先生、陶錫祺先生及陶蘊怡女士被視為於 Belbroughton 所持有之該等 477,288,700 股股份擁有權益。
- 購股權乃分別於二零零六年四月四日、二零零七年七月四日、二零零七年十月十八日及二零零八年四月二十八日授出。授予本公司董事之購股權詳情乃載於本節(B)項下。

Other Information (Cont'd) 其他資料(續)

(B) Long position in underlying shares – share options

Under the share option scheme of the Company, share options may be granted to certain participants including the Directors and employees of the Company and its subsidiary to subscribe for the shares of the Company. Details of share options granted to Directors of the Company are as follows:

(B) 相關股份之好倉 – 購股權

根據本公司之購股權計劃，購股權可授予若干參與者(包括董事及本公司及其附屬公司之僱員)以認購本公司之股份。授予本公司董事之購股權詳情如下：

Name of Director	Date of grant dd/mm/yyyy	Exercisable period dd/mm/yyyy	Number of share options 購股權數目				Subscription price per share HK\$
			Balance at 1 January 2008	Granted during the period	Exercised during the period	Balance at 30 June 2008	
董事名稱	授出日期 日/月/年	行使期間 日/月/年	於二零零八年 一月一日 結餘	於期內 授出	於期內 行使	於二零零八年 六月三十日 結餘	每股之 認購價 港元
Mr. TAOCHAIFU Choofuang 陶哲甫先生	4/4/2006	10/4/2006 – 9/4/2009	6,188,225	–	–	6,188,225	0.806 (Note) (附註)
	4/7/2007	4/7/2007 – 3/7/2010	3,765,636	–	–	3,765,636	0.635 (Note) (附註)
	18/10/2007	18/10/2007 – 17/10/2010	3,600,000	–	–	3,600,000	0.524
	28/4/2008	29/4/2008 – 28/4/2011	–	2,500,000	2,500,000	–	0.375
Mr. TAO Richard 陶家祈先生	4/4/2006	10/4/2006 – 9/4/2009	6,828,353	–	–	6,828,353	0.806 (Note) (附註)
	4/7/2007	4/7/2007 – 3/7/2010	3,765,636	–	–	3,765,636	0.635 (Note) (附註)
	18/10/2007	18/10/2007 – 17/10/2010	3,600,000	–	–	3,600,000	0.524
	28/4/2008	29/4/2008 – 28/4/2011	–	3,200,000	3,200,000	–	0.375

Other Information (Cont'd)

其他資料(續)

Name of Director	Date of grant dd/mm/yyyy	Exercisable period dd/mm/yyyy	Number of share options 購股權數目			Balance at 30 June 2008	Subscription price per share HK\$
			Balance at 1 January 2008	Granted during the period	Exercised during the period		
董事名稱	授出日期 日/月/年	行使期間 日/月/年	於二零零八年 一月一日 結餘	於期內 授出	於期內 行使	於二零零八年 六月三十日 結餘	每股之 認購價 港元
Mr. TAO Paul 陶錫祺先生	4/4/2006	10/4/2006 – 9/4/2009	6,828,353	–	–	6,828,353	0.806 (Note) (附註)
	4/7/2007	4/7/2007 – 3/7/2010	3,765,636	–	–	3,765,636	0.635 (Note) (附註)
	18/10/2007	18/10/2007 – 17/10/2010	3,600,000	–	–	3,600,000	0.524
	28/4/2008	29/4/2008 – 28/4/2011	–	3,200,000	3,200,000	–	0.375
Mr. KONG Mui Sum Lawrence 江森森先生	4/4/2006	10/4/2006 – 9/4/2009	6,828,353	–	–	6,828,353	0.806 (Note) (附註)
	4/7/2007	4/7/2007 – 3/7/2010	3,765,636	–	–	3,765,636	0.635 (Note) (附註)
	18/10/2007	18/10/2007 – 17/10/2010	3,600,000	–	–	3,600,000	0.524
	28/4/2008	29/4/2008 – 28/4/2011	–	3,200,000	–	3,200,000	0.375

Other Information (Cont'd) 其他資料(續)

Name of Director	Date of grant dd/mm/yyyy	Exercisable period dd/mm/yyyy	Number of share options 購股權數目			Balance at 30 June 2008	Subscription price per share HK\$
			Balance at 1 January 2008	Granted during the period	Exercised during the period		
董事名稱	授出日期 日/月/年	行使期間 日/月/年	於二零零八年 一月一日 結餘	於期內 授出	於期內 行使	於二零零八年 六月三十日 結餘	每股之 認購價 港元
Mr. YIM Chun Leung 嚴振亮先生	4/4/2006	10/4/2006 – 9/4/2009	6,828,353	–	–	6,828,353	0.806 (Note) (附註)
	4/7/2007	4/7/2007 – 3/7/2010	3,765,636	–	–	3,765,636	0.635 (Note) (附註)
	18/10/2007	18/10/2007 – 17/10/2010	3,600,000	–	–	3,600,000	0.524
	28/4/2008	29/4/2008 – 28/4/2011	–	3,200,000	–	3,200,000	0.375

Note: Pursuant to the terms of the share option scheme, following the adjustment events arising from the changes in the Company's capital structure in 2007, the respective exercise prices per share of the unexercised options and the respective number of share options exercisable have been adjusted. The auditors of the Company have certified the adjustments were fair and reasonable.

附註：根據購股權計劃的條款，於二零零七年本公司股本結構之變動所引發的調整事件後，未行使購股權之每股股份各自之行使價及可行使之購股權各自股份數目已作出調整。本公司之核數師已證明有關調整乃公平和合理。

Save as disclosed above, as at 30 June 2008, none of the Company's Directors, chief executives and their associates, had any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO.

除上文披露者外，截至二零零八年六月三十日，本公司之董事、主要行政人員或彼等之聯繫人概無於本公司或其任何相聯法團之股份及相關股份擁有任何權益或淡倉，而需按證券及期貨條例第352條予以記錄。

Other Information (Cont'd) 其他資料(續)

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

The register of substantial shareholders required to be kept under section 336 of Part XV of the SFO shows that as at 30 June 2008, the Company had been notified of the following substantial shareholders' interests, being 5% or more of the Company's issued share capital:

主要股東於本公司的股份及相關股份中擁有的權益

根據證券及期貨條例第XV部第336條須予存置的登記冊所示，於二零零八年六月三十日，本公司之主要股東（為本公司之發行股本的5%或以上）已通知本公司有關之權益，詳請如下：

Name of Shareholder	Long position/ Short position	Capacity	Number of Shares held	Aggregate interests	Approximate percentage of the issued share capital of the Company 佔本公司 已發行股本 概約百分比	Notes
股東名稱	好倉／淡倉	身份	所持 股份數目	權益總額		附註
Belbroughton Limited	Long position 好倉	Beneficial owner 實益擁有人	477,288,700	477,288,700	41.97	1
Seal United Investments Limited	Long position 好倉	Interests of controlled corporation 受控法團權益	477,288,700	477,288,700	41.97	1
United Islands Group Limited	Long position 好倉	Interests of controlled corporation 受控法團權益	477,288,700	477,288,700	41.97	1
Mrs. TAO POON Lai Yew Nancy 陶潘麗瑤女士	Long position 好倉	Interests of controlled corporation 受控法團權益	477,288,700	493,342,561	43.38	1
	Long position 好倉	Interest of spouse 配偶權益	16,053,861			
Ms. TAO Miriam 陶蘊怡女士	Long position 好倉	Interests of controlled corporation 受控法團權益	477,288,700	477,288,700	41.97	1
Peeli Limited	Long position 好倉	Beneficial owner 實益擁有人	206,993,578	206,993,578	18.20	2
Mr. TAO Shing Pee 陶欣伯先生	Long position 好倉	Interests of controlled corporation 受控法團權益	206,993,578	206,993,578	18.20	2
Ms. LIU Kwan Li 劉光藜女士	Long position 好倉	Interests of controlled corporation 受控法團權益	206,993,578	206,993,578	18.20	2

Other Information (Cont'd)

其他資料(續)

Name of Shareholder	Long position/ Short position	Capacity	Number of Shares held	Aggregate interests	Approximate percentage of the issued share capital of the Company 佔本公司 已發行股本 概約百分比	Notes
股東名稱	好倉／淡倉	身份	所持 股份數目	權益總額		附註
Oriental Pearl International Inc.	Long position 好倉	Beneficial owner 實益擁有人	58,268,871	58,268,871	5.12	3
Mr. KINOSHITA James Hajime 木下一先生	Long position 好倉	Interests of controlled corporation 受控法團權益	58,268,871	58,268,871	5.12	3
Mrs. KINOSHITA CHEUNG Yuen Shiu Lana 木下張婉笑女士	Long position 好倉	Interests of controlled corporation 受控法團權益	58,268,871	58,268,871	5.12	3
Spinnaker Capital Limited	Long position 好倉	Investment manager 投資經理	66,300,000	66,300,000	5.83	4
Spinnaker Asset Management – SAM Limited	Long position 好倉	Investment manager 投資經理	66,300,000	66,300,000	5.83	4
Asia Financial Holdings Limited 亞洲金融集團(控股)有限公司	Long position 好倉	Beneficial owner 實益擁有人	45,454,545	68,181,818	6.00	5
	Long position 好倉	Interests of controlled corporation 受控法團權益	22,727,273			

Notes:

1. Belbroughton is the legal and beneficial owner of 477,288,700 shares. Belbroughton is owned as to 20% by Seal United and 80% by United Islands. Seal United is owned by Mr. C.F. TAO and his spouse, Mrs. TAO in equal proportions. United Islands is owned by Mr. C.F. TAO, Mrs. TAO, Mr. TAO Richard, Mr. TAO Paul and Ms. TAO Miriam in equal proportions. Accordingly, Seal United, United Islands as well as Mr. C.F. TAO, Mrs. TAO, Mr. TAO Richard, Mr. TAO Paul and Ms. TAO Miriam are deemed to be interested in 477,288,700 shares held by Belbroughton.
2. Peeli Limited is the legal and beneficial owner of 206,993,578 shares, which is owned by Mr. TAO Shing Pee and his spouse, Ms. LIU Kwan Li in equal proportions. Accordingly, Mr. TAO Shing Pee and Ms. LIU Kwan Li are deemed to be interested in 206,993,578 shares. Mr. TAO Shing Pee is the brother of Mr. C.F. TAO.
3. Oriental Pearl International Inc. is the legal and beneficial owner of 58,268,871 shares, which is owned by Mr. KINOSHITA James Hajime and Mrs. KINOSHITA CHEUNG Yuen Shiu Lana in equal proportions. Accordingly, Mr. KINOSHITA James Hajime and Mrs. KINOSHITA CHEUNG Yuen Shiu Lana, both being independent third parties, are deemed to be interested in 58,268,871 shares.

