



CGD 中國金展控股有限公司
China Golden Development Holdings Limited
Stock Code 股份代號: 162

Interim Report 2010 中期報告



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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Choon Hoi Kit, Edwin (*Chief Executive Officer*)

Mr. Qu Jiaqi

Mr. Li Haogang

Mr. Sha Yingjie

Ms. Lu Xiaoling

Independent Non-executive Directors

Mr. Chan Wai Kwong, Peter

Mr. Fu Wing Kwok, Ewing

Mr. Tsang Kwok Wai

FINANCIAL CONTROLLER AND COMPANY SECRETARY

Mr. Chiu Ngam, Chris

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 1801, 18th Floor, Tai Yau Building,
181 Johnston Road, Wanchai, Hong Kong

PRINCIPAL BANKERS

Agricultural Bank of China

Industrial and Commercial Bank of China

Wing Lung Bank

Bank of China

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

COMPANY WEBSITE

<http://cgd.etnet.com.hk>

董事會

執行董事

鄭開杰先生 (*行政總裁*)

曲家琪先生

李郝港先生

沙英傑先生

魯曉玲女士

獨立非執行董事

陳為光先生

傅榮國先生

曾國偉先生

財務總監及公司秘書

趙岩先生

總辦事處兼主要營業地點

香港灣仔莊士敦道181號
大有大廈18樓1801室

主要往來銀行

中國農業銀行

中國工商銀行

永隆銀行

中國銀行

註冊辦事處

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

公司網址

<http://cgd.etnet.com.hk>

CORPORATE INFORMATION

公司資料

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Abacus Limited
26/F, Tesbury Centre
28 Queen's Road East
Hong Kong

香港股份過戶登記分處

卓佳雅柏勤有限公司
香港
皇后大道東28號
金鐘匯中心26樓

AUDITORS

Baker Tilly Hong Kong Limited

核數師

香港天華會計師事務所有限公司

AUDIT COMMITTEE MEMBERS

Mr. Fu Wing Kwok, Ewing (*Chairman*)
Mr. Chan Wai Kwong, Peter
Mr. Tsang Kwok Wai
Mr. Sha Yingjie
Ms. Lu Xiaoling

審核委員會成員

傅榮國先生 (主席)
陳為光先生
曾國偉先生
沙英傑先生
魯曉玲女士

REMUNERATION COMMITTEE MEMBERS

Mr. Chan Wai Kwong, Peter (*Chairman*)
Mr. Fu Wing Kwok, Ewing
Mr. Tsang Kwok Wai

薪酬委員會成員

陳為光先生 (主席)
傅榮國先生
曾國偉先生

BERMUDA PRINCIPAL SHARE REGISTRAR

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road,
Pembroke HM 08
Bermuda

百慕達主要股份過戶登記處

Butterfield Fund Services (Bermuda)
Limited
Rosebank Centre
11 Bermudiana Road,
Pembroke HM 08
Bermuda

STOCK CODE

162

股份代號

162

Condensed Consolidated Income Statement

簡明綜合收益賬

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

(Expressed in Hong Kong dollars) (以港元計算)

		(Unaudited)		
		Six months ended		
		30 June		
		(未經審核)		
		截至六月三十日止六個月		
		2010	2009	
		HK\$'000	HK\$'000	
		(Re-presented)		
		二零一零年	二零零九年	
		千港元	千港元	
		(重列)		
Turnover	營業額	3	325,252	264,833
Cost of sales	銷售成本		(93,733)	(80,666)
Gross profit	毛利		231,519	184,167
Other revenue and income	其他收益及收入		42,082	42,031
Selling and distribution expenses	銷售及分銷開支		(25,034)	(18,863)
General and administrative expenses	一般及行政管理費用		(137,116)	(126,626)
Equity settled share-based payment expense for share options granted	就授出購股權以股份支付之股本付款	4	(106)	(1,276)
Loss on partial redemption of convertible bonds	贖回部份可換股債券之虧損	15	(4,760)	-
Operating profit	經營溢利		106,585	79,433
Finance costs	財務費用	5(a)	(69,351)	(70,017)
Profit before taxation	除稅前溢利	5	37,234	9,416
Income tax	所得稅	6	(25,645)	(19,746)
Profit/(loss) for the period	期內溢利／(虧損)		11,589	(10,330)
Attributable to:	由下列人士應佔：			
- Equity shareholders of the Company	- 本公司股東		(1,097)	(20,127)
- Non-controlling interests	- 非控股權益		12,686	9,797
Profit/(loss) for the period	期內溢利／(虧損)		11,589	(10,330)
			HK cents	HK cents
			港仙	港仙
Loss per share	每股虧損	7		
- Basic	- 基本		(0.06)	(1.74)
- Diluted	- 攤薄		N/A不適用	N/A不適用

The notes on pages 10 to 42 form part of this condensed consolidated interim financial information.

第10至42頁之附註乃本簡明綜合中期財務資料之部份。

Condensed Consolidated Statement of Comprehensive Income

簡明綜合全面收益賬

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月
(Expressed in Hong Kong dollars) (以港元計算)

		(Unaudited)	
		Six months ended	
		30 June	
		(未經審核)	
		截至六月三十日止六個月	
		2010	2009
		HK\$'000	HK\$'000
		二零一零年	二零零九年
		千港元	千港元
Profit/(loss) for the period	期內溢利／(虧損)	11,589	(10,330)
Other comprehensive income/(expense)	其他全面收入／(開支)		
Exchange differences on translation of financial statements of overseas subsidiaries	換算海外附屬公司財務報表產生之匯兌差額	<u>4,715</u>	<u>(726)</u>
Total comprehensive income/(loss) for the period	期內全面收入／(虧損)總額	<u>16,304</u>	<u>(11,056)</u>
Attributable to:	由下列人士應佔：		
– Equity shareholders of the Company	– 本公司股東	3,618	(20,853)
– Non-controlling interests	– 非控股權益	<u>12,686</u>	<u>9,797</u>
Total comprehensive income/(loss) for the period	期內全面收入／(虧損)總額	<u>16,304</u>	<u>(11,056)</u>

The notes on pages 10 to 42 form part of this condensed consolidated interim financial information.

第10至42頁之附註乃本簡明綜合中期財務資料之部份。

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 June 2010 於二零一零年六月三十日

(Expressed in Hong Kong dollars) (以港元計算)

			(Unaudited) At 30 June 2010 HK\$'000 (未經審核) 於二零一零年 六月三十日 千港元	(Audited) At 31 December 2009 HK\$'000 (經審核) 於二零零九年 十二月三十一日 千港元
	Note 附註			
Non-current assets		非流動資產		
Fixed assets		固定資產	9	161,448
Goodwill		商譽		226,579
Loan and other receivables		貸款及其他應收款	10	1,397,976
Deferred tax assets		遞延稅項資產		3,395
			<u>1,789,398</u>	<u>1,781,377</u>
Current assets		流動資產		
Inventories		存貨		29,615
Trade and other receivables		應收賬款及 其他應收款	11	64,232
Loan receivables		應收貸款	10	4,013
Amounts due from related companies		應收關連公司款項	19(d)	-
Amount due from a director		應收董事款項	19(d)	39
Cash and cash equivalents		現金及現金等值項目	12	58,542
			<u>156,441</u>	<u>196,881</u>
Current liabilities		流動負債		
Trade and other payables		應付賬款及 其他應付款	13	865,292
Amounts due to related companies		應付關聯公司款項	19(d)	15,494
Amount due to a director		應付董事款項	19(d)	-
Bank and other loans		銀行及其他貸款	14	202,283
Current taxation		本期稅項		22,179
			<u>1,105,248</u>	<u>1,245,794</u>
Net current liabilities		流動負債淨額		<u>(948,807)</u>
Total assets less current liabilities		總資產減流動負債		<u>840,591</u>
Non-current liabilities		非流動負債		
Convertible bonds		可換股債券	15	800,732
NET ASSETS/(LIABILITIES)		資產/(負債)淨額		<u>39,859</u>
				<u>(34,963)</u>

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 June 2010 於二零一零年六月三十日

(Expressed in Hong Kong dollars) (以港元計算)

			(Unaudited) At 30 June 2010 HK\$'000 (未經審核) 於二零一零年 六月三十日 千港元	(Audited) At 31 December 2009 HK\$'000 (經審核) 於二零零九年 十二月三十一日 千港元
		Note		
		附註		
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	16	175,236	116,824
Reserves	儲備		(233,715)	(237,439)
Total deficit attributable to equity shareholders of the Company	本公司股東應佔虧絀總額		(58,479)	(120,615)
Non-controlling interests	非控股權益		98,338	85,652
TOTAL EQUITY/(DEFICIT)	權益／(虧絀)總額		39,859	(34,963)

The notes on pages 10 to 42 form part of this condensed consolidated interim financial information.

第10至42頁之附註乃本簡明綜合中期財務資料之部份。

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

(Expressed in Hong Kong dollars) (以港元計算)

		Attributable to equity shareholders of the Company 本公司股東應佔										
		Share capital	Share premium	Capital reserve	Share-based payment reserve	Warrant reserve	Statutory surplus reserve	Exchange reserve	Accumulated losses	Total	Non-controlling interests	Total (deficit)/equity
		股本	股份溢價	資本儲備	以股份支付儲備	認股權儲備	法定盈餘儲備	匯兌儲備	累計虧損	總計	非控股權益	權益總額
		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
At 1 January 2009 (audited)	於二零零九年一月一日 (經審核)	115,824	386,673	49,886	2,447	2,235	9,148	12,619	(661,141)	(82,309)	71,008	(11,301)
Equity settled share-based transactions	以股份支付之股本交易											
– Amount recognised during the period	– 一期內確認之金額	-	-	-	1,276	-	-	-	-	1,276	-	1,276
Total comprehensive loss for the period	本期間內之 全面虧損總額	-	-	-	-	-	-	(726)	(20,127)	(20,853)	9,797	(11,056)
At 30 June 2009 (unaudited)	於二零零九年六月三十日 (未經審核)	<u>115,824</u>	<u>386,673</u>	<u>49,886</u>	<u>3,723</u>	<u>2,235</u>	<u>9,148</u>	<u>11,893</u>	<u>(681,268)</u>	<u>(101,886)</u>	<u>80,805</u>	<u>(21,081)</u>
At 1 January 2010 (audited)	於二零一零年一月一日 (經審核)	116,824	388,578	49,886	4,628	2,438	18,625	12,768	(714,362)	(120,615)	85,652	(34,963)
Shares issued under open offer	根據公開發售發行之 股份	58,412	-	-	-	-	-	-	-	58,412	-	58,412
Equity settled share-based transactions	以股份支付之股本交易											
– Amount recognised during the period	– 一期內確認之金額	-	-	-	106	-	-	-	-	106	-	106
– Lapse of share options	– 購股權失效	-	-	-	(4,734)	-	-	-	4,734	-	-	-
Total comprehensive income for the period	本期間內之 全面收入總額	-	-	-	-	-	-	4,715	(1,097)	3,618	12,686	16,304
At 30 June 2010 (unaudited)	於二零一零年六月三十日 (未經審核)	<u>175,236</u>	<u>388,578</u>	<u>49,886</u>	<u>-</u>	<u>2,438</u>	<u>18,625</u>	<u>17,483</u>	<u>(710,725)</u>	<u>(58,479)</u>	<u>98,338</u>	<u>39,859</u>

The notes on pages 10 to 42 form part of this condensed consolidated interim financial information.

第10至42頁之附註乃本簡明綜合中期財務資料之部份。

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

(Expressed in Hong Kong dollars) (以港元計算)

		(Unaudited)	
		Six months ended	
		30 June	
		(未經審核)	
		截至六月三十日止六個月	
		2010	2009
		HK\$'000	HK\$'000
		二零一零年	二零零九年
		千港元	千港元
Net cash (used in)/generated from operating activities	經營活動(所使用)/產生之現金淨額	(14,122)	31,873
Net cash generated from/(used in) investing activities	投資活動產生/(所使用)現金淨額	23,173	(7,472)
Net cash used in financing activities	融資活動所使用現金淨額	(39,720)	(41,724)
Net decrease in cash and cash equivalents	現金及現金等值項目減少淨額	(30,669)	(17,323)
Cash and cash equivalents at 1 January	於一月一日之現金及現金等值項目	88,505	84,686
Effect of foreign exchange rate changes	外幣兌換率變動之影響	706	(297)
Cash and cash equivalents at 30 June	於六月三十日之現金及現金等值項目	58,542	67,066

The notes on pages 10 to 42 form part of this condensed consolidated interim financial information.