附註：

1. Belbroughton為477,288,700股股份的合法實益擁有人。Seal United及United Islands分別擁有Belbroughton 20%及80%之權益。Seal United乃由陶哲甫先生及其配偶陶太太按相等比例擁有。而United Islands則由陶哲甫先生、陶太太、陶家祈先生、陶錫祺先生及陶蘊怡女士按相等比例擁有。因此，Seal United、United Islands連同陶哲甫先生、陶太太、陶家祈先生、陶錫祺先生及陶蘊怡女士被視為於Belbroughton所持有之該等477,288,700股股份擁有權益。
2. Peeli Limited為206,993,578股股份的合法實益擁有人，其由陶欣伯先生及其配偶劉光黎女士按相等比例擁有。因此陶欣伯先生及劉光黎女士被視為於該等206,993,578股股份擁有權益。陶欣伯先生乃陶哲甫先生的胞兄。
3. Oriental Pearl International Inc.為58,268,871股股份的合法實益擁有人，其由木下一先生及木下張婉笑女士按相等比例擁有。因此，同為獨立第三方木下一先生及木下張婉笑女士被視為於該等58,268,871股股份擁有權益。

Other Information (Cont'd) 其他資料(續)

4. Spinnaker Capital Limited and Spinnaker Asset Management – SAM Limited are investment managers and each of them is deemed to be interested in the shares held by Spinnaker Global Emerging Markets Fund Limited, Spinnaker Global Opportunity Fund Limited and Spinnaker Global Strategic Fund Limited, which holds approximately 2.92%, 1.22% and 1.69% interests in the shares, respectively.
5. These 68,181,818 underlying shares represent the shares which may be issued upon full conversion of 5% convertible notes in the aggregate principal amount of HK\$75 million with maturity date falling 60 months from 15 October 2007, the date of issue of the convertible notes.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the period, the interests of Directors in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group as required to be disclosed pursuant to the Listing Rules was as follows:

Mr. C.F. TAO, Chairman of the Company, and his family members (including Mr. TAO Richard, Vice Chairman and Mr. TAO Paul, Managing Director) are interested in certain properties in the PRC which may constitute a competing business to the Group. The properties include two villas in Suzhou Garden Court of a total gross floor area of 770.38 sq.m. developed by a subsidiary of the Company.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company has not redeemed any of its shares during the period. Other than the issue of 8,900,000 shares by the Company during the period, neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

CONNECTED TRANSACTION

During the period, the Group had the following connected transactions/continuing connected transactions, certain details of which were disclosed in compliance with the requirements of the Listing Rules.

4. Spinnaker Capital Limited 及 Spinnaker Asset Management – SAM Limited 為投資經理，彼等各視作於 Spinnaker Global Emerging Markets Fund Limited、Spinnaker Global Opportunity Fund Limited 及 Spinnaker Global Strategic Fund Limited 所持有之股份中享有權益，其享有權益之比率分別約為2.92%、1.22%及1.69%。
5. 該等68,181,818股相關股份指全面兌換本金總額為75,000,000港元之5%可換股票據(由二零零七年十月十五日(可換股票據發行當日)起計滿60個月當日到期)而可予發行之股份。

董事於競爭業務之權益

於期內，董事須根據上市規則之規定披露其擁有與本集團業務直接或間接構成或可能構成競爭之業務之權益如下：

陶哲甫先生(本公司主席)及其家庭成員(包括副主席陶家祈先生及董事總經理陶錫祺先生)擁有若干中國物業權益，此舉可能構成與本集團競爭的業務。該等物業其中包括由本公司一間附屬公司發展的蘇州錦麗苑兩幢別墅(總建築面積770.38平方米)。

購回、出售或贖回上市證券

本公司於期內並無贖回本公司任何股份，除本公司於期內發行8,900,000股股份外，本公司及其附屬公司於期內並無買入或出售本公司任何股份。

關連交易

本集團於期內進行下列之關連交易／持續關連交易，其某些詳情已遵守上市規則的規定披露。

Other Information (Cont'd) 其他資料(續)

1. Convertible Note Subscription Agreement

On 28 May 2007, Healthy Castle Investments Limited (“Healthy Castle”), a wholly owned subsidiary of the Company, entered into a convertible note subscription agreement with Key Apex Limited (“Key Apex”) (a subsidiary of a company which is deemed to be controlled by the associates of Mr. CHAN Bernard Charnwut, the non-executive director of the Company) whereby Healthy Castle agreed to subscribe and Key Apex agreed to issue the US\$5.5 million convertible note with maturity date falling on the first anniversary of the date of issue of convertible note (“Due Date”) at zero coupon. The principal amount of the convertible note will be repaid in full on the Due Date if the conditions to convert the convertible note cannot be fulfilled. Pursuant to the terms of the convertible note, shares representing approximately 10% of the enlarged issued share capital of Key Apex as at the date of conversion will be issued by Key Apex to Healthy Castle at the conversion price of US\$1.00 per share (being the par value of each share in the capital of Key Apex) on the date which falls three days after the date when the 99% owned subsidiary established in the PRC has obtained the land use right certificate of a piece of land in Shanghai in the PRC. The balance of the principal amount of convertible note after deduction of the total conversion price will be treated as an interest-free shareholder’s loan advanced by Healthy Castle to Key Apex. This transaction was approved by the shareholders at the extraordinary general meeting of the Company on 20 June 2007. The convertible note issued on 18 July 2007 was converted into 10% equity interest in and shareholder’s loan to Key Apex on 3 June 2008.

2. HK\$75 million 5% Convertible Notes Subscription Agreement

On 10 August 2007, the Company entered into a subscription agreement with Asia Financial Holdings Limited (“AFHL”) and Asia Insurance Company, Limited (“AICL”) (AICL is a subsidiary of AFHL which is controlled by the associates of Mr. CHAN Bernard Charnwut, the non-executive director of the Company) whereby the Company agreed to issue and AFHL and AICL agreed to subscribe the HK\$50 million and HK\$25 million 5% convertible note (“Convertible Notes”) with maturity date falling 60 months from the date of issue of the Convertible Notes respectively. Pursuant to the term of the Convertible Notes, the holder of the Convertible Notes can convert the Convertible Notes at the conversion price of HK\$1.10 per share. The principal amount of HK\$35 million (HK\$25 million for AFHL and HK\$10 million for AICL) of the Convertible Notes shall be compulsorily converted at the conversion price of HK\$1.10 within seven business days if the closing price per share is HK\$1.10 or higher for ten consecutive trading days during the period from the issue day of the Convertible Notes up to five business days prior to the maturity date. This transaction was approved by the shareholders at the extraordinary general meeting of the Company on 10 October 2007. The Convertible Notes were issued on 15 October 2007.

1. 可換股票據認購協議

於二零零七年五月二十八日，本公司的全資附屬公司康堡投資有限公司(「康堡」)與凱亞有限公司(「凱亞」)(視為被本公司非執行董事陳智思先生之聯繫人控制的公司之附屬公司)簽訂可換股票據認購協議，據此，康堡同意認購而凱亞同意發行5,500,000美元零息可換股票據，有關票據於發行日起計滿一週年(「到期日」)當日到期。若兌換可換股票據的條件不能達成，則可換股票據本金額將於到期日全數償還。根據可換股票據條款，待於中國成立且擁有99%權益的附屬公司取得位於中國上海一幅土地的土地使用權證當日後三日，凱亞將按換股價每股1.00美元(為凱亞每股股份面值)向康堡發行相等於凱亞於兌換日經擴大已發行股本約10%的股份。扣除總換股價後，可換股票據本金餘額將會當作康堡給予凱亞的免息股東貸款墊款處理。此項交易獲股東於二零零七年六月二十日的本公司股東特別大會批准。於二零零七年七月十八日發行之可換股票據已於二零零八年六月三日兌換為凱亞的10%股本權益以及股東貸款。

2. 75,000,000港元5%可換股票據認購協議

於二零零七年八月十日，本公司與亞洲金融集團(控股)有限公司(「亞洲金融」)及亞洲保險有限公司(「亞洲保險」)(亞洲保險為亞洲金融之附屬公司，亞洲金融由本公司非執行董事陳智思先生之聯繫人控制)簽訂認購協議，據此，本公司同意發行而亞洲金融及亞洲保險分別同意認購50,000,000港元及25,000,000港元之5%可換股票據(「可換股票據」)，可換股票據於發行日起計滿60個月當日到期。根據可換股票據條款，可換股票據持有人可以每股股份1.10港元兌換可換股票據。如自可換股票據發行當日至到期日前五個營業日期間連續十個交易日的每股收市價為1.10港元或以上，則可換股票據的本金額35,000,000港元(亞洲金融為25,000,000港元，而亞洲保險為10,000,000港元)須於七個營業日內強制按兌換價兌換。此項交易已獲股東於二零零七年十月十日的本公司股東特別大會批准。可換股票據於二零零七年十月十五日發行。

Other Information (Cont'd) 其他資料(續)

3. Tenancy Agreement and Licence Agreement

On 26 November 2007, New Heritage Management Limited (“NH Management”), an indirect wholly-owned subsidiary of the Company, as tenant entered into a tenancy agreement with Fontwell Holdings Limited (“Fontwell”), (beneficially owned by Mr. C.F. TAO and his family members) as landlord for the lease of Room 2301, 23rd Floor, Fortis Bank Tower, Nos.77-79 Gloucester Road, Hong Kong and Nos.117-119 Jaffe Road, Hong Kong at a monthly rental of HK\$100,000 for the period from 1 February 2008 to 31 January 2009 and HK\$105,000 for the period from 1 February 2009 to 31 January 2010 (exclusive of government rates and management fees).

On 26 November 2007, NH Management as licensee entered into a licence agreement with Fontwell as licensor for obtaining the licence to use by the Group of car parking spaces nos. 28 and 51 on the 2nd Floor of Fortis Bank Tower, Nos. 77-79 Gloucester Road, Hong Kong and Nos. 117-119 Jaffe Road, Hong Kong at a monthly licence fee of HK\$7,000, exclusive of government rates and management fees, for a term of 2 years commencing on 1 February 2008 and expiring on 31 January 2010.

EXEMPT CONTINUING CONNECTED TRANSACTION

1. Fitness club agreement

In November 2004, 蘇州錦華苑建設發展管理有限公司 (Suzhou Garden Villa Development and Management Co. Ltd.) (“SGVDM”) entered into an agreement with 上海克拉克海奇健身有限公司 (Clark Hatch Fitness Centers (Shanghai) Ltd.) (“Clark Hatch Shanghai”) (Mr. TAO Paul, the Managing Director, has an indirect interest) (which was subsequently supplemented by a supplemental agreement dated 18 September 2005 made between the same parties) (collectively, the “Fitness Club Agreement”), pursuant to which SGVDM provides Clark Hatch Shanghai with the sports and fitness club premises with facilities located on the 3rd Floor, Block 11, Suzhou Garden Court (the “Club House”), and Clark Hatch Shanghai provides cleaning, maintenance, repair, operation and janitorial services for the Club House, for a term of 3 years commencing on 1 January 2005. During the term, Clark Hatch Shanghai is required to pay SGVDM a monthly rental in a sum (i) of RMB60,000 or (ii) equal to 30% of the monthly gross revenues (before taxes) received by Clark Hatch Shanghai from the operation of Club House, whichever is higher. In 2005, the Company has applied to the Stock Exchange for and the Stock Exchange has granted a waiver from strict compliance with the announcement requirement under Rule 14A.47 of the Listing Rules in respect of the transactions contemplated under the Fitness Club Agreement for the 2 years ending 31 December 2007. Since the total annual rental received by the Group from Clark Hatch Shanghai under the Fitness Club Agreement for the year ending 31 December 2007 was RMB720,000, therefore the transactions contemplated under the Fitness Club Agreement for the year ending 31 December 2007 was exempt from the reporting, announcement and independent shareholders’ approval requirements under the Listing Rules.