第10至42頁之附註乃本簡明綜合中期財務資料之部份。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

(Expressed in Hong Kong dollars) (以港元計算)

1 GENERAL INFORMATION AND BASIS OF PREPARATION

China Golden Development Holdings Limited (the "Company") was incorporated in Bermuda on 8 August 2000 as an exempted company with limited liability under the Companies Act 1981 of Bermuda. Its shares have been listed on The Stock Exchange of Hong Kong Limited since 23 October 2000.

This unaudited condensed consolidated interim financial information (the "interim financial report") of the Group has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and in compliance with Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2009 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2010 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

1 一般資料及編製基準

中國金展控股有限公司(「本公司」)於二零零零年八月八日根據百慕達一九八一年公司法於百慕達註冊成立為獲豁免有限公司，其股份自二零零零年十月二十三日起在香港聯合交易所有限公司上市。

本集團之未經審核簡明綜合中期財務資料(「中期財務報告」)乃根據香港聯合交易所有限公司證券上市規則(「上市規則」)之適用披露規定，以及遵照香港會計師公會(「香港會計師公會」)頒佈之《香港會計準則》(「《香港會計準則》」)第34號「中期財務報告」編製。

中期財務報告乃根據與二零零九年全年財務報表所採納之相同會計政策編製，惟預期將於二零一零年全年財務報表反映之會計政策變動則作別論。此等會計政策變動之詳情載於附註2。

管理層需在編製符合《香港會計準則》第34號之中期財務報告時作出會影響會計政策應用，以及資產及負債、收入及支出按本年至今基準計算之報告金額之判斷、估計及假設。實際結果可能有別於估計數額。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

(Expressed in Hong Kong dollars) (以港元計算)

1 GENERAL INFORMATION AND BASIS OF PREPARATION (Continued)

This interim financial report contains condensed consolidated interim financial information and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2009 annual financial statements. The condensed consolidated interim financial information and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The interim financial report is unaudited, but has been reviewed by Baker Tilly Hong Kong Limited 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. Independent review report to the board of directors is included on pages 54 to 56.

The financial information relating to the financial year ended 31 December 2009 that is included in the interim financial report as being previously reported information does not constitute the Company’s statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2009 are available from the Company’s registered office. This interim financial report should be read in conjunction with the Company’s 2009 annual financial statements.

1 一般資料及編製基準 (續)

本中期財務報告包括簡明綜合中期財務資料及若干選出之解釋附註。該等附註包括對了解本集團由二零零九年全年財務報表至今財務狀況及表現之變更屬重要之事項及交易之解釋。簡明綜合中期財務資料及相關附註並不包括根據《香港財務報告準則》(「《香港財務報告準則》」)對編製完整財務報表所要求之全部資料。

中期財務報告未經審核，惟已由香港天華會計師事務所有限公司根據香港會計師公會頒佈之《香港審閱委聘準則》第2410號「由實體之獨立核數師執行之中期財務資料審閱」審閱。致董事會之獨立審閱報告載於第54至56頁。

中期財務報告中關於截至二零零九年十二月三十一日止財政年度之財務資料為過去已報告之資料，並不構成本集團於該財政年度之法定財務報表，惟乃源自該等財務報表。截至二零零九年十二月三十一日止年度之本公司法定財務報表可於本公司之註冊辦事處查閱。本中期財務報告應與本公司二零零九年之年度財務報表一併閱覽。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

(Expressed in Hong Kong dollars) (以港元計算)

1 GENERAL INFORMATION AND BASIS OF PREPARATION (Continued)

In preparing the interim financial report, the directors have considered the future liquidity of the Group in view of its net current liabilities position as at 30 June 2010. The Group incurred a consolidated net loss attributable to the equity shareholders of the Company of approximately HK\$1,097,000 for the six months ended 30 June 2010 and had consolidated net current liabilities of approximately HK\$948,807,000 as at 30 June 2010. This condition indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, the directors are of the opinion that the Group will be able to finance its future working capital and financial requirements given that:

- (i) the Group is actively discussing obtaining new working capital from prospective investors;
- (ii) the Company's substantial shareholder has agreed to provide such financial support as is necessary to enable the Group to meet its liabilities as they fall due; and
- (iii) based on a cash flow forecast prepared by Group management for the twelve months ending 30 June 2011, the Group will be able to generate adequate cash flows from its continuing operations.

Accordingly, the directors are of the opinion that it is appropriate to prepare the interim financial report for the six months ended 30 June 2010 on a going concern basis. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in the interim financial report.

1 一般資料及編製基準 (續)

在編製中期財務報告時，董事已就本集團於二零一零年六月三十日之流動負債淨額情況考慮其未來之資本流動性。本集團於截至二零一零年六月三十日止六個月之本公司股東應佔綜合虧損淨額約為1,097,000港元，而二零一零年六月三十日之綜合流動負債淨額約為948,807,000港元。這情況顯示本集團持續經營之能力存在重大不明朗因素，故有可能無法在正常營運下變賣資產及清償負債。儘管如此，董事意見認為本集團將有能力進行融資應付日後營運資金及財務需要，因為：

- (i) 本集團積極與準投資者商討獲取新營運資金；
- (ii) 本公司之主要股東已同意提供本集團所需之財務支援，以確保本集團能付還到期負債；及
- (iii) 基於本集團管理層對截至二零一一年六月三十日止十二個月之現金流量預測，本集團將能從持續經營產生足夠現金流量。

因此，董事意見認為基於可持續經營來編製截至二零一零年六月三十日止六個月之中期財務報告屬恰當。若本集團未能持續經營，便會進行調整，將資產價格撇減至其可收回金額、可能產生新負債撥備，以及將非流動資產及非流動負債分別重新分類為流動資產及流動負債。中期財務報告並無反映該等調整之影響。

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(Expressed in Hong Kong dollars) (以港元計算)

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new and revised HKFRSs, a number of amendments to HKFRSs and new Interpretations that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's interim financial report:

- Improvements to HKFRSs (2008)
- Improvements to HKFRSs (2009)
- HKAS 27 (revised 2008), Consolidated and separate financial statements
- Amendments to HKFRS 2, Share-based payment
- HKFRS 3 (revised 2010), Business combination

There has been no significant change to the accounting policies applied in this interim financial report for the periods presented as a result of these developments.

The Group has not early applied the following new and revised HKFRSs that have been issued but not yet effective, in the interim financial report:

- Improvements to HKFRSs (2010)¹
- HKAS 24 (Revised), Related party disclosures⁴
- HKAS 32 (Amendment), Financial instruments: Disclosure – classification of rights issues²
- HKFRS 1 (Amendment), First-time adoption of Hong Kong Financial Reporting Standards – limited exemption from comparative HKFRS 7 disclosures for first-time adopters³

2 會計政策變動

香港會計師公會已頒佈多項新訂及經修訂《香港財務報告準則》、多項《香港財務報告準則》修訂及新詮釋，該等準則、修訂及新詮釋於本集團之本會計期間首次生效。其中包括下列與本集團中期財務報告有關之發展：

- 《香港財務報告準則》(二零零八年)之改進
- 《香港財務報告準則》(二零零九年)之改進
- 《香港會計準則》第27號(二零零八年經修訂)，綜合及獨立財務報表
- 《香港財務報告準則》第2號之修訂，股份付款
- 《香港財務報告準則》第3號(二零一零年經修訂)，業務合併

本中期財務報告就所呈列期間應用之會計政策並無因該等發展而有任何重大變動。

本集團並無提早於中期財務報告內採納下列已頒佈但仍未生效之新訂及經修訂《香港財務報告準則》：

- 《香港財務報告準則》(二零一零年)之改進¹
- 《香港會計準則》第24號(經修訂)，關連方披露⁴
- 《香港會計準則》第32號(修訂本)，金融工具：披露－供股分類²
- 《香港財務報告準則》第1號(修訂本)，首次採用《香港財務報告準則》－首次應用《香港財務報告準則》第7號之披露比較資料之有限度豁免³

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2 CHANGES IN ACCOUNTING POLICIES

(Continued)

- HKFRS 9, Financial instruments⁵
- HK(IFRIC)-Int 14 (Amendment), Prepayments of a minimum funding requirement⁴
- HK(IFRIC)-Int 19, Extinguishing financial liabilities with equity instruments³

¹ Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate

² Effective for annual periods beginning on or after 1 February 2010

³ Effective for annual periods beginning on or after 1 July 2010

⁴ Effective for annual periods beginning on or after 1 January 2011

⁵ Effective for annual periods beginning on or after 1 January 2013

HKFRS 9 “Financial instruments” introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The standard requires all recognised financial assets that are within the scope of HKAS39 “Financial Instruments: Recognition and measurement” to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group’s financial assets.

The Group is assessing the impact of these amendments in the period of initial application. So far it has concluded that their adoption is unlikely to have a significant impact on the Group’s results of operations and financial position.

2 會計政策變動 (續)

– 《香港財務報告準則》第9號，金融工具⁵

– 《香港（國際財務報告詮釋委員會）詮釋》第14號（修訂本），最低資金要求之預付款⁴

– 《香港（國際財務報告詮釋委員會）詮釋》第19號，以股本工具抵銷金融負債³

¹ 由二零一零年七月一日及二零一一年一月一日或以後開始之年度期間生效，視適用情況而定

² 由二零一零年二月一日或以後開始之年度期間生效

³ 由二零一零年七月一日或以後開始之年度期間生效

⁴ 由二零一一年一月一日或以後開始之年度期間生效

⁵ 由二零一三年一月一日或以後開始之年度期間生效

《香港財務報告準則》第9號「金融工具」引進有關金融資產分類及計量之新要求，並將於二零一三年一月一日起生效，並容許提前應用。該準則要求所有屬《香港會計準則》第39號「金融工具：確認及計量」範圍內之已確認金融資產均須按攤銷成本或公允值計量。特別是，(i)以收取合約現金流為目的之經營模式內所持有之債務投資；及(ii)合約現金流僅為支付未償還本金及其利息之債務投資，一般按攤銷成本計量。所有其他債務投資及股本投資均按公允值計量。應用《香港財務報告準則》第9號或會影響本集團金融資產之分類及計量。

本集團正評估該等修訂於初始應用期間之影響。目前認為採納該等修訂對本集團之經營業績及財務狀況構成重大影響之可能性不大。

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3 TURNOVER AND SEGMENT REPORTING

The Group is principally engaged in the operation of department stores in the People's Republic of China (the "PRC").

Turnover represents amounts received and receivable for goods sold by the Group to outside customers, net of discounts and sales related taxes, commission from concessionaire sales and rental income for the period, and is analysed as follows:

3 營業額及分部報告

本集團之主要業務為於中華人民共和國(「中國」)經營百貨公司。

營業額代表本集團期內向外界客戶售出商品之已收及應收款項，減折扣及銷售相關稅項、特許專櫃銷售佣金及租金收入，茲分析如下：

		(Unaudited)	
		Six months ended	
		30 June	
		(未經審核)	
		截至六月三十日止六個月	
		2010	2009
		HK\$'000	HK\$'000
		(Re-presented)	
		二零一零年	二零零九年
		千港元	千港元
		(重列)	
Sales of goods – direct sales	商品銷售—直接銷售	115,501	99,976
Commission from concessionaire sales (note)	特許專櫃銷售佣金 (附註)	194,809	151,628
Rental income	租金收入	14,942	13,229
		325,252	264,833

Note: The commission from concessionaire sales is analysed as follows:

附註：特許專櫃銷售佣金分析如下：

		(Unaudited)	
		Six months ended	
		30 June	
		(未經審核)	
		截至六月三十日止六個月	
		2010	2009
		HK\$'000	HK\$'000
		二零一零年	二零零九年
		千港元	千港元
Gross proceeds from concessionaire sales	特許專櫃銷售所得款總額	1,093,646	840,932
Commission from concessionaire sales	特許專櫃銷售佣金	194,809	151,628

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簡明綜合中期財務資料附註

(Expressed in Hong Kong dollars) (以港元計算)

3 TURNOVER AND SEGMENT REPORTING

(Continued)

The Group's revenue and profit for the six months ended 30 June 2010 are mainly derived from the operation of department stores in North-western China. The operations of the Group are subject to similar risks and returns and, therefore, the Group has one single segment. The Group's revenue is substantially derived from its end customers in the PRC and the Group's operating assets are substantially located in the PRC. Accordingly, no segment analysis by business and geographical segments is provided for the six months ended 30 June 2010.

4 EQUITY SETTLED SHARE-BASED PAYMENT EXPENSE FOR SHARE OPTIONS GRANTED

On 15 January 2008, 49,106,000 share options were granted at an exercise price of HK\$0.74 per share. The exercise period is from 16 January 2008 to 15 January 2010. The fair value of the services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). The estimate of the fair value of the share options granted is measured based on Black-Scholes Option Pricing Model. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable.

The 18,638,000 share options outstanding at 1 January 2010 lapsed on 15 January 2010.

No options were exercised or granted during the six months ended 30 June 2010 (six months ended 30 June 2009: Nil).

3 營業額及分部報告 (續)

本集團截至二零一零年六月三十日止六個月之收益及溢利主要源自於中國西北部經營百貨公司。本集團之營運面對類似風險及回報，故本集團只設單一分部。本集團之收益絕大部份源自其於中國之最終客戶，而本集團之經營資產絕大部份位於中國。因此，截至二零一零年六月三十日止六個月並無提供業務及地區分部之分部分析。

4 就授出購股權以股份支付之股本付款

於二零零八年一月十五日，49,106,000份購股權按行使價每股0.74港元授出。行使期由二零零八年一月十六日起至二零一零年一月十五日止。透過授出購股權獲取之服務之公允值會確認為開支。購股權歸屬期間之開支總額乃參考已授出購股權之公允值而釐定，惟不計及任何非市場歸屬情況之影響（例如盈利能力及銷售增長目標）。已授出購股權之估計公允值按柏力克-舒爾斯期權定價模式計算。非市場歸屬情況包括於預期可予行使之購股權數目之假設內。

於二零一零年一月一日尚未行使之18,638,000份購股權已於二零一零年一月十五日失效。

截至二零一零年六月三十日止六個月內並無任何購股權獲行使或獲授出（截至二零零九年六月三十日止六個月：無）。

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5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

5 除稅前溢利

除稅前溢利已扣除／(計入)：

		(Unaudited)	
		Six months ended	
		30 June	
		(未經審核)	
		截至六月三十日止六個月	
		2010	2009
		HK\$'000	HK\$'000
		(Re-presented)	
		二零一零年	二零零九年
		千港元	千港元
		(重列)	
(a) Finance costs	(a) 財務費用		
Bank charges	銀行費用	133	82
Credit card expenses	信用卡費用	9,738	7,189
		<u>9,871</u>	<u>7,271</u>
Finance charges on obligations under finance leases	融資租賃債務之財務費用	-	19
Interest on bank loans wholly repayable within five years	須於五年內悉數償還之銀行貸款之利息	5,083	12,624
Interest on convertible bonds (note 15)	可換股債券之利息 (附註15)	54,397	50,103
		<u>59,480</u>	<u>62,746</u>
		<u>69,351</u>	<u>70,017</u>

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簡明綜合中期財務資料附註

(Expressed in Hong Kong dollars) (以港元計算)

5 PROFIT BEFORE TAXATION (Continued)

5 除稅前溢利 (續)

		(Unaudited)	
		Six months ended	
		30 June	
		(未經審核)	
		截至六月三十日止六個月	
		2010	2009
		HK\$'000	HK\$'000
		(Re-presented)	
		二零一零年	二零零九年
		千港元	千港元
		(重列)	
(b) Other items	(b) 其他項目		
Auditors' remuneration	核數師酬金	315	280
Cost of inventories sold	存貨銷售成本	93,733	80,666
Depreciation	折舊	11,793	8,140
Exchange losses	匯兌虧損	207	68
Interest income	利息收入	(26,396)	(26,069)
Loss on disposal of fixed assets	出售固定資產之虧損	1,003	193
Loss on partial redemption of convertible bonds (note 15)	贖回部份可換股債券之虧損 (附註15)	4,760	-
Operating lease charges: minimum lease payments	經營租賃費用:		
– hire of land and buildings	– 租用土地及樓宇	60,957	65,167
– hire of motor vehicles	– 租用汽車	821	818
Rental income from sub-letting of properties:	分租物業之租金收入:		
– minimum lease payments #	– 最低租賃付款#	(11,580)	(10,052)
– contingent lease payments *	– 或然租賃付款*	(3,362)	(3,177)

Minimum lease payments of the Group include rentals for the lease agreements with pre-determined lease payments and minimum guaranteed lease payments for lease agreements with contingent rentals.

* Contingent lease payments are calculated based on a percentage of relevant performance of the tenants pursuant to the lease agreements.

本集團之最低租賃付款包括訂有預定租賃付款之租賃協議租金及訂有或然租金之租賃協議之最低保證租賃付款。

* 或然租賃付款乃按租戶根據租賃協議履行相關付款責任之百分比計算。

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6 INCOME TAX IN THE CONDENSED CONSOLIDATED INCOME STATEMENT

Taxation in the condensed consolidated income statement represents:

6 簡明綜合收益賬內之所得稅

簡明綜合收益賬內之稅項指：

		(Unaudited)	
		Six months ended	
		30 June	
		(未經審核)	
		截至六月三十日止六個月	
		2010	2009
		HK\$'000	HK\$'000
		二零一零年	二零零九年
		千港元	千港元
Current tax – Hong Kong Profits Tax	本期稅項 – 香港利得稅	—	—
Current tax – PRC Enterprise Income Tax	本期稅項 – 中國企業所得稅		
Provision for the period	期內撥備	26,049	17,823
(Over)/under-provision in respect of prior periods	以往期間之(超額撥備)/撥備不足	(404)	1,923
		25,645	19,746
Deferred tax	遞延稅項		
Origination of temporary differences	源自暫時差異	—	—
		25,645	19,746

The Company and its subsidiaries are subject to income tax on an entity basis on income arising in or derived from the tax jurisdiction in which they operate.

本公司及其附屬公司須就其經營業務之稅務司法權區所產生或源自該等司法權區之收入按實體基準繳納所得稅。

The Company is exempted from tax in Bermuda until March 2016.

本公司獲豁免繳納百慕達稅項，直至二零一六年三月為止。

No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in, nor is derived from Hong Kong during the period.

因本集團於期內並無在香港產生或源自香港之收入，故並無為香港利得稅作出撥備。

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6 INCOME TAX IN THE CONDENSED CONSOLIDATED INCOME STATEMENT

(Continued)

The statutory PRC Enterprise Income Tax rate is 25%. The subsidiaries of the Group operated in the PRC are subject to the PRC Enterprise Income Tax as follows:

- 西安世紀金花購物有限公司 (Xian Century Ginwa Property Investments Company Limited)* (“Xian Century Ginwa”) enjoys a preferential tax treatment as being a foreign investment enterprise located in the western region of the PRC, including a reduction in the PRC Enterprise Income Tax to 15% until 2010.
- 世紀金花烏魯木齊購物中心有限公司 (Century Ginwa Urumqi Shopping Mall Company Limited)* (“Century Ginwa Urumqi”) and 世紀金花股份有限公司 (Century Ginwa Joint Stock Company Limited)* (“Century Ginwa”) are subject to the standard PRC Enterprise Income Tax rate of 25%.

* The English translation of the company names is for reference only. The official names of these companies are in Chinese.

6 簡明綜合收益賬內之所得稅 (續)

中國之法定企業所得稅率為25%。本集團於中國經營及須繳納中國企業所得稅之附屬公司如下：

- 西安世紀金花購物有限公司(「西安世紀金花」)可憑其位於中國西部之外商投資企業身份享有稅務優惠，包括中國企業所得稅率減至15%，並適用至二零一零年止。
- 世紀金花烏魯木齊購物中心有限公司(「世紀金花烏魯木齊」)及世紀金花股份有限公司(「世紀金花」)按標準中國企業所得稅率25%繳稅。

* 公司名稱之英文翻譯僅供參考。該等公司只有正式中文名稱。

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7 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company of HK\$1,097,000 (six months ended 30 June 2009: HK\$20,127,000) and the weighted average number of 1,691,045,000 ordinary shares (six months ended 30 June 2009: 1,158,241,000 ordinary shares) in issue during the period, calculated as follows:

Weighted average number of ordinary shares:

Issued ordinary shares at 1 January	於一月一日之 已發行普通股	1,168,241	1,158,241
Effect of open offer	公開發售之影響	522,804	-
Weighted average number of ordinary shares at 30 June	於六月三十日之 普通股加權平均數	1,691,045	1,158,241

7 每股虧損

(a) 每股基本虧損

每股基本虧損乃依據本公司股東應佔虧損1,097,000港元(截至二零零九年六月三十日止六個月: 20,127,000港元)計算, 而期內已發行之1,691,045,000股普通股(截至二零零九年六月三十日止六個月: 1,158,241,000股普通股)之加權平均數計算如下:

普通股加權平均數:

(Unaudited)	
Six months ended	
30 June	
(未經審核)	
截至六月三十日止六個月	
2010	2009
'000	'000
二零一零年	二零零九年
千股	千股
1,168,241	1,158,241
522,804	-
1,691,045	1,158,241

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

(Expressed in Hong Kong dollars) (以港元計算)

7 LOSS PER SHARE (Continued)

(b) Diluted loss per share

The calculation of diluted loss per share is based on the following data:

(i) Loss attributable to ordinary equity shareholders of the Company (diluted)

Loss attributable to ordinary equity shareholders	普通股股東應佔虧損		
After tax effect of effective interest on the liability component of convertible bonds	可換股債券負債部份 實際利息之除稅後影響		
Profit attributable to ordinary equity shareholders (diluted)	普通股股東應佔溢利 (攤薄)		

7 每股虧損 (續)

(b) 每股攤薄虧損

每股攤薄虧損乃按下列數據計算：

(i) 本公司普通股股東應佔虧損 (攤薄)

(Unaudited)	
Six months ended	
30 June	
(未經審核)	
截至六月三十日止六個月	
2010	2009
HK\$'000	HK\$'000
二零一零年	二零零九年
千港元	千港元
(1,097)	(20,127)
45,421	41,836
44,324	21,709

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

(Expressed in Hong Kong dollars) (以港元計算)

7 LOSS PER SHARE (Continued)

- (b) Diluted loss per share (Continued)
 (ii) Weighted average number of ordinary shares (diluted)

7 每股虧損 (續)

- (b) 每股攤薄虧損 (續)
 (ii) 普通股加權平均數 (攤薄)

		(Unaudited)	
		Six months ended	
		30 June	
		(未經審核)	
		截至六月三十日止六個月	
		2010	2009
		HK\$'000	HK\$'000
		二零一零年	二零零九年
		千港元	千港元
Weighted average number of ordinary shares at 30 June	於六月三十日之普通股加權平均數	1,691,045	1,158,241
Effect of conversion of convertible bonds	轉換可換股債券之影響	-	-
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	按本公司購股權計劃視作以零代價發行股份之影響	-	-
Effect of exercise of warrants	行使認股權證之影響	-	-
Weighted average number of ordinary shares at 30 June (diluted)	於六月三十日之普通股加權平均數 (攤薄)	<u>1,691,045</u>	<u>1,158,241</u>

The exercise of the outstanding warrants has no dilutive effect for the six months ended 30 June 2010 because the exercise price of the Company's warrants were higher than the average market price of the shares during the period.

由於期內本公司認股權證之行使價高於股份平均市價，故行使尚未行使之認股權證對截至二零一零年六月三十日止六個月並無構成攤薄影響。

The Company's share options were expired during the period.

本公司之購股權已於期內到期。

The convertible bonds have no dilutive effect for the six months ended 30 June 2010.

可換股債券對截至二零一零年六月三十日止六個月並無構成攤薄影響。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

(Expressed in Hong Kong dollars) (以港元計算)

8 DIVIDENDS

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2010 (six months ended 30 June 2009: HK\$nil).

9 FIXED ASSETS

During the six months ended 30 June 2010, the Group acquired items of fixed assets with a cost of HK\$15,659,000 (six months ended 30 June 2009: HK\$5,518,000).