3. 租賃協議及特許協議

二零零七年十一月二十六日，新澤管理有限公司（「新澤管理」），本公司間接全資附屬公司，（作為承租人）與Fontwell Holdings Limited（「Fontwell」）（陶哲甫先生及其家庭成員最終實益擁有）（作為業主）就租賃香港告士打道77-79號及香港謝斐道117-119號華比富通大廈23樓2301室簽訂一份租賃協議，月租100,000港元，租期由二零零八年二月一日至二零零九年一月三十一日及月租105,000港元，租期由二零零九年二月一日至二零一零年一月三十一日（不包括政府差餉及管理費）。

於二零零七年十一月二十六日，新澤管理（作為特許使用人）與Fontwell（作為特許人）就領取香港告士打道77-79號及香港謝斐道117-119號華比富通大廈2樓第28及51號泊車位的許可證以供本集團使用而簽訂一份特許協議，許可證月費為7,000港元，不包括政府差餉及管理費，租期由二零零八年二月一日開始，至二零一零年一月三十一日屆滿，為期兩年。

獲豁免持續關連交易

1. 健身會所協議

二零零四年十一月，蘇州錦華苑建設發展管理有限公司（「錦華苑建設」）與上海克拉克海奇健身有限公司（「上海克拉克」）（由董事總經理陶錫祺先生擁有間接權益）簽訂一份協議（該協議其後由上述協議雙方所訂立日期為二零零五年九月十八日的補充協議補充）（統稱「健身會所協議」）；據此，錦華苑建設向上海克拉克提供位於錦麗苑11座3樓的體育及健身會所物業連設施（「會所」）；而上海克拉克則為會所提供清潔、保養、維修、營運及庶務服務，由二零零五年一月一日開始，為期三年。於年期內，上海克拉克須向錦華苑建設支付月租金共(i)人民幣60,000元或(ii)相等於上海克拉克於經營會所所得每月總收益（除稅前）30%（以較高者為準）。於二零零五年，本公司已向聯交所申請，而聯交所亦已豁免本公司截至二零零七年十二月三十一日止兩個年度各年健身會所協議項下進行的交易，須嚴格遵守上市規則第14A.47條有關申報的規定。由於本集團根據健身會所協議於截至二零零七年十二月三十一日止年度自上海克拉克已收年租共人民幣720,000元，故此，截至二零零七年十二月三十一日止年度，根據健身會所協議進行之交易已獲豁免遵守上市規則有關申報、公告及獲得獨立股東批准的規定。

Other Information (Cont'd)

其他資料(續)

On 31 December 2007, the Fitness Club Agreement was renewed at a monthly rental of RMB60,000 for a term of two years commencing on 1 January 2008.

2. Tenancy agreement of Hong Kong office

On 21 March 2005, NH Management as tenant entered into a tenancy agreement with Fontwell as landlord for the lease of Room 2301, 23rd Floor, Fortis Bank Tower, Nos.77-79 Gloucester Road, Hong Kong and Nos.117-119 Jaffe Road, Hong Kong for the use by the Group at a monthly rental of HK\$49,000, exclusive of government rates and management fees, for a term of one year commencing on 1 February 2005 and expiring on 31 January 2006. On 25 January 2006, the tenancy agreement was renewed at a monthly rental of HK\$72,000, exclusive of government rates and management fees, for a term of one year commencing on 1 February 2006 and expiring on 31 January 2007. On 25 January 2007, the tenancy agreement was further renewed at a monthly rental of HK\$78,000, exclusive of government rates and management fees, for a term of one year commencing on 1 February 2007 and expiring on 31 January 2008. On 26 November 2007, the tenancy agreement was further renewed. Details of which were disclosed under the section headed "Connected Transaction".

3. Licence agreement

On 21 March 2005, NH Management as licensee entered into a licence agreement with Fontwell as licensor for obtaining the licence to use by the Group of car parking spaces nos. 28 and 51 on the 2nd Floor of Fortis Bank Tower, Nos.77-79 Gloucester Road, Hong Kong and Nos.117-119 Jaffe Road, Hong Kong at a monthly licence fee of HK\$7,000, exclusive of government rates and management fees, for a term of one year commencing from 1 February 2005 to 31 January 2006. On 25 January 2006, the above licence agreement was renewed at a monthly licence fee of HK\$7,000, exclusive of government rates and management fees, for a term of one year commencing on 1 February 2006 and expiring on 31 January 2007. On 25 January 2007, the licence agreement was further renewed at a monthly licence fee of HK\$5,000, exclusive of government rates and management fees, for a term of one year commencing from 1 February 2007 to 31 January 2008. On 26 November 2007, the licence agreement was further renewed. Details of which were disclosed under the section headed "Connected Transaction".

二零零七年十二月三十一日，健身會所協議已被續期，月租人民幣60,000元，租期由二零零八年一月一日開始，為期兩年。

2. 香港辦事處之租賃協議

二零零五年三月二十一日，新澤管理(作為承租人)與Fontwell(作為業主)就租賃香港告士打道77-79號及香港謝斐道117-119號華比富通大廈23樓2301室以供本集團使用而簽訂一份租賃協議，月租49,000港元，不包括政府差餉及管理費，租期由二零零五年二月一日開始，至二零零六年一月三十一日屆滿，為期一年。於二零零六年一月二十五日，該租賃協議已被續期，月租72,000港元，不包括政府差餉及管理費，租期由二零零六年二月一日開始，至二零零七年一月三十一日屆滿，為期一年。於二零零七年一月二十五日，該租賃協議已被再次續期，月租78,000港元，不包括政府差餉及管理費，租期由二零零七年二月一日開始，至二零零八年一月三十一日屆滿，為期一年。於二零零七年十一月二十六日，租賃協議已被再次續期。詳情載於「關連交易」一節內。

3. 特許協議

於二零零五年三月二十一日，新澤管理(作為特許使用人)與Fontwell(作為特許人)就領取香港告士打道77-79號及香港謝斐道117-119號華比富通大廈2樓第28及51號泊車位的許可證以供本集團使用而簽訂一份特許協議，許可證月費為7,000港元，不包括政府差餉及管理費，由二零零五年二月一日開始，至二零零六年一月三十一日屆滿，為期一年。於二零零六年一月二十五日，上述特許協議已被續期，許可證月費為7,000港元，不包括政府差餉及管理費，租期由二零零六年二月一日開始，至二零零七年一月三十一日屆滿，為期一年。於二零零七年一月二十五日，該特許協議已獲再次續期，許可證月費為5,000港元，不包括政府差餉及管理費，由二零零七年二月一日開始，至二零零八年一月三十一日屆滿，為期一年。於二零零七年十一月二十六日，特許協議已被再次續期。詳情載於「關連交易」一節內。

Other Information (Cont'd) 其他資料(續)

CORPORATE GOVERNANCE

The Company is committed to the establishment of good corporate practices and procedures. The corporate governance principles of the Company emphasise a quality board, transparency and accountability to all shareholders of the Company.

In the opinion of the Board, the Group has complied with the code provisions set out in Appendix 14, Code on Corporate Governance Practices, of the Rules Governing the Listing of Securities on the Stock Exchange for the six months ended 30 June 2008.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as its own code of conduct regarding directors' securities transactions. The obligation to follow the Listing Rules are set out in the terms of the service contracts of each executive director and the letters of appointment of the non-executive director and each independent non-executive director. Having made specific enquiry of all the Directors, the Directors confirmed that they have complied with the required standard as set out in the Model Code for the six months ended 30 June 2008.

SERVICE CONTRACTS

The former service contracts entered into by the Company and each executive director were expired on 30 November 2007. On 7 September 2007, each of the executive directors of the Company has entered into a service contract with the Company for a term of two years commencing on 1 December 2007 and is subject to termination by the executive director giving not less than 3 months' written notice or by payment in lieu of such notice. The Company may immediately terminate the service contract without any compensation to the executive director under certain conditions, as set out in the service contracts.

The non-executive director and each of the independent non-executive directors of the Company has entered into letters of appointment with the Company for a term of three years commencing on 14 November 2005 and may be terminated by either party by giving one month's written notice.

企業管治

本公司致力建立良好之企業管治慣例及程序，本公司之企業管治原則著重優秀之董事局、透明度及向本公司所有股東問責。

董事會認為，截至二零零八年六月三十日止六個月，本集團已遵守聯交所有限公司之證券上市規則所載的附錄十四《企業管治常規守則》所載之守則條文。

董事進行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上市發行人董事進行證券交易之標準守則（「標準守則」），作為其董事進行證券交易之操守守則。各執行董事之服務合約條文及非執行董事及各獨立非執行董事之委任信件中已載有遵守上市規則之責任。經本公司向全體董事作出特定查詢後，全體董事確認，彼等於截至二零零八年六月三十日止六個月一直遵守標準守則所規定的標準。

服務合約

本公司與各執行董事訂立之前服務合約已於二零零七年十一月三十日到期。於二零零七年九月七日，各執行董事已與本公司訂立服務合約，任期為兩年，由二零零七年十二月一日開始，執行董事可向本公司發出不少於三個月的書面通知或代通知金終止其服務合約。於服務合約註明的某些情況下，本公司可立即終止其服務合約而無須向執行董事作出任何賠償。

本公司之非執行董事及各獨立非執行董事已與本公司訂立委任信件，任期由二零零五年十一月十四日起計，任期為三年，其中一方可向另外一方發出一個月的書面通知終止委任協議。

Other Information (Cont'd) 其他資料(續)

REVIEW OF INTERIM FINANCIAL REPORT

The auditors of the Company, Grant Thornton have performed an independent review on the interim financial report set out on pages 28 to 53 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by Hong Kong Institute of Certified Public Accountants. On the basis of their review, which does not constitute an audit, Grant Thornton confirmed in writing that they are not aware of any material modifications that should be made to the interim financial report for the six months ended 30 June 2008. The interim results of the Group for the period ended 30 June 2008 have also been reviewed by the members of the Audit Committee before submission to the Board for approval. The Audit Committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure have been made.

審閱中期財務報告

本公司之核數師均富會計師行已按照香港會計師公會頒佈之香港審閱工作準則第2410號「公司獨立核數師對中期財務資料審閱」就載於第28至53頁之中期財務報告進行獨立審閱。根據其審閱(不構成審核)的結果，均富會計師行已作出書面確認，彼等並無發現應對截至二零零八年六月三十日止六個月的中期財務報告作出任何重大修改。本集團截至二零零八年六月三十日止期間的中期業績，在提呈董事會批准前亦經審核委員會的成員審閱。審核委員會認為，該等業績的編製符合適用會計準則及規定，並已作出適當披露。

Condensed Consolidated Income Statement

簡明綜合收益表

截至二零零八年六月三十日止六個月
for the six months ended 30 June 2008

		Six months ended 30 June 截至六月三十日止六個月	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元 (restated) (經重列)
		(Unaudited) (未經審核)	(Unaudited) (未經審核)
Notes 附註			
	Revenue	8,570	12,775
	Cost of sales	(3,467)	(6,847)
	Gross profit	5,103	5,928
	Other income	2,282	24,071
	Selling expenses	(2,930)	(2,777)
	Administrative expenses	(21,087)	(15,859)
	Finance costs	(11,968)	(3,361)
	Share of results of associates	11,169	9,584
	(Loss)/profit before taxation	(17,431)	17,586
	Taxation	72	(343)
	(Loss)/profit for the period	(17,359)	17,243
	Attributable to:		
	Equity holders of the Company	(11,659)	18,352
	Minority interests	(5,700)	(1,109)
		(17,359)	17,243
	Dividend	–	–
	(Losses)/earnings per share		
	– Basic	(HK\$0.01 港元)	HK\$0.02 港元
	– Diluted	N/A 不適用	N/A 不適用

Condensed Consolidated Balance Sheet

簡明綜合資產負債表

as at 30 June 2008
於二零零八年六月三十日

			At 30 June 2008 二零零八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Goodwill	商譽		37,048	37,048
Property, plant and equipment	物業、廠房及設備	10	18,703	17,602
Investment properties	投資物業	10	332,545	310,867
Interests in associates	聯營公司的權益		102,549	112,459
Available-for-sale financial asset	可供出售的金融資產		43,318	–
Deferred tax assets	遞延稅項資產		1,898	1,766
			536,061	479,742
Current assets	流動資產			
Properties held under development	發展中物業		658,659	330,001
Properties held for sale	待售物業		20,699	19,284
Inventories	存貨		140	136
Accounts receivable	應收賬款	11	493	514
Deposits paid, prepayments and other receivables	已付按金、預付款項 及其他應收款項		44,271	262,835
Pledged bank deposits	已抵押銀行存款		64,979	61,430
Cash at banks and in hand	銀行結存及現金		81,084	175,701
			870,325	849,901
Current liabilities	流動負債			
Accounts payable	應付賬款	12	38,218	31,081
Accruals, deposits received and other payables	應計費用、已收按金 及其他應付款項		47,940	28,717
Provision for tax	稅項撥備		7,888	21,323
Borrowings	借貸	13	158,689	113,727
			252,735	194,848
Net current assets	流動資產淨值		617,590	655,053
Total assets less current liabilities	總資產減流動負債		1,153,651	1,134,795
Non-current liabilities	非流動負債			
Borrowings	借貸	13	188,778	185,547
Convertible notes	可換股票據		71,857	71,482
Deferred tax liabilities	遞延稅項負債		32,714	30,583
			293,349	287,612
Net assets	資產淨值		860,302	847,183

Condensed Consolidated Balance Sheet (Cont'd)

簡明綜合資產負債表(續)

as at 30 June 2008
於二零零八年六月三十日

			At 30 June 2008 二零零八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
EQUITY	權益			
Capital and reserves attributable to equity holders of the Company	本公司權益持有人應佔股本及儲備			
Share capital	股本	14	11,372	11,283
Reserves	儲備		768,296	733,760
Proposed final dividend	擬派末期股息		-	11,283
			779,668	756,326
Minority interests	少數股東權益		80,634	90,857
Total equity	總權益		860,302	847,183

TAO Richard
陶家祈
Director
董事

TAO Paul
陶錫祺
Director
董事

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

for the six months ended 30 June 2008
截至二零零八年六月三十日止六個月

Unaudited six months ended 30 June
截至六月三十日止六個月未經審核

Equity attributable to equity holders of the Company											Minority interests	Total		
本公司權益持有人應佔權益											少數股東權益	總計		
Share capital	Share premium	Share option reserves	Convertible notes equity reserve	Merger reserve	Hotel property, plant and equipment revaluation reserve	Exchange reserve	Statutory reserve	Retained profits	Proposed dividend	Total				
股本	股份溢價	購股權儲備	可換股票據權益儲備	合併儲備	酒店物業、廠房及設備重估儲備	匯兌儲備	法定儲備	保留盈利	擬派股息	總計				
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元		
	(Note) (附註)	(Note) (附註)	(Note) (附註)	(Note) (附註)	(Note) (附註)	(Note) (附註)	(Note) (附註)	(Note) (附註)	(Note) (附註)					
Balance at 1 January 2008, audited	於二零零八年一月一日的經審核結餘	11,283	436,718	13,760	3,011	89,936	7,395	27,123	16,713	139,104	11,283	756,326	90,857	847,183
Translation (Net expense recognised directly in equity)	折算(於權益直接確認的淨開支)	-	-	-	-	-	-	41,425	-	-	-	41,425	5,126	46,551
Loss for the period	期內虧損	-	-	-	-	-	-	-	-	(11,659)	-	(11,659)	(5,700)	(17,359)
Total recognised income and expense for the period	期內確認的總收入及開支	-	-	-	-	-	-	41,425	-	(11,659)	-	29,766	(574)	29,192
Share of associate's statutory reserve	應佔聯營公司法定儲備	-	-	-	-	-	-	-	2,230	(2,230)	-	-	-	-
Fair value adjustment on initial recognition of loan from a minority shareholder (note 13(b))	對一位少數股東貸款首次確認時進行公允價值調整(附註13(b))	-	-	-	-	-	-	-	-	-	-	-	2,492	2,492
Employee share based compensation	以股份支付的僱員酬金	-	-	1,610	-	-	-	-	-	-	-	1,610	-	1,610
Dividend relating to 2007 final dividend (note 8(b))	有關二零零七年末期股息的股息(附註8(b))	-	-	-	-	-	-	-	-	(89)	(11,283)	(11,372)	-	(11,372)
Dividend paid to minority shareholders	已付少數股東的股息	-	-	-	-	-	-	-	-	-	-	-	(12,141)	(12,141)
Exercise of share options (notes 14(e))	行使購股權(附註14(e))	89	3,950	(701)	-	-	-	-	-	-	-	3,338	-	3,338
Balance at 30 June 2008	於二零零八年六月三十日的結餘	11,372	440,668	14,669	3,011	89,936	7,395	68,548	18,943	125,126	-	779,668	80,634	860,302

Note: These reserve accounts comprise the consolidated reserves of HK\$768,296,000 (31 December 2007: HK\$733,760,000) in the condensed consolidated balance sheet of the Group.

附註：該等儲備賬包括本集團簡明綜合資產負債表內的綜合儲備768,296,000港元(二零零七年十二月三十一日：733,760,000港元)。

Condensed Consolidated Statement of Changes in Equity (Cont'd)

簡明綜合權益變動表(續)

for the six months ended 30 June 2008
截至二零零八年六月三十日止六個月

		Unaudited six months ended 30 June 截至六月三十日止六個月未經審核									Minority interests 少數股東 權益	Total 總計	
		Equity attributable to equity holders of the Company 本公司權益持有人應佔權益											
		Share capital 股本	Share premium 股份溢價	Share option reserves 購股權 儲備	Merger reserve 合併儲備	Hotel property, plant and equipment revaluation reserve 酒店物業、 廠房及設備 重估儲備	Exchange reserve 匯兌儲備	Statutory reserve 法定儲備	Retained profits 保留盈利	Proposed dividend 擬派股息	Total 總計		
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Balance at 1 January 2007, audited	於二零零七年一月一日 的經審核結餘	7,135	223,643	7,628	89,936	(2,326)	(3,989)	6,346	122,998	7,135	458,506	10,654	469,160
Translation (Net expense recognised directly in equity)	折算(於權益直接確認 的淨開支)	-	-	-	-	-	(2,053)	-	-	-	(2,053)	(777)	(2,830)
Profit for the period	期內盈利	-	-	-	-	-	-	-	18,352	-	18,352	(1,109)	17,243
Total recognised income and expense for the period	期內確認的總收入 及開支	-	-	-	-	-	(2,053)	-	18,352	-	16,299	(1,886)	14,413
Transfer	轉撥	-	-	-	-	-	-	5,325	(5,059)	-	266	(266)	-
Share of associate's statutory reserve	應佔聯營公司法定儲備	-	-	-	-	-	-	2,051	(2,051)	-	-	-	-
Minority interest arising from partial disposal of interests in subsidiaries	因出售附屬公司部分 權益而產生的少數 股東權益	-	-	-	-	-	-	-	-	-	-	49,628	49,628
Fair value adjustment on initial recognition of loans from minority shareholders (note 13(b))	對少數股東貸款首次 確認時進行公允價值 調整(附註13(b))	-	-	-	-	-	-	-	-	-	-	17,370	17,370
Dividend relating to 2006 final dividend (note 8(b))	有關二零零六年末期股息 的股息(附註8(b))	-	-	-	-	-	-	-	-	(7,135)	(7,135)	-	(7,135)
Dividend paid to minority shareholders	已付少數股東的股息	-	-	-	-	-	-	-	-	-	-	(1,600)	(1,600)
Surplus on revaluation upon transfer from property, plant and equipment to investment property	物業、廠房及設備轉撥 至投資物業時的重估 盈餘	-	-	-	-	2,119	-	-	-	-	2,119	-	2,119
Issue of ordinary shares (notes 14(a) and (b))	發行普通股 (附註14(a)及(b))	277	8,293	-	-	-	-	-	-	-	8,570	-	8,570
Balance at 30 June 2007	於二零零七年 六月三十日的結餘	7,412	231,936	7,628	89,936	(207)	(6,042)	13,722	134,240	-	478,625	73,900	552,525

Condensed Consolidated Cash Flow Statement

簡明綜合現金流量表

for the six months ended 30 June 2008
截至二零零八年六月三十日止六個月

		Six months ended 30 June	
		截至六月三十日止六個月	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Net cash used in operating activities	經營活動所用的現金淨額	(137,315)	(271,008)
Net cash from investing activities	投資活動產生的現金淨額	21,084	88,085
Net cash from financing activities	融資活動產生的現金淨額	14,274	156,013
Decrease in cash and cash equivalents	現金及現金等價物減少	(101,957)	(26,910)
Effect of foreign exchange difference on cash and cash equivalents	現金及現金等價物的 滙兌差額影響	7,340	(2,830)
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物	175,701	132,120
Cash and cash equivalents at 30 June	於六月三十日的現金及現金等價物	81,084	102,380

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

for the six months ended 30 June 2008
截至二零零八年六月三十日止六個月

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the six months ended 30 June 2008 (the “period”) have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issuance on 12 September 2008.

These condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended 31 December 2007 (the “2007 Annual Report”).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost basis except for the revaluation of investment properties, hotel properties and certain financial assets and liabilities which are measured at fair value. The accounting policies adopted are consistent with those used in the preparation of the 2007 Annual Report.

During the period, an amount classified under deposits paid, prepayments and other receivables in the balance sheet as at 31 December 2007 was converted into 10% equity interest in and a loan to Key Apex Limited, a company of which Mr. Chan Bernard Charnwut, a non-executive director of the Company, is a director. The equity interest in together with the loan made to that company are classified as available-for-sale financial asset in accordance with HKAS 39 “Financial Instruments: Recognition and Measurement”.

Available-for-sale financial asset include non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. All financial assets within this category is subsequently measured at fair value. Gain or loss arising from a change in the fair value is recognised directly in equity, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in equity would be recognised in the income statement. Interest calculated using the effective interest method is recognised in the income statement. Upon disposal, the cumulative gain or loss previously recognised in equity is transferred to the income statement.

1. 編製基準

截至二零零八年六月三十日止六個月(「該期間」)未經審核簡明綜合財務報表乃根據香港聯合交易所有限公司主板證券上市規則附錄十六的適用披露規定及香港會計師公會(「香港會計師公會」)頒佈的香港會計準則(「香港會計準則」)第34號「中期財務報告」編製。該報表經授權於二零零八年九月十二日刊發。

此等簡明中期財務報表應與截至二零零七年十二月三十一日止年度本公司經審核財務報表(「二零零七年年報」)一併閱讀。

2. 主要會計政策概要

簡明綜合財務報表乃按歷史成本準則編製，並就以公允價值計量的投資物業、酒店物業及若干金融資產及負債的重估作出修訂。所採納的會計政策與編製二零零七年年報所採用者一致。

於該期間內，在於二零零七年十二月三十一日的資產負債表中分類為已付按金、預付款項及其他應收款項的一項款額已兌換為由本公司非執行董事陳智思先生擔任董事的凱亞有限公司的10%股本權益及貸款。根據香港會計準則第39號「金融工具：披露及計量」，於該公司的股本權益連同向該公司作出的貸款分類為可供出售金融資產。

可供出售金融資產包括非衍生工具的金融資產，非衍生工具的金融資產被指定為該類別的金融資產或不符合資格列入任何其他類別的金融資產。所有該類別金融資產其後按公允價值計量，除減值虧損及外匯匯兌盈虧外，公允價值變動產生的損益直接於權益中確認，惟直至終止確認金融資產時，先前於權益中確認的累積損益於收益表中確認。用實際利率法計算的利息於收益表中確認。於出售時，先前於權益中確認的累積損益將撥入收益表。

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註(續)

for the six months ended 30 June 2008
截至二零零八年六月三十日止六個月

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The Group designated the loan relating to this investment as available-for-sale financial asset as the Group intends to capitalise the loan as further investment in this company.