10 LOAN AND OTHER RECEIVABLES

(a) On 25 September 2006, Ming Fai Princess Entertainment Limited ("Ming Fai"), Bright Chance (Asia) Limited ("Bright Chance"), Mr. Cai Jun Jie and Anglo View Limited ("Anglo View") entered into a loan assignment agreement. Pursuant to the loan assignment agreement, Ming Fai agreed to assign all its rights and benefits in the loan receivable balance of HK\$30,000,000 from Anglo View to Bright Chance at a consideration of HK\$30,000,000. The loan receivable balance is repayable semi-annually in the amount of HK\$5,100,000, comprising the principal amount of HK\$5,000,000 and interest amount of HK\$100,000 for the six half-years ended 31 December 2009.

The loan and interest were fully received in January 2010.

8 股息

董事會議決不宣派截至二零一零年六月三十日止六個月之中期股息(截至二零零九年六月三十日止六個月:無)。

9 固定資產

截至二零一零年六月三十日止六個月,本集團購入成本為15,659,000港元(截至二零零九年六月三十日止六個月:5,518,000港元)之固定資產項目。

10 貸款及其他應收款

(a) 於二零零六年九月二十五日,明輝郵輪貴賓會娛樂場有限公司(「明輝」)、卓運(亞洲)有限公司(「卓運」)、蔡俊杰先生及Anglo View Limited(「Anglo View」)訂立貸款轉讓協議。根據貸款轉讓協議,明輝同意從Anglo View轉讓其於應收貸款餘額30,000,000港元之所有權利及利益予卓運,代價為30,000,000港元。應收貸款將於截至二零零九年十二月三十一日止六個半年度每半年償還5,100,000港元(包括本金5,000,000港元及利息100,000港元)。

貸款及利息已於二零一零年一月悉數收回。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

*(Expressed in Hong Kong dollars) (以港元計算)***10 LOAN AND OTHER RECEIVABLES** *(Continued)***(b) Loan and other receivables from Ginwa Investments**

In September 2008, the Group's subsidiary, Century Ginwa, entered into an unsecured loan agreement with Ginwa Investments Company Limited ("Ginwa Investments") for its advances of RMB1,165,348,000 due by 31 August 2013. At 30 June 2010, the outstanding loan and other receivables from Ginwa Investments comprised interest-bearing loan of RMB776,392,000, interest free portion of RMB388,956,000 and interest and other receivables of RMB53,782,000. The interest-bearing loan carries interest at the five-year lending rate published by the People's Bank of China, the PRC (see note 19(c)) and interest is repayable in arrears by 31 August 2013. Mr. Wu Yijian, a former executive director and chairman of the Company, and currently a director of certain of the Group's subsidiaries, has 60% equity interest in Ginwa Investments, thus, Ginwa Investments is a connected party to the Group.

(c) Other loan receivables

The Group's wholly owned subsidiary, Xian Century Ginwa, signed loan agreements with independent third parties, for unsecured loans of RMB3,500,000, which bear interest at 7.839% per annum (31 December 2009: 7.839%) and are repayable by 25 March 2009. The loan period was extended to 30 September 2010.

10 貸款及其他應收款 (續)**(b) 金花投資之貸款及其他應收款**

於二零零八年九月，本集團附屬公司世紀金花與金花投資有限公司（「金花投資」）達成一項無抵押貸款協議，獲貸款人民幣1,165,348,000元，並於二零一三年八月三十一日到期償還。於二零一零年六月三十日，金花投資之未償還貸款及其他應收款包括計息貸款人民幣776,392,000元（其中人民幣388,956,000元為免息）及利息以及其他應收款人民幣53,782,000元。計息貸款按中國人民銀行所公佈之五年期借貸利率計息（見附註19(c)），並須於二零一三年八月三十一日前償還拖欠利息。本公司前執行董事及主席以及本集團若干附屬公司現任董事吳一堅先生持有金花投資60%權益，因此，金花投資為本集團之關連人士。

(c) 其他應收貸款

本集團全資附屬公司西安世紀金花與獨立第三方簽定貸款協議，以取得無抵押貸款人民幣3,500,000元，附年息7.839%（二零零九年十二月三十一日：7.839%），並須於二零零九年三月二十五日償還。貸款期延長至二零一零年九月三十日。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

(Expressed in Hong Kong dollars) (以港元計算)

11 TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables (net of allowance for impairment loss) with the following ageing analysis as of the reporting date:

0-30 days	0-30天
31-60 days	31-60天
61-90 days	61-90天
Over 90 days	90天以上
Trade receivables, net of allowance for impairment loss (note 11(a))	應收賬款，已扣除減值虧損備抵(附註11(a))
Deposits and prepayments	按金及預付款
Other receivables	其他應收款
Value-added tax recoverable (note 11(b))	可收回增值稅(附註11(b))

- (a) The Group's retail sales to customers are mainly on a cash basis, by cash, debit card or credit card payment. The Group does not have a defined fixed credit policy as its major trade receivables arise from debit and credit card sales.
- (b) Included in the value-added tax recoverable is an amount of HK\$13,911,000 (31 December 2009: HK\$14,938,000) which the Group has prepaid, as requested by the local PRC Tax Bureau, in respect of customer's gift cards sold in 2007 and 2008. The Group has been negotiating with the PRC Tax Bureau as to when the prepaid VAT can be used to offset or settle the output VAT derived from the sale of goods in future.

11 應收賬款及其他應收款

計入應收賬款及其他應收款之應收賬款(已扣除減值虧損備抵)於報告日期之賬齡分析如下:

(Unaudited) At 30 June 2010 HK\$'000 (未經審核) 於二零一零年 六月三十日 千港元	(Audited) At 31 December 2009 HK\$'000 (經審核) 於二零零九年 十二月三十一日 千港元
2,842	7,038
278	402
132	745
1,321	319
4,573	8,504
11,695	13,654
7,406	7,103
40,558	42,590
64,232	71,851

- (a) 本集團與客戶之零售銷售以現金為主，即以現金、扣賬卡或信用卡付款。本集團並無一套既定固定信貸政策，因其主要應收賬款是扣賬卡及信用卡銷售產生。
- (b) 可收回增值稅包括13,911,000港元(二零零九年十二月三十一日: 14,938,000港元)，有關金額乃本集團應當地中國稅務局要求就於二零零七年及二零零八年之客戶禮品卡預先支付。本集團一直就可使用預付增值稅抵銷或支付未來銷售貨品產生之銷項增值稅之時機與中國稅務局進行磋商。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

(Expressed in Hong Kong dollars) (以港元計算)

12 CASH AND CASH EQUIVALENTS

Cash at bank and in hand 銀行結存及手頭現金

12 現金及現金等值項目

(Unaudited)	(Audited)
At	At
30 June	31 December
2010	2009
HK\$'000	HK\$'000
(未經審核)	(經審核)
於二零一零年	於二零零九年
六月三十日	十二月三十一日
千港元	千港元
58,542	88,505

13 TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables with the following ageing analysis as of the reporting date:

13 應付賬款及其他應付款

計入應付賬款及其他應付款之應付賬款於報告日期之賬齡分析如下：

(Unaudited)	(Audited)
At	At
30 June	31 December
2010	2009
HK\$'000	HK\$'000
(未經審核)	(經審核)
於二零一零年	於二零零九年
六月三十日	十二月三十一日
千港元	千港元 (重列)
0-30 days 0-30天	7,590 16,103
31-90 days 31-90天	4,421 4,224
Over 90 days 90天以上	1,028 1,360
Total trade payables 應付賬款總額	13,039 21,687
Advances and deposits from staff 員工墊款及存款	6,453 5,313
Concessionaire sales payable 應付特許專櫃銷售款	241,421 238,694
Customers' deposits and gift cards 客戶按金及禮品卡	287,938 360,486
Deposits from suppliers and tenants 供應商及租戶按金	1,842 2,129
Dividend payable 應付股息	5,219 5,188
Other payables and accruals 其他應付款及應計費用	296,265 268,013
Other tax payables 其他應付稅項	1,384 1,594
Payroll and welfare payables 應付薪金及福利	10,921 18,628
Renovation retention 裝修留存金	810 1,623
	865,292 923,355

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

(Expressed in Hong Kong dollars) (以港元計算)

14 BANK AND OTHER LOANS

Bank loans, secured (note 14(a))	有抵押之銀行貸款 (附註14(a))
Other loan payable (note 14(b))	其他應付貸款 (附註14(b))

(a) Bank loans, secured

The bank loans are interest bearing at a range from 5.31% to 6.696% per annum (2009: 5.31% to 7.254%), secured by investment securities and properties of related companies and guarantees given by related companies, and are repayable within one year.

(b) Other loan payable

The other loan is unsecured, interest free and repayable by 18 monthly instalments to June 2011.

15 CONVERTIBLE BONDS

On 19 September 2008, the Company issued unsecured convertible bonds with an aggregate principal amount of approximately HK\$1,231,612,000 for the acquisition of Century Ginwa.

The convertible bonds are interest-bearing at 2.75% per annum and interest is payable annually in arrears. The maturity date of the convertible bonds is 18 September 2013. At the option of bondholder, the convertible bonds can be converted to shares of the Company at HK\$0.689 per share, which was adjusted to HK\$0.54 per share upon the completion of the open offer on 18 January 2010.

14 銀行及其他貸款

(Unaudited)	(Audited)
At	At
30 June	31 December
2010	2009
HK\$'000	HK\$'000
(未經審核)	(經審核)
於二零一零年	於二零零九年
六月三十日	十二月三十一日
千港元	千港元
148,247	186,431
54,036	80,910
202,283	267,341

(a) 有抵押之銀行貸款

有關銀行貸款按介乎5.31%至6.696% (二零零九年: 5.31%至7.254%)之年利率計息, 以關連公司之投資證券及物業以及關連公司發出之擔保作抵押, 並須於一年內償還。

(b) 其他應付貸款

其他貸款為無抵押、免息及須於二零一一年六月前按月分十八期償還。

15 可換股債券

於二零零八年九月十九日, 本公司以總本金額約1,231,612,000港元發行無抵押可換股債券, 以收購世紀金花。

可換股債券按年利率2.75%計息, 利息須每年償還。可換股債券之到期日為二零一三年九月十八日。債券持有人可選擇按每股0.689港元 (於二零一零年一月十八日完成公開發售後調整至每股0.54港元) 將可換股債券轉換為本公司股份。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

(Expressed in Hong Kong dollars) (以港元計算)

15 CONVERTIBLE BONDS (Continued)

Due to several terms in the convertible bonds including price reset and cash settlement option, the conversion will not result in the exchange of a fixed number of the Company's shares. In accordance with the requirements of HKAS 32 "Financial instruments: Presentation" and HKAS 39 "Financial instruments: Recognition and measurement", the convertible bond contract must be separated into two component elements: a derivative component consisting of the conversion option and a liability component of the straight debt element of the convertible bonds.

On the issue of the convertible bonds, the fair value of the embedded conversion option was calculated using the Trinomial Tree model. The derivative component, the embedded conversion option, is carried at fair value on the statement of financial position with any changes in fair value being charged or credited to the income statement in the period when the change occurs. The remainder of the proceeds is allocated to the debt element of the convertible bonds, net of transaction costs, and is recorded as the liability component. The liability component is subsequently carried at amortised cost until extinguished on conversion or redemption. Interest expense is calculated using the effective interest method by applying the effective interest rate to the liability component through the maturity date. The effective interest rate of the liability component is 16.26% per annum.

If the convertible bonds are converted, the carrying amounts of the derivative and liability components are transferred to share capital and share premium as consideration for the shares issued. If the convertible bonds are redeemed, any difference between the amount paid related to the liability component and the carrying amount of the liability component is recognised in the income statement.

15 可換股債券 (續)

鑑於可換股債券之部份條款包括重定價格及現金結算選擇，可換股債券不可轉換定額數量之本公司股份。根據《香港會計準則》第32號「金融工具：列賬」及《香港會計準則》第39號「金融工具：確認及計算」之規定，可換股債券合約必須分開兩部份處理：包含可轉換權之衍生部份，以及可換股債券直接債項之負債部份。

在發行可換股債券時，嵌入式轉換權之公允值以三元樹模型計算。衍生部份（嵌入式轉換權）按公允值列於財務狀況表。如公允值有任何變動，會於變動出現期間之收益賬支銷或入賬。餘下所得款會於扣除交易成本後撥作可換股債券之負債部份，並記賬為負債部份。負債部份其後以攤銷成本列賬，直至於轉換或贖回時取消為止。利息支出使用實際利息法計算，以實際利率按到期日計算負債部份。負債部份之實際年利率為16.26%。

若可換股債券被轉換，衍生及負債部份之賬面值會轉撥入股本及股份溢價，並作為發行股份之代價。若可換股債券被贖回，支付有關負債部份款額與負債部份之賬面值之差額將於收益賬入賬確認。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

(Expressed in Hong Kong dollars) (以港元計算)

15 CONVERTIBLE BONDS (Continued)

The embedded conversion option has been separated from the host debt contract and accounted for as a derivative liability carried at fair value through profit or loss. The fair value of this conversion option which is not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select an appropriate valuation method and makes assumptions that are mainly based on market conditions existing at each reporting date. The valuation model requires the input of subjective assumptions, such as the volatility of the share price, stock closing price, dividend yield, risk-free rate, and expected option life. Changes in subjective input assumptions can materially affect the fair value estimate.