Available-for-sale investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, an amount is removed from equity and recognised in the income statement as impairment loss. That amount is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in the income statement.

Reversals of impairment losses in respect of investment in equity instruments classified as available-for-sale are not recognised in the income statement. The subsequent increase in fair value is recognised directly in equity. Impairment losses in respect of investment in debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment losses were recognised. Reversal of impairment losses in such circumstances are recognised in the income statement.

From 1 January 2008, the Group has adopted all of the new and amended Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the HKICPA which are first effective on 1 January 2008 and relevant to the Group.

The adoption of these new and amended HKFRSs did not result in significant changes to the Group's accounting policies.

The Group has not early adopted the following HKFRSs that have been issued but are not yet effective. The directors of the Company anticipate that the adoption of such HKFRSs will not result in material financial impact on the Group's financial statements.

2. 主要會計政策概要(續)

由於本集團擬將該貸款資本化為該公司進一步的投資，故本集團將與該投資有關的貸款列為可供出售金融資產。

於股本證券的可供出售投資(指未於交投活躍市場上報價及其公允價值亦不能可靠地計量者)及衍生工具(指與該未報價股本工具掛鈎並須透過交付該股本工具進行結算者)，於初步確認後各結算日按成本減任何可識別減值虧損計量。

當可供出售金融資產的公允價值減少已直接於權益中確認及有客觀證據表明資產減值時，從權益中扣除有關金額，並於收益表中確認為減值虧損。該金額乃按資產收購成本(扣除任何本金償還及攤銷)及當時公允現值，減該資產先前於收益表中確認的任何減值虧損計量。

分類為可供出售的股本工具投資之減值虧損撥回，不得於收益表中確認。公允價值的隨後增加直接於權益中確認。倘公允價值的隨後增長客觀上與減值虧損確認之後發生的事項有關，則債務證券投資的減值虧損將予撥回。在此情況下，減值虧損的撥回於收益表中確認。

自二零零八年一月一日起，本集團已採納所有自二零零八年一月一日起生效並與本集團相關的新訂及經修訂香港財務報告準則(「香港財務報告準則」)，此乃以下各項的統稱，包括香港會計師公會頒佈的所有適用香港財務報告準則、香港會計準則及詮釋。

採納此等新訂及經修訂香港財務報告準則並無對本集團會計政策造成重大變動。

本集團並無提前採納下列經已頒佈但尚未生效的香港財務報告準則。本公司董事預期，採納該等香港財務報告準則不會導致本集團財務報表產生重大財務影響。

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註(續)

for the six months ended 30 June 2008
截至二零零八年六月三十日止六個月

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2. 主要會計政策概要(續)

HKAS 1 (Revised)	Presentation of Financial Statements ¹	香港會計準則第1號 (經修訂)	呈列財務報表 ¹
Amendments to HKAS 1 (Revised)	Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation ¹	香港會計準則第1號 修訂本(經修訂)	呈列財務報表 – 可沽售 金融工具及清盤時產生 的責任 ¹
HKAS 23 (Revised)	Borrowing costs ¹	香港會計準則第23號 (經修訂)	借貸成本 ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ²	香港會計準則第27號 (經修訂)	綜合及獨立財務報表 ²
HKAS 32 (Amendment)	Financial Instruments: Presentation – Puttable Financial Instruments and Obligations Arising on Liquidation ¹	香港會計準則第32號 (修訂本)	金融工具：呈列 – 可沽售 金融工具及清盤時產生 的責任 ¹
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement – Puttable Financial Instruments and Obligations Arising on Liquidation ¹	香港會計準則第39號 (修訂本)	金融工具：確認及計量 – 可沽售金融工具及清盤 時產生的責任 ¹
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations ¹	香港財務報告準則 第2號(修訂本)	以股份支付 – 歸屬條件及 註銷 ¹
HKFRS 3 (Revised)	Business Combinations – Comprehensive Revision on Applying the Acquisition Method ²	香港財務報告準則 第3號(經修訂)	業務合併 – 應用收購法的 全面修訂 ²
HKFRS 7 (Amendment)	Financial Instruments: Disclosures – Puttable Financial Instruments and Obligations Arising on Liquidation ¹	香港財務報告準則 第7號(修訂本)	金融工具：披露 – 可沽售 金融工具及清盤時產生 的責任 ¹
HKFRS 8	Operating Segments ¹	香港財務報告準則 第8號	營運分類 ¹
HK(IFRIC) – Int 13	Customer Loyalty Programmes ³	香港(國際財務報告 準則詮釋委員會) – 詮釋第13號	顧客忠誠計劃 ³
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate ¹	香港(國際財務報告 準則詮釋委員會) – 詮釋第15號	房地產建造協議 ¹
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation ⁴	香港(國際財務報告 準則詮釋委員會) – 詮釋第16號	對沖境外經營淨投資 ⁴

¹ Effective for annual periods beginning on or after 1 January 2009

² Effective for annual periods beginning on or after 1 July 2009

³ Effective for annual periods beginning on or after 1 July 2008

⁴ Effective for annual periods beginning on or after 1 October 2008

¹ 於二零零九年一月一日或以後開始的年度期間生效

² 於二零零九年七月一日或以後開始的年度期間生效

³ 於二零零八年七月一日或以後開始的年度期間生效

⁴ 於二零零八年十月一日或以後開始的年度期間生效

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註(續)

for the six months ended 30 June 2008
截至二零零八年六月三十日止六個月

3. REVENUE AND OTHER INCOME

Revenue, which includes the Group's turnover and other income recognised during the period are as follows:

3. 收益及其他收入

收益包括於該期間內確認的本集團營業額及其他收入，呈列如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2008 二零零八年 HK\$'000 千港元 (Unaudited) (未經審核)	2007 二零零七年 HK\$'000 千港元 (Unaudited) (未經審核)
Revenue	收益		
<u>Turnover</u>	<u>營業額</u>		
Proceeds from sale of properties held for sale	出售待售物業所得款項	37	10,150
Proceeds from sale of investment property	出售投資物業所得款項	944	-
Rental income	租金收入	7,589	2,394
Management fee income	管理費收入	-	231
		8,570	12,775
Other income	其他收入		
Gain on partial disposal of interests in subsidiaries	出售部分附屬公司權益的收益	-	22,204
Interest income	利息收入	1,758	1,749
Others	其他	524	118
		2,282	24,071

4. SEGMENT INFORMATION

(a) Primary reporting format – business segments

The Group is organised into two main business segments:

Property development : Property development and sale of properties held for sale

Property investment and leasing : Property rental and sale of investment property

Inter-segment sales are charged at prevailing market prices.

4. 分類資料

(a) 主要報告方式 – 業務分部

本集團業務分為兩個主要分部：

物業發展 : 物業發展及出售待售物業

物業投資及租賃 : 物業租金及出售投資物業

分部間銷售按當時市價計算。

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註(續)

for the six months ended 30 June 2008
截至二零零八年六月三十日止六個月

4. SEGMENT INFORMATION (Cont'd)

(a) Primary reporting format – business segments (Cont'd)

The segment results for the six months ended 30 June 2008 are as follows:

4. 分類資料(續)

(a) 主要報告方式－業務分部(續)

截至二零零八年六月三十日止六個月的分部業績，呈列如下：

		Property development	Property investment and leasing	Elimination	Total
		物業發展	物業投資 及租賃	對銷	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
Revenue:	收益：				
External customers	外界客戶	37	8,533	–	8,570
Inter-segment sales	分部間銷售	–	37	(37)	–
Total segment revenue	分部總收益	37	8,570	(37)	8,570
Segment results	分部業績	9	5,094	–	5,103
Other corporate income	其他公司收入				2,282
Unallocated expenses	未分配開支				(24,017)
Finance costs	融資成本				(11,968)
Share of results of associates	應佔聯營公司業績				11,169
Loss before taxation	除稅前虧損				(17,431)
Taxation	稅項				72
Loss for the period	期內虧損				(17,359)

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註(續)

for the six months ended 30 June 2008
截至二零零八年六月三十日止六個月

4. SEGMENT INFORMATION (Cont'd)

(a) Primary reporting format – business segments (Cont'd)

The segment results for the six months ended 30 June 2007 are as follows:

		Property development	Property investment and leasing	Other operations	Elimination	Total
		物業發展	物業投資 及租賃	其他業務	對銷	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
		(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
Revenue:	收益:					
External customers	外界客戶	10,150	2,394	231	-	12,775
Inter-segment sales	分部間銷售	-	17	-	(17)	-
Total segment revenue	分部總收益	10,150	2,411	231	(17)	12,775
Segment results	分部業績	3,908	1,894	126	-	5,928
Other corporate income	其他公司收入					24,071
Unallocated expenses	未分配開支					(18,636)
Finance costs	融資成本					(3,361)
Share of results of associates	應佔聯營公司業績					9,584
Profit before taxation	除稅前盈利					17,586
Taxation	稅項					(343)
Profit for the period	期內盈利					17,243

4. 分類資料(續)

(a) 主要報告方式－業務分部(續)

截至二零零七年六月三十日止六個月的分部業績，呈列如下：

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註(續)

for the six months ended 30 June 2008
截至二零零八年六月三十日止六個月

4. SEGMENT INFORMATION (Cont'd)

(b) Secondary reporting format – geographical segments

No geographical segments information is presented as the operations and major customers of the Group are substantially located in the People's Republic of China ("PRC").