No change in fair value of the conversion option was recognised during the period.

The carrying values of the derivative component and liability component of the convertible bonds at 30 June 2010 are as follows:

At 31 December 2009 and 1 January 2010	於二零零九年 十二月三十一日及 二零一零年一月一日
Interest expense (note 5(a))	利息支出(附註5(a))
Interest paid	已付利息
Partial redemption by offset against subscription under open offer	部份贖回與公開發售下 之認購對銷
At 30 June 2010	於二零一零年六月三十日

On 18 January 2010, convertible bonds in a principal amount of HK\$15,873,000 was used to set off against the subscription amount of HK\$15,873,000 under the open offer, recognising a loss on partial redemption of convertible bonds of HK\$4,760,000 for the six months ended 30 June 2010.

No conversion of the convertible bonds occurred during the period.

15 可換股債券(續)

嵌入式轉換權已與擁有權債務合約分開處理，並作為按公允值在損益賬處理之衍生負債入賬。此不可在活躍市場交易之轉換權之公允值以估值方法釐定。本集團使用其判斷來選取一種合適估值方法及作出假設。有關假設根據每個報告日期之市場現況作出。該估值方式要求主觀假設，如股份價格之波動、股份收市價、股息率、無風險比率及預期期權年期。主觀假設之變動能實際影響公允值之估值。

期內並無確認轉換權公允值變動。

於二零一零年六月三十日，可換股債券之衍生及負債部份之賬面值如下：

Liability component	Derivative component	Total
HK\$'000	HK\$'000	HK\$'000
負債部份	衍生部份	合計
千港元	千港元	千港元
715,345	52,082	767,427
54,397	-	54,397
(9,984)	-	(9,984)
(10,359)	(749)	(11,108)
<u>749,399</u>	<u>51,333</u>	<u>800,732</u>

於二零一零年一月十八日，本金額為15,873,000港元之可換股債券用作抵銷公開發售下之認購金額15,873,000港元，確認截至二零一零年六月三十日止六個月贖回部份可換股債券之虧損4,760,000港元。

期內並無轉換可換股債券。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

(Expressed in Hong Kong dollars) (以港元計算)

16 SHARE CAPITAL

Authorised and issued share capital

Authorised:
Ordinary shares of HK\$0.1 each

Ordinary shares, issued and fully paid:
At 30 June 2010/31 December 2009

On 20 January 2010, the company allotted and issued 584,120,426 ordinary shares with par value of HK\$0.1 each at a subscription price of HK\$0.1 per share on the basis of one share for every two shares in an open offer.

17 CAPITAL COMMITMENTS OUTSTANDING NOT PROVIDED IN THE INTERIM FINANCIAL REPORT

Contracted but not provided for:
– in respect of purchases of fixed assets

16 股本

法定及已發行股本

(Unaudited)		(Audited)	
At 30 June 2010		At 31 December 2009	
(未經審核)		(經審核)	
於二零一零年		於二零零九年	
六月三十日		十二月三十一日	
No. of shares	'000	No. of shares	'000
股份數目	千股	股份數目	千股
	HK\$'000		HK\$'000
	千港元		千港元
法定:		法定:	
每股0.1港元之普通股	20,000,000	每股0.1港元之普通股	2,000,000
普通股, 已發行及繳足:		普通股, 已發行及繳足:	
於二零一零年		於二零一零年	
六月三十日/		六月三十日/	
二零零九年		二零零九年	
十二月三十一日	1,752,361	十二月三十一日	116,824

於二零一零年一月二十日, 公司以每兩股股份獲發一股股份之公開發售基準, 按認購價每股0.1港元配發及發行584,120,426股每股面值0.1港元之普通股。

17 未於中期財務報告撥備之未付資本承擔

(Unaudited)	(Audited)
At	At
30 June	31 December
2010	2009
HK\$'000	HK\$'000
(未經審核)	(經審核)
於二零一零年	於二零零九年
六月三十日	十二月三十一日
千港元	千港元
已訂約但未撥備: – 購買固定資產	
4,924	5,208

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

(Expressed in Hong Kong dollars) (以港元計算)

18 CONTINGENT LIABILITIES

(a) Litigation

- (i) On 7 September 2005, Century Ginwa, together with other four unrelated parties (collectively known as the "Guarantor I"), entered into guarantee contracts with a bank to provide guarantees to secure a bank loan of RMB24,000,000, which was interest-bearing at 6.138% per annum, granted to an unrelated party (the "Borrower I") for a period from 7 September 2005 to 6 June 2006. The guarantee period given by the Guarantor I was two years starting from 6 June 2006. By default of the Borrower I, a court judgement was obtained by the bank on 30 October 2006 against the Guarantor I for the repayment of the bank loan together with interest and administrative expenses thereon. On 31 August 2008, Ginwa Investments entered into a counter-indemnity agreement with Century Ginwa to indemnify it against any loss that may arise from this guarantee. At 30 June 2010, the outstanding balance of the bank loan was approximately RMB18,229,000.

The directors consider that, given the nature of the claims and the preliminary status of these proceedings, it is not possible to estimate the eventual outcome of the claims with reasonable certainty at this stage. In addition, Ginwa Investments has agreed to indemnify Century Ginwa against any loss that may arise from this guarantee and therefore, no provision for penalty interest or other damages has been made in the interim financial report.

18 或有負債

(a) 訴訟

- (i) 於二零零五年九月七日，世紀金花連同另外四名無關聯人士（統稱為「擔保人I」），與一所銀行簽訂保證合同，為一名無關聯人士（「借款人I」）向該銀行貸款人民幣24,000,000元提供擔保。該貸款以年利率6.138%計息，貸款期限自二零零五年九月七日起至二零零六年六月六日止。擔保人I給予之保證期則為從二零零六年六月六日起為期兩年。由於借款人I違約，該銀行於二零零六年十月三十日得到法院裁定，要求擔保人I償還銀行貸款連同相關利息及行政費用。於二零零八年八月三十一日，金花投資與世紀金花訂立反擔保協議，以就此項保證可能產生之任何損失向世紀金花作出彌償。於二零一零年六月三十日，銀行貸款之未償還餘額約為人民幣18,229,000元。

董事認為，基於申索之性質及此等法律程序尚處於初步階段，現時難以合理明確地估計出此等申索之最終結果。此外，金花投資同意就此項保證可能產生之任何損失向世紀金花作出彌償，因此，中期財務報告內並無就任何相關罰息或其他損失作出撥備。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

(Expressed in Hong Kong dollars) (以港元計算)

18 CONTINGENT LIABILITIES (Continued)

(a) Litigation (Continued)

- (ii) In April 2010, a lawsuit was filed against the Group's wholly-owned subsidiary, Century Ginwa Urumqi, for the purported service fee or additional rental of RMB4,932,000 (equivalent to HK\$5,656,000) for the calendar year 2009, by the lessor of the Urumqi department store, 新疆吳泰實業發展有限責任公司. Apart from a fixed monthly rental, an annual service fee or additional rental will be imposed on Century Ginwa Urumqi based on a percentage of gross revenue should annual revenue exceed RMB300 million in accordance with the tenancy agreement. 新疆吳泰實業發展有限責任公司 purported to include all gross revenues of the sublet tenants of the department store for the computation of the service fee. Century Ginwa Urumqi rebutted the inclusion of the sublet tenants' revenues and denied any liability in respect of the claim and, based on legal advice, the directors do not believe it probable that the court will find against them. No provision has been made in respect of this claim.

18 或有負債 (續)

(a) 訴訟 (續)

- (ii) 於二零一零年四月，烏魯木齊百貨商店之出租人新疆吳泰實業發展有限責任公司向本集團之全資附屬公司世紀金花烏魯木齊提出訴訟，宣稱追討二零零九曆年之服務費或額外租金人民幣4,932,000元（相等於5,656,000港元）。根據租賃協議，除了固定月租外，倘全年收入超過人民幣300,000,000元，則會按總收入百分比向世紀金花烏魯木齊收取全年服務費或額外租金。新疆吳泰實業發展有限責任公司宣稱在計算服務費時包括百貨商店分租租戶之全部總收入。世紀金花烏魯木齊依據法律意見就包括分租租戶收入提出反駁，並拒絕就申索承擔任何責任；董事並不認為法院會對其作出不利裁判。本公司並無就是項申索作出撥備。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

(Expressed in Hong Kong dollars) (以港元計算)

18 CONTINGENT LIABILITIES (Continued)

(b) Financial guarantees issued

- (i) On 30 June 2008, Century Ginwa, together with Ginwa Investments (collectively known as the "Guarantor II"), entered into guarantee contracts with a bank to provide guarantees to secure a bank loan of RMB90,000,000, which was interest-bearing at 9.486% per annum, granted to 陝西新世界醫葯有限公司 (the "Borrower II") for a period from 30 June 2008 to 31 July 2008. The guarantee period given by the Guarantor II was two years to 31 July 2010. Ginwa Investments has equity interests in 陝西新世界醫葯有限公司. On 31 August 2008, Ginwa Investments entered into a counter-indemnity agreement with Century Ginwa to indemnify it against any loss that may arise from this guarantee.

18 或有負債 (續)

(b) 財務擔保之發出

- (i) 於二零零八年六月三十日，世紀金花連同金花投資（共同稱為「擔保人II」），與一所銀行簽訂保證合同，為陝西新世界醫葯有限公司（「借款人II」）向該銀行貸款人民幣90,000,000元提供擔保，該貸款之年利率為9.486%，貸款期限自二零零八年六月三十日起至二零零八年七月三十一日止。擔保人II給予之保證期則為從二零一零年七月三十一日起為期兩年。金花投資擁有陝西新世界醫葯有限公司之股本權益。於二零零八年八月三十一日，金花投資與世紀金花訂立反彌償協議，以向其彌償此項擔保可能產生之任何損失。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

(Expressed in Hong Kong dollars) (以港元計算)

18 CONTINGENT LIABILITIES (Continued)

(b) Financial guarantees issued (Continued)

- (ii) On 29 September 2007, Century Ginwa entered into guarantee contracts with a bank to provide guarantees to secure a bank loan of RMB18,900,000 ("First Bank Loan"), which was interest-bearing at 9.534% per annum, granted to Ginwa Investments for a period from 29 September 2007 to 28 September 2008. The guarantee period given by Century Ginwa was two years starting from 28 September 2008. On 31 August 2008, Ginwa Investments entered into a counter-indemnity agreement with Century Ginwa to indemnify it against any loss that may arise from this guarantee. On 15 September 2008, Ginwa Investments negotiated with the bank to extend the loan period for eleven months until 28 August 2009, with interest-bearing at 15.3421% per annum. The guarantee period given by Century Ginwa was extended for eleven months until 27 August 2011.

18 或有負債 (續)

(b) 財務擔保之發出 (續)

- (ii) 於二零零七年九月二十九日，世紀金花與一所銀行簽訂保證合同，為金花投資向該銀行貸款人民幣18,900,000元（「第一筆銀行貸款」）提供擔保，該貸款以年利率9.534%計息，貸款期限自二零零七年九月二十九日起至二零零八年九月二十八日止。世紀金花給予之保證期則為從二零零八年九月二十八日起為期兩年。於二零零八年八月三十一日，金花投資與世紀金花訂立反彌償協議，以向其彌償此項擔保可能產生之任何損失。於二零零八年九月十五日，金花投資與銀行協定貸款期延長十一個月至二零零九年八月二十八日，以年利率15.3421%計息，世紀金花之保證期限亦同時延長十一個月至二零一一年八月二十七日。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

(Expressed in Hong Kong dollars) (以港元計算)

18 CONTINGENT LIABILITIES (Continued)

(b) Financial guarantees issued (Continued)

(ii) (Continued)

On 28 August 2009, Ginwa Investments negotiated with the bank for another loan of RMB17,000,000, which was interest-bearing at 10.4274% per annum, for further twelve months until 27 August 2010 to repay the First Bank Loan. Under the new loan agreement, the guarantee period given by Century Ginwa was revised to be valid until 26 August 2012. At 30 June 2010, the outstanding balance of the bank loan was RMB17,000,000.

At 30 June 2010, the directors consider that Ginwa Investments will settle the amount in the near future and any claim made by the bank to Century Ginwa is unlikely. Therefore, a provision for penalty interest or other damages has not been made in the interim financial report.

18 或有負債 (續)

(b) 財務擔保之發出 (續)

(ii) (續)

於二零零九年八月二十八日，金花投資就另一筆為數人民幣17,000,000元之貸款與銀行進行磋商以償還第一筆銀行貸款，該筆貸款以年利率10.4274%計息，貸款期延期十二個月至二零一零年八月二十七日。根據新貸款協議，世紀金花給予之保證期修訂為有效期至二零一二年八月二十六日。於二零一零年六月三十日，銀行貸款之未償還餘額為人民幣17,000,000元。

於二零一零年六月三十日，董事認為金花投資將於不久將來償付款項，而銀行向世紀金花提出任何索償之機會不大。因此，並無於中期財務報告就罰息或其他損失作出撥備。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

(Expressed in Hong Kong dollars) (以港元計算)

18 CONTINGENT LIABILITIES (Continued)

(c) Contingent liabilities in respect of income tax and business tax

- (i) Included in the interest income from Ginwa Investments as noted in note 19(c), there was an amount of approximately RMB4,459,000 earned for compensating interest payment to PRC banks relating to loans borrowed for lending to Ginwa Investments. According to a PRC tax circular "Guoshuifa (2002) No. 13", such interest income is exempted from the PRC business tax if the lending company, Century Ginwa, is a finance company of the Group. However, there is no clear definition of the term "finance company of the group" in the circular. Thus, there is a risk that the PRC tax bureau may find that Century Ginwa does not qualify as a "finance company of the group", in which case the aforesaid interest income should not be exempted from business tax at 5%, resulting in an additional business tax provision of approximately RMB223,000.
- (ii) According to Article 47 of the Enterprise Income Tax Law, if an enterprise makes unreasonable commercial arrangements for reducing its taxable income, the PRC tax authority has the right to make an adjustment in accordance with reasonable methods as it thinks fit. Thus, for the interest free portion of the loan receivable from Ginwa Investments as disclosed in note 10(b), there is a risk that the PRC tax bureau may consider this a provision of funding without reasonable commercial purposes which aims to reduce the Group's taxable income. The tax bureau may deem the interest income of the Group for the interest free portion of the loan at market rate and calculated as RMB11,110,000, resulting in additional enterprise income tax and business tax provision of approximately RMB2,639,000 and RMB555,000 respectively.

18 或有負債 (續)

(c) 所得稅及營業稅之或有負債

- (i) 來自金花投資之利息收入(如附註19(c)所述)包括就彌補因借出款項予金花投資而向中國銀行借入貸款所支付之利息付款而賺取之人民幣4,459,000元。根據中國稅務通函「國稅發(2002)13號」,有關利息收入可豁免繳納中國營業稅,倘貸款公司世紀金花為本集團之財務公司。然而,於通函內,「集團財務公司」一詞並無清晰定義。因此存在中國稅務局可能將世紀金花詮釋為不符合「集團財務公司」資格之風險,在該情況下,上述利息收入則不可豁免按5%稅率繳納營業稅,導致須作出額外營業稅撥備約人民幣223,000元。
- (ii) 根據企業所得稅法第47條,倘企業就不合理商業原因作出減低其應課稅收入之安排,中國稅務機關有權根據其認為合理之方法作出調整。因此,就附註10(b)所披露之應收金花投資貸款之免息部份而言,當中存有中國稅務局可能認為是在無合理商業原因下提供資金旨在減少本集團應課稅收入之風險。稅務局可能就本集團貸款免息部份按市場利率計算利息收入,所得金額為人民幣11,110,000元,導致本集團須分別作出額外企業所得稅及營業稅撥備約人民幣2,639,000元及人民幣555,000元。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

(Expressed in Hong Kong dollars) (以港元計算)

19 MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS

(a) Key management personnel compensation:

All key management personnel are directors of the Company and their remuneration is as follows:

Salaries, wages and other benefits	薪酬、工資及其他福利
Pension scheme contributions	退休金計劃供款
Share-based payment expenses	以股份支付之支出

(b) Certain bank borrowings of the Group secured by guarantees from connected parties are as follows:

Ginwa Enterprise (Group) Inc. (“Ginwa Enterprise”)	金花企業(集團)股份有限公司(「金花企業」)	-	39,361
Ginwa Investments together with 金花國際大酒店有限公司	金花投資及金花國際大酒店有限公司	29,105	28,874
Ginwa Investments together with Xian Ya Jian International Golf Company Limited (“Ya Jian”)	金花投資及西安亞建國際高爾夫俱樂部有限公司(「亞建」)	39,561	39,247
Ginwa Investments	金花投資	79,581	78,949
		148,247	186,431

19 重大關連及關聯人士交易

(a) 關鍵管理人員酬金：

所有關鍵管理人員皆是本公司之董事，彼等之薪酬載列如下：

(Unaudited)	
Six months ended	
30 June	
(未經審核)	
截至六月三十日止六個月	
2010	2009
HK\$'000	HK\$'000
二零一零年	二零零九年
千港元	千港元

2,420	1,224
34	35
52	580

2,506	1,839
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(b) 本集團若干銀行借貸由以下關連人士之擔保作抵押：

(Unaudited)	(Audited)
At	At
30 June	31 December
2010	2009
HK\$'000	HK\$'000
(未經審核)	(經審核)
於二零一零年	於二零零九年
六月三十日	十二月三十一日
千港元	千港元

-	39,361
29,105	28,874
39,561	39,247
79,581	78,949
148,247	186,431

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

(Expressed in Hong Kong dollars) (以港元計算)

19 MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

- (c) Save as disclosed elsewhere in the interim financial report, the Group had the following significant connected transactions during the period:

19 重大關連及關聯人士交易 (續)

- (c) 除於中期財務報告中披露外，本集團於期內已訂立以下重大關連交易：

		(Unaudited)	
		Six months ended	
		30 June	
		(未經審核)	
		截至六月三十日止六個月	
		2010	2009
		HK\$'000	HK\$'000
		(Re-presented)	
		二零一零年	二零零九年
		千港元	千港元
		(重列)	
Interest receivable from Ginwa Investments	應收金花投資利息	25,491	25,410
Rent and management fee receivable from 西安世紀金花宜品生活用品有限公司 (“Xian Yipin”)	應收西安世紀金花宜品生活用品有限公司 (「西安宜品」) 之租金及管理費用	3,665	3,653
Disposal of fixed assets to Ginwa Investments	向金花投資出售固定資產	57	-

Ginwa Enterprise, Ginwa Investments, 金花國際大酒店有限公司, Ya Jian and Xian Yipin are connected persons to the Group by virtue of Mr. Wu Yijian's equity interests in them. Mr. Wu Yijian resigned as the chairman and director of the Company on 28 May 2008, and remained a director of certain of the Group's subsidiaries.

基於吳一堅先生於金花企業、金花投資、金花國際大酒店有限公司、亞建及西安宜品擁有股本權益，該等公司為本集團之關連人士。吳一堅先生於二零零八年五月二十八日辭任本公司主席及董事，但仍為本集團若干附屬公司之董事。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

(Expressed in Hong Kong dollars) (以港元計算)

19 MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

(d) Details of balances with related parties are as follows:

Amount due from a director – Mr. Li Haogang	應收董事款項 – 李郝港先生
Amount due to a director – Mr. Qu Jiaqi	應付董事款項 – 曲家琪先生
Loan and other receivables from a related company – Ginwa Investments	關聯公司之貸款及 其他應收款 – 金花投資
Amounts due from related companies	應收關聯公司款項
– 陝西世紀金花高新購物中心 有限公司 (Shanxi Century Ginwa Hi-Tech Shopping Centre Company Limited)* ("Ginwa Hi-Tech")	– 陝西世紀金花高新 購物中心有限公司 ("金花高新")
– 西安世紀金花賽高購物有限 公司 (Xian Century Ginwa Saigao Shopping Co., Limited)* ("Ginwa Saigao Store")	– 西安世紀金花賽高 購物有限公司 ("金花賽高購物")

19 重大關連及關聯人士交易 (續)

(d) 與關聯人士之結餘詳情載列
如下：

(Unaudited)	(Audited)
At	At
30 June	31 December
2010	2009
HK\$'000	HK\$'000
(未經審核)	(經審核)
於二零一零年	於二零零九年
六月三十日	十二月三十一日
千港元	千港元
39	–
–	(135)
1,397,976	1,393,789
–	73
–	177
–	250

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

(Expressed in Hong Kong dollars) (以港元計算)

19 MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

(d) Details of balances with related parties are as follows:
(Continued)

Amounts due to related companies	應付關聯公司款項
- Ginwa Investments	- 金花投資
- Xian Yipin	- 西安宜品
- 西安世紀金花南大街購物中心有限公司 (Xian Century Ginwa Nandajie Shopping Mall Co., Ltd.)* ("Ginwa Nandajie Store")	- 西安世紀金花南大街購物中心有限公司 (「西安南大街購物中心」)
- 西安世紀金花唐人街商場有限公司 (Xian Century Ginwa Tangrenjie Shopping Mall Co., Ltd.)* ("Ginwa Tangrenjie Store")	- 西安世紀金花唐人街商場有限公司 (「西安唐人街商場」)
- Ginwa Hi-Tech	- 金花高新
- Ginwa Saigao Store	- 金花賽高購物

* The English translation of the company names is for reference only. The official names of these companies are in Chinese.

Included in the loan and other receivables from Ginwa Investments is an amount of RMB776,392,000 which is interest-bearing at the five-year lending rate published by the People's Bank of China, the PRC.

The amounts due from/(to) related parties are unsecured, interest free and have no fixed terms of repayment.

19 重大關連及關聯人士交易 (續)

(d) 與關聯人士之結餘詳情載列如下：(續)

(Unaudited)	(Audited)
At	At
30 June	31 December
2010	2009
HK\$'000	HK\$'000
(未經審核)	(經審核)
於二零一零年	於二零零九年
六月三十日	十二月三十一日
千港元	千港元
-	(32,400)
(545)	(4,900)
(561)	(7,275)
(1,633)	(3,099)
(11,467)	-
(1,288)	-
(15,494)	(47,674)

* 公司名稱之英文翻譯僅供參考。該等公司只有正式中文名稱。

金花投資之貸款及其他應收款包括一筆為數人民幣776,392,000元之款項，該筆款項按中國人民銀行發佈之五年貸款息率計息。

該等應收／(應付)關聯人士款項為無抵押、免息及無固定還款期。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

(Expressed in Hong Kong dollars) (以港元計算)

20 NON-ADJUSTING SUBSEQUENT EVENTS

Save as disclosed elsewhere in the interim financial report, no significant events took place subsequent to 30 June 2010.

21 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current period's presentation.

20 報告日期後之非調整事項

除於中期財務報告中披露外，於二零一零年六月三十日後並無發生重大事件。

21 比較數字

部份比較數字經重新分類以符合本期間之呈列方式。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

RESULTS

Benefited from the PRC economy moderate growth and by leveraging our team's continuous efforts and appropriate development strategies, during the period under review, the Group achieved remarkable business growth.

- i) The turnover of the Group for the six months ended 30 June 2010 increased to HK\$325 million compared to HK\$265 million for the last period, representing an increase of 23%;
- ii) The gross profit of the Group increased to HK\$232 million compared to HK\$184 million of the last period. The gross profit margin of the Group for the six months ended 30 June 2010 improved to 71.2% from 69.5% of the same period last year due to the improvement of sales mix;
- iii) The Group's operating profit for first half of 2010 was HK\$107 million, increased by 35% from HK\$79 million in the same period of 2009;
- iv) The finance costs of the Group slightly decreased to HK\$69 million compared to HK\$70 million of the last period due to less bank loans outstanding; and
- v) The Group's profit for the first half of 2010 and net consolidated loss attributable to equity shareholders of the Company were HK\$12 million (2009: Loss of HK\$10 million) and HK\$1 million (2009: Loss of HK\$20 million) respectively.