5. FINANCE COSTS

4. 分類資料(續)

(b) 次要報告方式－地域分部

由於本集團的業務及主要客戶大多位於中華人民共和國(「中國」)，故並無呈列地域分部資料。

5. 融資成本

		Six months ended 30 June	
		截至六月三十日止六個月	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Interest charges on borrowing which is wholly repayable within five years:	須於五年內悉數償還的借貸利息費用：		
Bank loans	銀行貸款	6,032	2,050
Bank overdrafts	銀行透支	20	465
Other loan	其他貸款	435	-
Imputed interest expense on loans from minority shareholders	少數股東貸款的應計利息開支	3,241	846
Interest charge on convertible notes	可換股票據的利息費用	2,240	-
		11,968	3,361

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註(續)

for the six months ended 30 June 2008
截至二零零八年六月三十日止六個月

6. (LOSS)/PROFIT BEFORE TAXATION

6. 除稅前(虧損)/盈利

		Six months ended 30 June 截至六月三十日止六個月	
		2008 二零零八年 HK\$'000 千港元 (Unaudited) (未經審核)	2007 二零零七年 HK\$'000 千港元 (Unaudited) (未經審核)
(Loss)/profit before taxation is arrived at after charging:	除稅前(虧損)/盈利乃經扣除下列各項：		
Cost of properties held for sale recognised as expense	確認為開支的待售物業成本	25	5,718
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,773	1,071
Less: amount capitalised in properties held under development	減：撥充發展中物業資本的數額	(27)	(18)
		1,746	1,053
Outgoings in respect of investment properties that generated rental income during the period	有關於該期間內產生租金收入之投資物業的開支	1,923	395
Operating lease charges in respect of land and buildings	有關土地及樓宇的經營租賃費用	1,168	986
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	-	2
Staff costs, including directors' emoluments and retirement benefits cost	員工成本(包括董事酬金及退休福利金)	13,317	17,395
Employee share-based payment expense	以股份支付僱員開支	1,610	-
Less: amount capitalised in properties held under development	減：撥充發展中物業資本的數額	(3,229)	(4,105)
		11,698	13,290
Amount recognised as expense for retirement benefits cost	確認為退休福利金開支的數額	887	845
Exchange loss, net	匯兌虧損淨額	161	10
Loss on disposal of investment property included in gross profit	計入毛利的出售投資物業虧損	573	-
and crediting:	並已計入：		
Rental income from investment properties less outgoings	投資物業租金收入(扣除開支後)	5,666	1,999

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註(續)

for the six months ended 30 June 2008
截至二零零八年六月三十日止六個月

7. TAXATION

7. 稅項

		Six months ended 30 June	
		截至六月三十日止六個月	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		千港元	千港元
			(restated)
			(經重列)
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Current tax – PRC	即期稅項 – 中國		
– Corporate income tax	– 企業所得稅	37	293
– Land appreciation tax (“LAT”)	– 土地增值稅(「土地增值稅」)	1	50
		38	343
Deferred taxation	遞延稅項	(110)	–
Total tax charge for the period	期內稅項費用總額	(72)	343

LAT which included in “Cost of sales” for the period ended 30 June 2007 was restated to “Taxation” as the directors of the Company decided that it is more appropriate to account for and present LAT as income tax under HKAS 12 “Income Taxes” in light of the discussion of the Financial Reporting Standards Committee of the HKICPA on the scope of HKAS 12. The directors of the Company considered that the cumulative effect of changes would not have result in material impact to the presentation to the condensed consolidated financial statements of the Group for the period ended 30 June 2008 and 2007.

The PRC income tax is computed according to the relevant laws and regulations in the PRC. The applicable income tax rate was 25% for the period (six months ended 30 June 2007: 33%).

No Hong Kong profits tax has been provided as the Group had no estimated assessable profit for the period (six months ended 30 June 2007: Nil).

Deferred taxation is calculated under the balance sheet liability method using the applicable tax rates at balance sheet date.

8. DIVIDEND

(a) Dividend attributable to the period
No dividend has been paid or declared by the Company in respect of the period (six months ended 30 June 2007: Nil).

根據香港會計師公會財務報告準則委員會就香港會計準則第12號的範圍進行的討論，本公司董事斷定，根據香港會計準則第12號「所得稅」，土地增值稅入賬及呈列為所得稅更為合理，因此，計入截至二零零七年六月三十日止期間的「銷售成本」的土地增值稅，已經重列至「稅項」。本公司董事認為變動的累積影響將不會對截至二零零八年及二零零七年六月三十日止期間簡明綜合財務報表之呈列造成重大影響。

中國所得稅乃根據中國相關法律法規計算。期內適用所得稅稅率為25% (截至二零零七年六月三十日止六個月：33%)。

由於本集團於本期間並無任何估計應課稅盈利(截至二零零七年六月三十日止六個月：無)，故此並無就任何香港利得稅提撥準備。

遞延稅項乃根據資產負債表負債法按結算日的適用稅率計算。

8. 股息

(a) 於該期間應佔股息
本公司並無就該期間內支付或宣派任何股息(截至二零零七年六月三十日止六個月：無)。

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註(續)

for the six months ended 30 June 2008
截至二零零八年六月三十日止六個月

8. DIVIDEND (Cont'd)

(b) Dividend attributable to the previous financial year, approved and paid during the period

Final dividend for the year ended 31 December 2007	截至二零零七年十二月三十一日止 年度末期股息
Final dividend for the year ended 31 December 2006	截至二零零六年十二月三十一日止 年度末期股息

8. 股息(續)

(b) 於該期間內已批准及支付的過往財政年度應佔股息

Six months ended 30 June 截至六月三十日止六個月	
2008 二零零八年 HK\$'000 千港元 (Unaudited) (未經審核)	2007 二零零七年 HK\$'000 千港元 (Unaudited) (未經審核)

		11,372	-
		-	7,135
		11,372	7,135

9. (LOSSES)/EARNINGS PER SHARE

The calculation of basic losses/earnings per share is based on the loss attributable to equity holders of the Company of approximately HK\$11,659,000 (six months ended 30 June 2007: profit attributable to equity holders of the Company of approximately HK\$18,352,000) and on weighted average of 1,131,052,048 (six months ended 30 June 2007: 761,421,511, as adjusted for ordinary shares issued on rights issue) ordinary shares in issue during the period.

In the calculation of the diluted losses/earnings per share attributable to equity holders of the Company for the both period ended 30 June 2008 and 2007, the potential shares arising from the conversion of the Company's convertible notes would decrease/increase the losses/earnings per share attributable to equity holders of the Company and was not taken into account as they had an anti-dilutive effect. In addition, there were no potential shares arising from exercise of the Company's share options as the exercise prices of the options were higher than the average market price for the periods.

No diluted losses/earnings per share for the period ended 30 June 2008 and 2007 have presented as there were no dilutive potential shares.

9. 每股(虧損)/盈利

每股基本虧損/盈利乃按本公司權益持有人應佔虧損約11,659,000港元(截至二零零七年六月三十日止六個月:本公司權益持有人應佔盈利約18,352,000港元)及於該期間內已發行普通股1,131,052,048股(截至二零零七年六月三十日止六個月:761,421,511股,已就因供股而發行的普通股作出調整)的加權平均數計算。

計算截至二零零八年及二零零七年六月三十日止期間的本公司權益持有人應佔每股攤薄虧損/盈利時,兌換本公司可換股票據產生的潛在股份會減少/增加本公司權益持有人應佔每股虧損/盈利,但因有關股份具反攤薄影響,故並無入賬。此外,由於本公司購股權的行使價高於期內平均市價,因此並無因行使購股權而產生的潛在股份。

由於截至二零零八年及二零零七年六月三十日止期間並無潛在具攤薄效應的股份,因此該期間並無呈列每股攤薄虧損/盈利。

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註(續)

for the six months ended 30 June 2008
截至二零零八年六月三十日止六個月

10. CAPITAL EXPENDITURE

During the period, the Group incurred capital expenditure of approximately HK\$1,728,000 for property, plant and equipment (six months ended 30 June 2007: HK\$3,623,000) and did not incur any capital expenditure for investment property (six months ended 30 June 2007: HK\$9,202,000). Investment property with a carrying amount of approximately HK\$1,517,000 was disposed of during the period (six months ended 30 June 2007: Nil).

11. ACCOUNTS RECEIVABLE

Accounts receivable	應收賬款	493	514
Less: Provision for impairment loss	減：減值虧損撥備	-	-
		493	514

Accounts receivable generally have 30 to 60 days' credit terms and no interest is charged. All accounts receivable are denominated in Renminbi. The ageing analysis of the Group's accounts receivable is as follows:

Below 30 days	30天以內	316	249
30 – 60 days	30–60天	95	129
61 – 90 days	61–90天	32	50
91 – 365 days	91–365天	50	86
		493	514

10. 資本開支

於該期間內，本集團的物業、廠房及設備資本開支約1,728,000港元(截至二零零七年六月三十日止六個月：3,623,000港元)，及並無因投資物業而產生任何資本開支(截至二零零七年六月三十日止六個月：9,202,000港元)。於該期間內，出售投資物業的帳面值約1,517,000港元(截至二零零七年六月三十日止六個月：無)。

11. 應收賬款

At 30 June 2008 二零零八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
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應收賬款的信貸期一般為30至60天及不計息。所有應收賬款以人民幣計值。本集團應收賬款的賬齡分析如下：

At 30 June 2008 二零零八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
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Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註(續)

for the six months ended 30 June 2008
截至二零零八年六月三十日止六個月

12. ACCOUNTS PAYABLE

The aging analysis of the Group's accounts payable is as follows:

Below 30 days	30天以內	
30 – 60 days	30–60天	
61 – 90 days	61–90天	
91 – 365 days	91–365天	
Over 365 days	365天以上	
Rent received on behalf of landlords	代業主收取的租金	(a)
Accrued construction cost and other project-related expenses	應計建築成本及其他項目相關開支	(b)

Notes:

- (a) Rent received on behalf of landlords comprised net rental received from tenants after netting off fee charged to them provided by external services providers.
- (b) Included in the above amounts are construction cost and other project-related expense payable amounted to approximately HK\$35,374,000 at 30 June 2008 which was accrued based on the terms of the relevant agreements and project progress and were not due for payment at 30 June 2008 (31 December 2007: HK\$28,356,000).

12. 應付賬款

本集團應付賬款的賬齡分析如下：

Notes	At 30 June 2008 二零零八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
	607	1,110
	517	196
	637	160
	1,014	433
	69	826
	2,844	2,725
	35,374	28,356
	38,218	31,081

附註：

- (a) 代業主收取的租金包括向租戶收取的租金扣除外界服務供應商所收取費用後的所得淨額。
- (b) 上述金額包括於二零零八年六月三十日應付建築成本及其他項目相關開支約35,374,000港元，為根據相關協議條款及項目進度累算，於二零零八年六月三十日尚未到期支付(二零零七年十二月三十一日：28,356,000港元)。

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註(續)

for the six months ended 30 June 2008
截至二零零八年六月三十日止六個月

13. BORROWINGS

13. 借貸

		At 30 June 2008 二零零八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Borrowings wholly repayable within five years:	五年內應悉數償還之借貸：		
– Bank overdrafts	– 銀行透支	–	14,811
– Bank loans	– 銀行貸款	246,525	188,627
– Other loan	– 其他貸款	–	9,630
– Loans from minority shareholders	– 少數股東貸款	100,942	86,206
		347,467	299,274
Less: Current portion due within one year included under current liabilities	減：列為流動負債於一年內到期的即期部分	(158,689)	(113,727)
Non-current portion included under non-current liabilities	列為非流動負債的非即期部分	188,778	185,547
Borrowings were repayable as follows:	須償還借貸如下：		
Within one year	一年內		
Bank overdrafts, unsecured	銀行透支，無抵押	–	14,811
Bank loans, unsecured	銀行貸款，無抵押	93,000	28,000
Bank loans, secured	銀行貸款，有抵押	63,480	59,064
Other loan, unsecured	其他貸款，無抵押	–	9,630
Loan from a minority shareholder, unsecured	一位少數股東貸款，無抵押	2,209	2,222
In the second year	第二年内		
Bank loans, unsecured	銀行貸款，無抵押	–	15,000
Bank loans, secured	銀行貸款，有抵押	5,980	5,564
In the third to fifth year	三至五年		
Bank loans, secured	銀行貸款，有抵押	84,065	80,999
Loans from minority shareholders, unsecured	少數股東貸款，無抵押	98,733	83,984
		347,467	299,274

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註(續)

for the six months ended 30 June 2008
截至二零零八年六月三十日止六個月

13. BORROWINGS (Cont'd)

Notes:

- (a) Bank loans were secured by pledge of certain investment properties and properties held for development of the Group and pledge of bank deposits of approximately HK\$57,899,000 (31 December 2007: HK\$54,606,000).
- (b) Loans from minority shareholders are initially recognised at fair value and subsequently stated at amortised cost. The principal amounts of the loans were approximately HK\$111,613,000 (31 December 2007: HK\$97,613,000). The fair value of the loans was calculated by reference to a market interest rate ("MIR") for an equivalent loan. The fair value of the loans at the grant date was approximately HK\$91,751,000 (31 December 2007: HK\$80,243,000), which was calculated using cash flows discounted at MIR of 6.75% (31 December 2007: 6.75%) per annum. The residual amount of HK\$19,862,000 (31 December 2007: HK\$17,370,000) is accounted for as capital contribution from the minority shareholders which is included in minority interests.