FUTURE PLAN AND PROSPECT

The principal business activity of the Group is mainly engaged in the operation of department stores in North-western China.

業績

受惠於中國經濟溫和增長以及憑藉着我們團隊的不懈努力和適當的發展策略，本集團於回顧期內取得可觀的業務增長。

- i) 本集團截至二零一零年六月三十日止六個月之營業額增加至325,000,000港元，而去年同期為265,000,000港元，增幅為23%；
- ii) 本集團之毛利增加至232,000,000港元，去年同期為184,000,000港元。本集團截至二零一零年六月三十日止六個月之毛利率由去年同期69.5%增加至71.2%，乃銷售產品組合改善所致；
- iii) 本集團二零一零年上半年之經營溢利為107,000,000港元，較二零零九年同期之79,000,000港元增加35%；
- iv) 本集團之財務費用由去年同期70,000,000港元，輕微減少至69,000,000港元，乃由於尚未償還之銀行貸款減少所致；及
- v) 本集團二零一零年上半年之溢利及本公司股東應佔淨綜合虧損分別為12,000,000港元（二零零九年：虧損10,000,000港元）及1,000,000港元（二零零九年：虧損20,000,000港元）。

未來計劃及展望

本集團之主要業務為於中國西北部經營百貨公司。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

the Group would continue exploring opportunities in the operation of department store by acquiring existing Century Ginwa department stores and expanding Century Ginwa geographically in the PRC. The Group also plans to reinvent and remodel its stores to further enhance the stores image and to improve productivity by the more efficient use of the available floor space. Meanwhile, the Group would introduce more famous international brands to further enhance its market status and maximise shareholder value. The Group strongly believes that the business strategy of Century Ginwa could eventually lead the Group to become one of the top tier department stores operators in the PRC.

From the continuous effort of the management to improve its operations and promotion of corporate governance, the Group had successfully signed a Memorandum of Understanding with an investment fund – Hony Capital as a strategic investor on 20 February 2010. The Company is now conducting further negotiations.

Hony Capital is an investment fund which is structured as an exempted limited partnership established in the Cayman Islands. Based on the limited partnership interests of Hony Capital, Legend Holdings Limited, the controlling shareholder of Lenovo Group Limited (Stock Code: 992), via its wholly-owned subsidiary, Right Lane Limited, is the single largest investor in Hony Capital, with a holding of approximately 14.3% of the value of the fund. In addition to Legend Holdings Limited, Hony Capital has 77 other investors with interests ranging from 0.02% to 7.15% of the value of the fund.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2010, net current liabilities and total assets less current liabilities of the Group amounted to approximately HK\$949 million (31 December 2009: HK\$1,049 million) and approximately HK\$841 million (31 December 2009: HK\$732 million) respectively. As at 30 June 2010, the Group had cash and bank balances amounting to approximately HK\$59 million (31 December 2009: HK\$89 million). The current ratio of the Group as at 30 June 2010 was 0.14 (31 December 2009: 0.16).

The gearing ratio, being the bank and other loans divided by the shareholders' equity, as at 30 June 2010, was nil (31 December 2009: nil).

本集團將透過收購世紀金花現有百貨公司及擴大世紀金花在中國之經營地域，在營運百貨公司範疇內繼續開拓商機。本集團亦計劃改造及重新塑造其店舖以進一步改善店舖形象，並透過更有效地利用可用樓面面積提升產能。同時，本集團會引進更多國際知名品牌，以進一步提升其市場地位及令股東價值實現最大化。本集團深信，世紀金花之業務策略定可引領本集團最終躋身中國頂級百貨公司營運商之列。

在管理層不斷改善本集團之營運及提倡企業管治下，本集團於二零一零年二月二十日成功與投資基金弘毅投資（作為策略投資者）簽署諒解備忘錄。本公司正在為此進行進一步的磋商。

弘毅投資為一支投資基金，其結構為於開曼群島成立之獲豁免有限合夥公司。根據弘毅投資之有限合夥公司權益，聯想控股有限公司（聯想集團有限公司（股份代號：992）之控股股東）透過其全資附屬公司南明有限公司作為弘毅投資單一最大投資者，持有該基金之價值約14.3%。除聯想控股有限公司外，弘毅投資另有77名投資者，彼等持有該基金之價值由0.02%至7.15%不等之權益。

流動資金及財政資源

於二零一零年六月三十日，本集團之流動負債淨額及總資產減流動負債分別約為949,000,000港元（二零零九年十二月三十一日：1,049,000,000港元）及約841,000,000港元（二零零九年十二月三十一日：732,000,000港元）。於二零一零年六月三十日，本集團之現金及銀行結餘約為59,000,000港元（二零零九年十二月三十一日：89,000,000港元）。於二零一零年六月三十日，本集團之流動比率為0.14（二零零九年十二月三十一日：0.16）。

於二零一零年六月三十日之資本負債比率（即銀行及其他貸款除以股東權益）為零（二零零九年十二月三十一日：零）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

HUMAN RESOURCES

As at 30 June 2010, the Group employed approximately 1,000 full time employees including management and administrative staff. Most of the employees are employed in the PRC. The employees' remuneration, promotion and salary increments are assessed based on both individual's and Company's performance, professional and working experience and by reference to prevailing market practice and standards. Apart from the general remuneration package, the Group also granted share options and discretionary bonus to the eligible staff based on their performance and contribution to the Group. The Group regards quality staff as one of the key factors to corporate success.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2010, the interests and short positions of the directors and chief executives of the Company in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") which were required to be entered into the register required to be kept under section 352 of the SFO or otherwise were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) and/or the Model Code for Securities Transactions by Directors of Listed issuers in the Listing Rules (the "Model Code"), were as follows:

人力資源

於二零一零年六月三十日，本集團僱用了約1,000名全職僱員，其中包括管理及行政人員。大部份僱員均於中國受僱。僱員之薪酬、晉升及加薪幅度乃根據個人及本公司之表現、僱員之專業及工作經驗，並參考當時市場慣例及標準來評估釐定。除了一般薪酬組合外，本集團亦根據合資格僱員之表現及其對本集團之貢獻，向他們授出購股權及酌情花紅。本集團認為優秀僱員是企業能成功發展之其中一項關鍵因素。

董事及主要行政人員於本公司股份、相關股份及債券之權益及短倉

於二零一零年六月三十日，本公司董事及主要行政人員於本公司或其任何相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中，擁有須載入根據證券及期貨條例第352條之規定所存置之登記冊之權益及短倉，或根據證券及期貨條例第XV部第7及第8分部而須知會本公司及聯交所之權益及短倉（包括根據證券及期貨條例相關規定被視作或當作擁有之權益及短倉）及／或根據上市規則當中上市發行人董事進行證券交易的標準守則（「標準守則」）而須知會本公司及聯交所之權益及短倉載列如下：

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

(a) Long positions in the shares of HK\$0.10 each

Name of director 董事姓名	Nature of interests 權益性質
Mr. Sha Yingjie 沙英傑先生	Personal interests 個人權益
Ms. Lu Xiaoling 魯曉玲女士	Personal interests 個人權益

Save as disclosed above, as at 30 June 2010, none of the directors or chief executives of the Company had, under Divisions 7 and 8 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), nor were they taken to or deemed to have under such provisions of the SFO, any interests or short positions in the shares of HK\$0.10 each of the Company, underlying Shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) or any interests which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules or any interests which are required to be entered into the register kept by the Company pursuant to section 352 of the SFO.

(a) 本公司每股面值0.10港元之股份中之長倉：

Number of issued ordinary shares held 所持已發行普通股數目	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本概約百分比
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1,436,000 0.08%

219,000 0.01%

除上文所披露者外，於二零一零年六月三十日，本公司董事或主要行政人員概無根據香港法例第571章證券及期貨條例（「證券及期貨條例」）第7及第8分部擁有或根據證券及期貨條例相關規定而被視作或當作於本公司每股面值0.10港元之股份中擁有任何權益或短倉、本公司或任何相聯法團（定義見證券及期貨條例第XV部）相關股份或債券的任何權益或短倉，或根據上市規則當中上市發行人董事進行證券交易之標準守則而須知會本公司及聯交所的任何權益，或須載入本公司根據證券及期貨條例第352條之規定所存置之登記冊之任何權益。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

(b) Interest in Share Options under the Share Option Scheme

Name of grantee	Date of grant	Exercise price	Vesting and exercise period
承授人姓名	授出日期	行使價	歸屬及行使期
Mr. Hu Yangxiong (Note)	15 Jan 2008	HK\$0.74	16 Jan 2008 to 15 Jan 2010
胡養雄先生(附註)	二零零八年一月十五日	0.74港元	二零零八年一月十六日至二零零一年一月十五日
Mr. Sha Yingjie	15 Jan 2008	HK\$0.74	16 Jan 2008 to 15 Jan 2010
沙英傑先生	二零零八年一月十五日	0.74港元	二零零八年一月十六日至二零零一年一月十五日
Mr. Qu Jiaqi	15 Jan 2008	HK\$0.74	16 Jan 2008 to 15 Jan 2010
曲家琪先生	二零零八年一月十五日	0.74港元	二零零八年一月十六日至二零零一年一月十五日
Mr. Li Haogang	15 Jan 2008	HK\$0.74	16 Jan 2008 to 15 Jan 2010
李郝港先生	二零零八年一月十五日	0.74港元	二零零八年一月十六日至二零零一年一月十五日

Note:—

Mr. Hu Yangxiong resigned as director of the Company on 8 March 2010.

All the interests stated above represents long positions. No short positions were recorded in the register maintained by the Company under Section 352 of the SFO as at 30 June 2010.

Save as disclosed above, as at 30 June 2010, none of the directors or chief executives of the Company had, under Divisions 7 and 8 of the SFO, nor were they taken to or deemed to have under such provisions of the SFO, any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) or any interests which are required to be notified to the Company and the Stock Exchange or any interests which are required to be entered into the register kept by the Company pursuant to Section 352 of the SFO or are required pursuant to the Model Code.

(b) 購股權計劃下之購股權權益

Number of share options 購股權數目		
Outstanding as at 1 January 2010 於二零一零年一月一日 尚未行使	Forfeited/Expired during the period 期內沒收/到期	Outstanding as at 30 June 2010 於二零一零年六月三十日 尚未行使
3,154,000	(3,154,000)	—
2,000,000	(2,000,000)	—
2,000,000	(2,000,000)	—
2,000,000	(2,000,000)	—
9,154,000	(9,154,000)	—

附註：—

胡養雄先生於二零一零年三月八日辭任本公司董事。

上述所示所有權益均為長倉。於二零一零年六月三十日，本公司根據證券及期貨條例第352條之規定存置之登記冊並無任何短倉記錄。

除上文所披露者外，於二零一零年六月三十日，本公司董事或主要行政人員概無擁有下述權益，即根據證券及期貨條例第7及第8分部、或根據證券及期貨條例相關規定而視作或當作擁有本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券的任何權益及短倉；或須知會本公司及聯交所之任何權益；或須載入根據證券及期貨條例第352條規定所存置之登記冊內之任何權益；或根據標準守則而須知會本公司及聯交所之任何權益。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

SUBSTANTIAL SHAREHOLDERS

Interests of shareholders discloseable pursuant to the SFO

The register of substantial shareholders required to be kept under section 336 of the SFO shows that as at 30 June 2010, the Company had been notified of the following substantial shareholders' interests and short positions, being interests of 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the directors of the Company.