The carrying amounts of the borrowings are denominated in the following currencies and have the following effective interest rates at the balance sheet date:

13. 借貸(續)

附註：

- (a) 銀行貸款由本集團的若干投資物業及將作發展物業抵押以及銀行存款抵押約57,899,000港元(二零零七年十二月三十一日：54,606,000港元)作為擔保。
- (b) 少數股東貸款首先按公允價值確認，其後按攤銷成本列賬。貸款本金額約111,613,000港元(二零零七年十二月三十一日：97,613,000港元)。貸款的公允價值參考等額貸款的市場利率(「市場利率」)計算。於授出日期的貸款公允價值約91,751,000港元(二零零七年十二月三十一日：80,243,000港元)，乃根據現金流量按市場利率每年6.75厘(二零零七年十二月三十一日：6.75厘)折現計算。餘額19,862,000港元(二零零七年十二月三十一日：17,370,000港元)按少數股東注資入賬，並已計入少數股東權益。

借貸賬面值乃以下列貨幣為計值單位，於結算日的實際利率如下：

		At 30 June 2008 於二零零八年六月三十日		At 31 December 2007 於二零零七年十二月三十一日	
		HK\$'000 千港元	Interest rate per annum 年利率	HK\$'000 千港元	Interest rate per annum 年利率
		(Unaudited) (未經審核)		(Audited) (經審核)	
Hong Kong dollars	港元	115,431	2.18% – 6.50%	68,031	4.29% – 7.25%
United States dollars	美元	78,511	6.75%	75,986	6.75%
Renminbi	人民幣	153,525	6.00% – 7.45%	155,257	5.56% – 7.01%
		347,467		299,274	

Borrowings were under floating interest rates.

借貸乃按浮動利率計息。

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註(續)

for the six months ended 30 June 2008
截至二零零八年六月三十日止六個月

14. SHARE CAPITAL

14. 股本

	Notes 附註	At 30 June 2008 於二零零八年六月三十日		At 31 December 2007 於二零零七年十二月三十一日	
		Number of shares 股份數量	HK\$'000 千港元 (Unaudited) (未經審核)	Number of shares 股份數量	HK\$'000 千港元 (Audited) (經審核)
Authorised:	法定:				
Ordinary shares of HK\$0.01 each	每股面值0.01港元的普通股	30,000,000,000	300,000	30,000,000,000	300,000
Issued and fully paid:	已發行及繳足:				
Ordinary shares of HK\$0.01 each	每股面值0.01港元的普通股				
At the beginning of the period/year	期/年初	1,128,264,685	11,283	713,518,218	7,135
Subscription for ordinary shares	認購普通股	(a) -	-	90,017,210	900
Issue of ordinary shares on bonus issue	以紅股方式發行普通股	(b) -	-	14,270,364	143
Issue of ordinary shares as 2006 scrip dividend	發行二零零六年以股代息普通股	(c) -	-	2,750,343	28
Issue of ordinary shares upon rights issue	以供股方式發行普通股	(d) -	-	307,708,550	3,077
Issue of shares on exercise of share options	因行使購股權而發行股份	(e) 8,900,000	89	-	-
At the end of the period/year	期/年終	1,137,164,685	11,372	1,128,264,685	11,283

Notes:

附註:

- (a) Pursuant to the master transfer agreement dated 17 October 2006, the details of which were described in note 15(a) to this condensed consolidated financial statements, 13,380,657 and 42,535,093 ordinary shares of the Company were issued to Belbroughton Limited on 29 June 2007 and 31 August 2007 respectively at a price of HK\$0.6405 each and 34,101,460 ordinary shares of the Company were issued to Peeli Limited on 31 August 2007 at a price of HK\$0.6405 each.
- (b) Pursuant to an ordinary resolution passed at the Annual General Meeting held on 1 June 2007, the Company approved a bonus share of 1 ordinary share per 50 ordinary shares in issue. On 11 June 2007, 14,270,364 ordinary shares of HK\$0.01 each were issued to shareholders of the Company.
- (c) On 4 July 2007, 2,750,343 ordinary shares of HK\$0.01 each were issued at a price of HK\$0.74 per ordinary share upon election by shareholders to receive ordinary shares in the Company in lieu of the 2006 final dividend pursuant to the scrip dividend scheme as detailed in a circular dated 4 June 2007.
- (d) On 8 October 2007, 307,708,550 ordinary shares of HK\$0.01 each were issued pursuant to the rights issue at a price of HK\$0.52 per ordinary shares as detailed in a circular dated 10 September 2007 and an announcement on the results of the rights issue dated 3 October 2007.
- (e) On 5 May 2008, 8,900,000 ordinary shares of HK\$0.01 each were allotted and issued pursuant to the exercise of share options by certain directors of the Company in accordance with terms as set out in the share option scheme of the Company.

- (a) 根據二零零六年十月十七日訂立的物業轉讓框架協議(詳情載於簡明綜合財務報表附註15(a)), Belbroughton Limited分別於二零零七年六月二十九日及二零零七年八月三十一日按每股0.6405港元獲發行本公司13,380,657股及42,535,093股普通股,而Peeli Limited於二零零七年八月三十一日按每股0.6405港元獲發行本公司34,101,460股普通股。
- (b) 根據二零零七年六月一日股東週年大會通過的普通決議案,本公司同意每50股已發行普通股可獲發1股普通股作為紅股。於二零零七年六月十一日,本公司股東獲發行14,270,364股每股面值0.01港元的普通股。
- (c) 於二零零七年七月四日,在股東根據以股代息計劃(詳情載於二零零七年六月四日刊發的通函)選擇收取本公司普通股代替二零零六年末期股息後,已發行2,750,343股每股面值0.01港元的普通股,每股發行價0.74港元。
- (d) 於二零零七年十月八日,已根據供股發行307,708,550股每股面值0.01港元的普通股,每股發行價0.52港元,詳情載於二零零七年九月十日刊發的通函及二零零七年十月三日刊發的供股結果公告。
- (e) 於二零零八年五月五日,本公司若干名董事根據本公司購股權計劃所載條款行使購股權,因而配發及發行8,900,000股每股面值0.01港元的普通股。

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註(續)

for the six months ended 30 June 2008
截至二零零八年六月三十日止六個月

15. RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties:

15. 關連人士交易

本集團與關連人士已進行以下交易：

		Six months ended 30 June 截至六月三十日止六個月	
		2008 二零零八年	2007 二零零七年
		HK\$'000 千港元	HK\$'000 千港元
Notes 附註		(Unaudited) (未經審核)	(Unaudited) (未經審核)
Acquisition of investment properties from:	向下列人士收購投資物業：		
– Lakeside Consultants Limited	– 湖濱諮詢有限公司	–	2,221
– Eastside Properties Limited	– 東方物業有限公司	–	2,371
– Lanick Group Limited	– 朗利集團有限公司	–	2,265
– Cosmopolitan Group Limited	– 世界性集團有限公司	–	2,345
Landscaping and maintenance expenses to Suzhou New Heritage Trees & Landscaping Co., Ltd. (“SNHTL”)	支付予蘇州新繼園林綠化有限公司(「新繼園林綠化」)的美化及保養開支	–	(22)
Rental expenses to Fontwell Holdings Limited (“Fontwell”)	Fontwell Holdings Limited (「Fontwell」)收取的租金開支	(618)	(498)
Building management fee expenses to Fontwell	支付予Fontwell的樓宇管理費用	(89)	(88)
Rental income from Clark Hatch Fitness Centres (Shanghai) Limited (“Clark Hatch”)	向上海克拉克海奇健身有限公司(「克拉克海奇」)收取租金收入	400	393
Membership fee to Clark Hatch	克拉克海奇的會籍費	(186)	–

Notes:

(a) On 17 October 2006, the Company and certain connected parties of the Company, namely Ms. Tao Miriam, Ms. Hon Hing Tong, Patricia, Mr. Tao Richard, Ms. Tao Yi Hou Mildred, Ms. Ong Ker Shing, Eastside Properties Limited, Cosmopolitan Group Limited, Lakeside Consultants Limited and Lanick Group Limited (collectively known as the “Vendors”) entered into a master transfer agreement, pursuant to which the Company agreed to purchase 82 units of Suzhou Garden Villa (collectively known as the “Properties”) from the Vendors at a consideration of RMB87,975,000. The consideration was determined with reference to the valuation of the properties of RMB103,500,000 as at 31 August 2006, estimated by DTZ Debenham Tie Leung Limited. The completion of acquisition of the Properties are conditional upon fulfilment of certain conditions by the Group and the Vendors on or before 31 December 2007.

During the period ended 30 June 2007, the Group acquired 8 units of the Properties at total consideration of approximately RMB9,202,000. Subsequent to 30 June 2007 and before the year ended 31 December 2007, the Group acquired the remaining 74 units of the Properties at a consideration of approximately RMB82,340,000, including expenditure directly attributable to the acquisition.

附註：

(a) 於二零零六年十月十七日，本公司及本公司若干關連人士，包括陶蘊怡女士、韓慶棠女士、陶家祈先生、陶伊皓女士、王可欣女士、東方物業有限公司、世界性集團有限公司、湖濱諮詢有限公司及朗利集團有限公司(統稱「賣方」)訂立一項物業轉讓框架協議，據此，本公司同意向賣方購買蘇州錦華苑82個單位(統稱「該等物業」)，代價為人民幣87,975,000元。該代價乃經參照戴德梁行有限公司所作該等物業於二零零六年八月三十一日的估值人民幣103,500,000元而釐定。收購該等物業的完成，須待本集團及賣方於二零零七年十二月三十一日或以前達成若干條件後，方可落實。

截至二零零七年六月三十日止期間，本集團以總代價約人民幣9,202,000元收購該等物業8個單位。於二零零七年六月三十日之後及截至二零零七年十二月三十一日止年度之前，本集團以代價約人民幣82,340,000元(包括收購的直接應佔開支)收購該等物業其餘74個單位。

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註(續)

for the six months ended 30 June 2008
截至二零零八年六月三十日止六個月

15. RELATED PARTY TRANSACTIONS (Cont'd)

Notes: (Cont'd)

(a) (Cont'd)

Pursuant to this master transfer agreement, the Vendors or any parties directed by the Vendors agreed to subscribe for new shares of the Company for not more than 90,017,210 ordinary shares at HK\$0.6405 each. The net proceeds from the subscription after deducting related expenses will be used as the general working capital of the Group. During the period ended 30 June 2007, the Company issued 13,380,657 ordinary shares at HK\$0.6405 each. Subsequent to 30 June 2007 and before the year ended 31 December 2007, the Company issued 76,636,553 ordinary shares at HK\$0.6405 each (note 14(a)). Issue of shares on subscription were non-cash transactions for settlement of the remaining balances due to the vendors.

- (i) Mr. Tao Richard is a director and the beneficial owner of this company.
- (ii) The wife of Mr. Taochaifu Choofuang ("Mr. C.F. Tao") is a director and the beneficial owner of this company.
- (iii) Mr. Tao Paul is a director and the beneficial owner of this company.
- (iv) Ms. Tao Miriam, the daughter of Mr. C.F. Tao, is a director and the beneficial owner of this company.
- (b) Mr. C.F. Tao and Mr. Tao Paul, have beneficial interest in SNHTL. The charge on expenses by this company was in accordance with the terms of the underlying agreements.
- (c) Mr. C.F. Tao, Mr. Tao Richard and Mr. Tao Paul have beneficial interests in Fontwell. The charges by Fontwell was in accordance with the terms of the underlying agreements.
- (d) Mr. Tao Richard and Mr. Tao Paul are directors of Clark Hatch and Mr. Tao Paul has beneficial interests in Clark Hatch. The charge to Clark Hatch was in accordance with the terms of the underlying agreements. The membership fee was charged at terms mutually agreed by both parties.
- (e) Key management personnel compensation
The directors are of the opinion that the key management personnel were solely the executive directors of the Company. Remuneration paid to the Company's directors is as follows:

Salaries, allowance and other benefit in kind	薪金、津貼及其他實物利益
Employee share-based payment expenses	以股份支付僱員的開支
Contribution to retirement benefit scheme	退休金計劃供款

15. 關連人士交易(續)

附註：(續)

(a) (續)

根據該物業轉讓框架協議，賣方或任何賣方指定人士同意按每股0.6405港元認購不超過90,017,210股本公司新普通股。認購所得款項淨額扣除相關開支後，用作本集團一般營運資金。截至二零零七年六月三十日止期間，本公司按每股0.6405港元發行13,380,657股普通股。於二零零七年六月三十日之後及截至二零零七年十二月三十一日止年度之前，本公司按每股0.6405港元發行76,636,553股普通股(附註14(a))。於認購時發行股份為非現金交易，以償付結欠賣方的剩餘款項。

- (i) 陶家祈先生為該公司董事及實益擁有人。
- (ii) 陶哲甫先生(「陶哲甫先生」)的妻子為該公司董事及實益擁有人。
- (iii) 陶錫祺先生為該公司董事及實益擁有人。
- (iv) 陶哲甫先生的女兒陶蘊怡女士為該公司董事及實益擁有人。
- (b) 陶哲甫先生及陶錫祺先生於新繼園林綠化中擁有實益權益。該公司乃根據相關協議的條款收取費用。
- (c) 陶哲甫先生、陶家祈先生及陶錫祺先生於Fontwell中擁有實益權益。Fontwell乃根據相關協議的條款收取費用。
- (d) 陶家祈先生及陶錫祺先生為克拉克海奇之董事，而陶錫祺先生亦於克拉克海奇中擁有實益權益。向克拉克海奇收取的費用乃根據相關協議的條款收取。會籍費乃按訂約雙方共同協定的條款收取。
- (e) 主要管理人員薪酬
董事認為，主要管理人員僅包括本公司執行董事。已付本公司董事的薪酬如下：

Six months ended 30 June
截至六月三十日止六個月

2008	2007
二零零八年	二零零七年
HKS'000	HKS'000
千港元	千港元
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)

Salaries, allowance and other benefit in kind	薪金、津貼及其他實物利益	5,044	5,739
Employee share-based payment expenses	以股份支付僱員的開支	1,206	-
Contribution to retirement benefit scheme	退休金計劃供款	189	150
		6,439	5,889

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註(續)

for the six months ended 30 June 2008
截至二零零八年六月三十日止六個月

16. COMMITMENTS AND OPERATING LEASE ARRANGEMENTS

(a) Capital commitments

- (i) Capital commitments in respect of properties under development for the Group

	At 30 June 2008 二零零八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Contracted but not provided for 已簽約惟未撥備	92,542	117,251

- (ii) Attributable share of associate's capital commitments in respect of acquisition of property, plant and equipment

	At 30 June 2008 二零零八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Contracted but not provided for 已簽約惟未撥備	-	1,783

- (iii) Capital commitments in respect of setting up a company in the PRC – Nanjing Shanming South Taiping Road Property Development Co. Ltd. ("Shangming")

On 10 July 2006, a subsidiary of the Company entered into the share transfer and subscription agreement, the shareholders' agreement and the equity joint venture agreement in order to establish an arrangement of investment in a jointly-controlled entity incorporated in the PRC ("Joint Venture") for the development project located in Nanjing, the PRC. After the completion of the arrangement, the Group will ultimately hold 21.6% of equity interest in the Joint Venture. The contribution of the Group to the registered capital of the Joint Venture will be RMB21,600,000. The contribution must be paid within two years from the date on which the business licence of the Joint Venture is issued.

16. 承擔及經營租賃安排

(a) 資本承擔

- (i) 本集團有關發展中物業的資本承擔

	At 30 June 2008 二零零八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Contracted but not provided for 已簽約惟未撥備	92,542	117,251

- (ii) 應佔聯營公司就收購物業、廠房及設備的資本承擔的部分

	At 30 June 2008 二零零八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Contracted but not provided for 已簽約惟未撥備	-	1,783

- (iii) 就於中國成立一家公司的資本承擔—南京商明太平南路置業發展有限公司(「商明」)

於二零零六年七月十日，本公司一家附屬公司訂立股份轉讓及認購協議、股東協議及合資經營合同，以達成於一家中國合營企業(「合營企業」)的投資安排，發展一項位於中國南京的項目。於安排達成後，本集團將最終持有合營企業21.6%股本權益。本集團對合營企業註冊資本的出資將為人民幣21,600,000元。出資額須於合營企業獲發營業執照當日起計兩年內繳付。

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註(續)

for the six months ended 30 June 2008
截至二零零八年六月三十日止六個月

16. COMMITMENTS AND OPERATING LEASE ARRANGEMENTS (Cont'd)

(a) Capital commitments (Cont'd)

(iii) Capital commitments in respect of setting up a company in the PRC – Nanjing Shanming South Taiping Road Property Development Co. Ltd. (“Shangming”) (Cont'd)

On 20 October 2006, the Joint Venture, known as Shangming, was set up. No capital had been contributed by the Group up to 30 June 2008 (31 December 2007: Nil). According to a written resolution of an associate of the Group dated 8 September 2008, the investment in Joint Venture will be terminated as the conditions of investing in Shangming were changed. The directors of the Company anticipate that this action will not cause any material financial impact to the Group.

(b) Operating lease arrangements

(i) The Group had future aggregate minimum lease receipts under non-cancellable operating leases which are receivable as follows:

		At 30 June 2008 二零零八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Not later than one year	不超過一年	11,610	10,209
Later than one year and not later than five years	一年後及不超過五年	3,939	6,192
		15,549	16,401

The Group leases out its investment properties under operating lease arrangements which run for initial periods of less than one year to three years or expire at dates as mutually agreed between the Group and the respective tenants, without an option to renew the lease terms at the expiry date. The terms of the leases generally also require the tenants to pay security deposits.

16. 承擔及經營租賃安排(續)

(a) 資本承擔(續)

(iii) 就於中國成立一家公司的資本承擔—南京商明太平南路置業發展有限公司(「商明」)(續)

合營企業(名為商明)於二零零六年十月二十日成立。截至二零零八年六月三十日止，本集團並無作出任何出資(二零零七年十二月三十一日：無)。根據本集團之聯營公司於二零零八年九月八日的書面決議案，由於投資商明的狀況有變，於合營企業的投資將會終止。本公司董事預期，這將不會對本集團造成任何重大財務影響。

(b) 經營租賃安排

(i) 本集團根據不可撤銷經營租賃應收取的未來最低租金費用總額如下：

本集團根據經營租賃安排租出其投資物業，初步為期少於一年至三年或按本集團與相關租客共同協定日期屆滿，並無於屆滿日續租的選擇權。租約條款一般亦規定租客支付保證按金。

Notes to the Condensed Consolidated Financial Statements (Cont'd)

簡明綜合財務報表附註(續)

for the six months ended 30 June 2008
截至二零零八年六月三十日止六個月

16. COMMITMENTS AND OPERATING LEASE ARRANGEMENTS (Cont'd)

(b) Operating lease arrangements (Cont'd)

- (ii) The Group had future aggregate minimum lease payments under non-cancellable operating leases which are payable as follows:

		At 30 June 2008 二零零八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Not later than one year	不超過一年	2,254	2,153
Later than one year and not later than five years	一年後及不超過五年	1,124	2,145
		3,378	4,298

The Group leases a number of properties under operating lease arrangements which run for initial periods of two years or expire at dates as mutually agreed between the Group and the respective landlords, without an option to renew the lease terms at the expiry date.

During the period, the Group had no contingent rentals receivable or payable.

16. 承擔及經營租賃安排(續)

(b) 經營租賃安排(續)

- (ii) 本集團根據不可撤銷經營租賃應支付的未來最低租金費用總額如下：

	At 30 June 2008 二零零八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
	2,254	2,153
	1,124	2,145
	3,378	4,298

本集團根據經營租賃安排租賃多項物業，初步為期兩年或按本集團與相關業主共同協定日期屆滿，並無於屆滿日續租的選擇權。

於該期間內，本集團並無任何應收或應付或然租金。

Independent Review Report 獨立審閱報告



Member of Grant Thornton International Ltd

To the board of directors of New Heritage Holdings Ltd.
(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 28 to 53, which comprise the condensed consolidated balance sheet of New Heritage Holdings Ltd. as of 30 June 2008 and the related condensed consolidated income statement, statement of changes in equity and cash flow statement for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors are responsible for the preparation and presentation of the interim financial report in accordance with HKAS 34.

Our responsibility is to express a conclusion on the interim financial report based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

致新澤控股有限公司董事會
(於開曼群島註冊成立的有限公司)

緒言

吾等已審閱第28至53頁所載的中期財務報告。此中期財務報告包括新澤控股有限公司於二零零八年六月三十日的簡明綜合資產負債表與截至該日止六個月期間的相關簡明綜合收益表、權益變動表及現金流量表及說明附註。香港聯合交易所有限公司證券上市規則規定，編製中期財務報告必須符合有關的上市規則條文及香港會計師公會（「香港會計師公會」）頒佈的香港會計準則第34號「中期財務報告」（「香港會計準則第34號」）。董事須負責根據香港會計準則第34號編製及呈列該中期財務報告。

吾等的責任是根據吾等對該中期財務報告的審閱結果作出結論，並按照委聘的協定條款僅向作為實體的閣下報告結論，除此之外概無其他目的。吾等不會就本報告的內容向任何其他人士負責或承擔責任。

審閱範圍

吾等已根據香港會計師公會頒佈的香港審閱工作準則第2410號「公司獨立核數師對中期財務資料審閱」進行審閱。審閱中期財務報告包括主要向負責財務及會計事務的人員作出查詢，並應用分析和其他審閱程序。審閱範圍遠少於根據香港核數準則進行審核的範圍，故吾等無法保證知悉在審核中可能識別的所有重大事項。因此，吾等並不發表審核意見。

Independent Review Report (Cont'd) 獨立審閱報告(續)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report is not prepared, in all material respects, in accordance with HKAS 34.

Grant Thornton

Certified Public Accountants
13/F Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

12 September 2008


結論

按照吾等的審閱，吾等並無發現任何事項令吾等相信該中期財務報告在各重大方面未有根據香港會計準則第34號編製。

均富會計師行

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告羅士打大廈13樓

二零零八年九月十二日

 本中期報告之內頁以環保紙印製

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新澤控股有限公司 New Heritage Holdings Ltd.

(於開曼群島註冊成立之有限公司)

(Incorporated in the Cayman Islands with limited liability)

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