(a) Long position in the shares of HK\$0.10 each

Name of shareholder	Long positions/ short positions	Nature of interests	Number of Issued ordinary shares held	Approximate percentage of the issued share capital of the Company
股東名稱	長倉／短倉	權益性質	所持已發行 普通股數目	佔本公司 已發行股本之 概約百分比
Best Mineral Resources Limited ("BMRL")	Long positions	Personal interests	476,196,108	(Note 1) 27.17%
	長倉	個人權益	(附註1)	
Mr. Chen Jian 陳健先生	Long positions	Corporate interests	476,196,108	(Note 1) 27.17%
	長倉	公司權益	(附註1)	
Mr. Li Peng 李鵬先生	Long positions	Personal interests	6,135,000	(Note 2) 0.35%
	長倉	個人權益	(附註2)	

主要股東

根據證券及期貨條例須予披露之股東權益

於二零一零年六月三十日，根據證券及期貨條例第336條存置之主要股東登記冊顯示，本公司獲知會下列主要股東於本公司已發行股本中擁有5%或以上權益及淡倉。該等權益為上述所披露本公司董事擁有之權益以外之權益。

(a) 本公司每股面值0.10港元之股份之長倉

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

(b) Long position in the underlying shares equity derivatives of the Company (as defined in Part XV of the SFO)

(b) 於本公司股權衍生工具項下之相關股份之長倉（定義見證券及期貨條例第XV部）

Name of shareholder	Long positions/ short positions	Nature of interests	Number of underlying shares held	Approximate percentage of the issued share capital of the Company
股東名稱	長倉／短倉	權益性質	所持已發行 相關股份數目	佔本公司 已發行股本之 概約百分比
Best Mineral Resources Limited ("BMRL")	Long positions 長倉	Personal interests 個人權益	2,015,449,808 (Note 1) (附註1)	115.01%
Mr. Chen Jian 陳健先生	Long positions 長倉	Corporate interests 公司權益	2,015,449,808 (Note 1) (附註1)	115.01%
Mr. Li Peng 李鵬先生	Long positions 長倉	Personal interests 個人權益	279,408,695 (Note 2) (附註2)	15.94%

Notes:-

附註：-

- (1) BMRL held 476,196,108 shares and 2,015,449,808 share related to their derivative interest under its own name as at 30 June 2010. Mr. Chen Jian held 100% of the issued share capital of BMRL. As such, Mr. Chen Jian was deemed to be interested in 476,196,108 shares and 2,015,449,808 share related to their derivative interest by virtue of his shareholding in BMRL.

- (1) 於二零一零年六月三十日，BMRL以公司名義持有476,196,108股股份和涉及其衍生權益之2,015,449,808股股份。陳健先生持有BMRL 100%已發行股本。因此，陳健先生基於其在BMRL之股權而視作於476,196,108股股份和涉及其衍生權益之2,015,449,808股股份中擁有權益。

The derivative represents convertible bonds ("CB") of the Company. Under the terms of the CB, the conversion rights to the CB cannot be exercised if, immediately after exercise of such conversion rights into the Shares, the holder(s) of the CB and its concert parties will trigger a general offer obligation under the Hong Kong Code on Takeovers and Mergers and/or the public float of the Company will be less than 25% of the issued share capital as required under the Listing Rules after issuance of such Shares.

衍生工具指本公司之可換股債券（「可換股債券」）。根據可換股債券之條款，倘緊隨行使可換股債券之轉換權轉換股份後，可換股債券持有人及其一致行動人士將觸發公司收購及合併守則下提出全面收購建議之責任及／或於發行有關股份後，本公司之公眾持股量將低於上市規則下所規定之25%已發行股本，則不得行使有關轉換權。

- (2) Mr. Li Peng is interested in 6,135,000 shares and 279,408,695 warrants, each of the warrant confers the rights to subscribe for new share in cash at an initial subscription price of HK\$0.23 per share (subject to adjustments).

- (2) 李鵬先生於6,135,000股股份及279,408,695份認股權證中擁有權益，每份認股權證均附有可按初步認購價每股股份0.23港元（可予調整）以現金認購新股份之權利。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Save as disclosed above, the directors and chief executives of the Company are not aware that there is any person who, as at 30 June 2010, had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group.

SIGNIFICANT SUBSEQUENT EVENTS

Please refer to Note 20 – Non-adjusting post balance sheet events of the Notes to the Condensed Consolidated Interim Financial Information.

FOREIGN EXCHANGE EXPOSURE

During the six months ended 30 June 2010, the Group's operation of department stores earned revenue and incurred costs in Renminbi. Renminbi was relatively stable during the period. The directors considered that the Group's exposure to fluctuation in foreign exchange rate was minimal, and accordingly, the Group did not employ any financial instruments for hedging purpose.

CONTINGENT LIABILITIES

Please refer to Note 18 – Contingent liabilities of the Notes to the Condensed Consolidated Interim Financial Information.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2010.

除上文所披露者外，於二零一零年六月三十日，據本公司董事及主要行政人員所知，概無任何人士於任何股份或相關股份中擁有任何權益或短倉須根據證券及期貨條例第XV部第2及第3分部之規定而向本公司披露，或直接或間接持有附帶權利可在任何情形下於本集團任何其他成員公司之股東大會投票之任何類別股本面值之5%或以上權益。

重大結算日後事項

請參閱簡明綜合中期財務資料附註20所載之未經調整結算日後事項。

外匯風險

截至二零一零年六月三十日止六個月，本集團之百貨店業務賺取之收入及產生之成本均以人民幣計值。人民幣於期內相對穩定。董事認為本集團面對之匯率波動風險甚微，故本集團並無採用任何金融工具作對沖。

或有負債

請參閱簡明綜合中期財務資料附註18所載之或有負債。

購買、出售或贖回本公司之上市證券

於截至二零一零年六月三十日止六個月內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CORPORATE GOVERNANCE

The Board considers that the Company has complied throughout the six months ended 30 June 2010 with the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules, except for certain deviations. The corporate governance of the Company for the period is stated as follows:

Board of Directors

Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the period from 8 March 2010 to 30 June 2010 (the "Relevant Period"), the Company did not have chairman or deputy chairman of the Board.

During the Relevant Period, the Board, with the assistance of the chief executive officer and other senior management of the Group, was responsible for overseeing the management of the Board and the day-to-day management of the business of the Group. The Board considers that such arrangements enable the Group to operate effectively and ensure a balance of power and authority. The Board is in the process of identifying appropriate personnel and will fill the vacancy of the chairman and/or deputy chairman of the Board as soon as practicable.

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. None of the existing Independent Non-executive Directors of the Company is appointed for a specific term. However, all the directors (Executive and Independent Non-executive) are subject to retirement at least once every three years under Bye-Law 87(1) of the Bye-Laws of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

企業管治

董事會認為本公司於截至二零一零年六月三十日止六個月一直遵守上市規則附錄14所載《企業管治常規守則》（「企業管治守則」）之規定，惟若干偏離情況除外。本公司於期內之企業管治詳情載列如下：

董事會

守則條文第A.2.1條訂明，主席及行政總裁之角色應有區分及不應由一人同時兼任。二零一零年三月八日至二零一零年六月三十日期間（「有關期間」），本公司並無董事會主席或副主席。

在有關期間，董事會在行政總裁和本集團其他高級管理層之協助下，負責監督管理董事會和本集團業務之日常營運。董事會認為此安排可讓本集團有效地運作，並確保權力及權責之平衡。董事會正在物色適合人選，並在儘快可行情況下填補董事會主席及／或副主席之空缺。

守則條文第A.4.1條訂明，非執行董事須以指定任期委任並膺選連任。本公司現任獨立非執行董事並非以指定任期委任。然而，根據本公司之細則第87(1)條，全體董事（包括執行及獨立非執行董事）須最少每三年輪值告退一次。因此，本公司認為已採取足夠措施確保本公司之企業管治常規不比企業管治守則所載之規定寬鬆。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Nomination Committee

No nomination committee is currently in place but Executive Directors usually consult Independent Non-executive Directors on nominations to the Board.

Remuneration Committee

The remuneration committee is responsible for reviewing the remuneration packages of Executive Director and Senior Management, including bonuses and options granted under the Share Option Scheme, to ensure that such remuneration is reasonable and not excessive. The committee shall consist of not less than 2 members. Currently, the remuneration committee consists of three Independent Non-executive Directors: Mr. Chan Wai Kwong, Peter, Mr. Fu Wing Kwok, Ewing and Mr. Tsang Kwok Wai.

Audit Committee

The primary objective of the audit committee is to review the financial reporting process of the Group and its internal control system, oversee the audit process and to perform other duties assigned by the Board and make recommendations to the Company to improve the quality of financial information to be disclosed. The audit committee shall consist of not less than 3 members. Currently, the audit committee consists of three Independent Non-executive Directors: Mr. Fu Wing Kwok, Ewing, Mr. Chan Wai Kwong, Peter and Mr. Tsang Kwok Wai and two Executive Directors, Mr. Sha Yingjie and Ms. Lu Xiaoling.

The audit committee has reviewed with management and Baker Tilly Hong Kong Limited the accounting principles and practices adopted by the Group, and discussed auditing, internal control and financial reporting matters including the review of the unaudited interim results for the six months ended 30 June 2010.

提名委員會

本公司現時並無成立提名委員會，但執行董事一般會就董事會之提名事項諮詢獨立非執行董事。

薪酬委員會

薪酬委員會負責檢討執行董事及高級管理層之薪酬組合，包括花紅及根據購股權計劃授出之購股權，以確保有關薪酬屬合理並不致過多。委員會應由不少於兩名成員組成。目前，薪酬委員會由三名獨立非執行董事陳為光先生、傅榮國先生及曾國偉先生組成。

審核委員會

審核委員會之主要目標是檢討本集團之財務申報程序及內部監控系統，監督審核過程及履行董事會指派之其他職務，以及向本公司提供建議，以改善將予披露財務資料之質素。審核委員會應由最少三名成員組成。目前，審核委員會成員包括三名獨立非執行董事傅榮國先生、陳為光先生及曾國偉先生，以及兩名執行董事沙英傑先生及魯曉玲女士。

審核委員會已與管理層及香港天華會計師事務所有限公司一同審閱本集團所採納之會計原則及慣例，並討論審核、內部監控及財務申報事宜，包括審閱截至二零一零年六月三十日止六個月之未經審核中期業績。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all the directors, all the directors confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2010.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors, the directors confirmed that the Company has maintained the amounts of public float as required under the Listing Rules throughout the six months ended 30 June 2010.

APPRECIATION

I would like to express my deep thanks to my fellow directors and all employees for their valuable contribution. I and on behalf of the Board would also like to extend my sincere thanks to our shareholders, customers, suppliers, bankers and business associates for their continued strong support.

On behalf of the Board

Choon Hoi Kit, Edwin
Chief Executive Officer

Hong Kong, 27 August 2010

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10所載之標準守則。經向所有董事作出具體查詢後，所有董事確認於截至二零一零年六月三十日止六個月內一直遵守標準守則所規定之標準。

足夠公眾持股量

按本公司取得之公開資料及據董事所知，董事確認本公司於截至二零一零年六月三十日止六個月內一直維持上市規則規定之公眾持股量。

致謝

本人謹此就董事會同寅及全體員工作出之寶貴貢獻深表謝意。本人謹此代表董事會向各股東、客戶、供應商、往來銀行及業務夥伴致以摯誠謝意，感激彼等一直以來之鼎力支持。

代表董事會

行政總裁
鄭開杰

香港，二零一零年八月二十七日

REVIEW REPORT TO THE BOARD OF DIRECTORS

致董事會之審閱報告



BAKER TILLY

HONG KONG LIMITED

CERTIFIED PUBLIC ACCOUNTANTS

香港天華會計師事務所有限公司

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信德中心招商局大廈12樓

REVIEW REPORT TO THE BOARD OF DIRECTORS OF CHINA GOLDEN DEVELOPMENT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 4 to 42, which comprises the condensed consolidated statement of financial position of China Golden Development Holdings Limited (the "Company") as at 30 June 2010 and the related condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six months period then ended and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of the interim financial information in accordance with HKAS 34.

Our responsibility is to form a conclusion, based on our review, on this interim financial information 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.

審閱報告

致中國金展控股有限公司
董事會

(於百慕達註冊成立之有限公司)

緒言

本核數師已完成審閱載於第4至42頁之中期財務資料，當中包括中國金展控股有限公司（「貴公司」）於二零一零年六月三十日之簡明綜合財務狀況報表及截至該日止六個月期間之相關簡明綜合收益賬、簡明綜合全面收益賬、簡明綜合權益變動表及簡明綜合現金流量表以及若干說明附註。香港聯合交易所有限公司證券上市規則規定，中期財務資料之報告之編製須符合當中訂明之相關條文，以及由香港會計師公會頒佈之《香港會計準則》（「《香港會計準則》」）第34號「中期財務報告」。貴公司董事須負責根據《香港會計準則》第34號編製及呈報中期財務資料。

本核數師之責任是根據本核數師之審閱對有關中期財務資料作出結論，並依據本核數師協定之聘任條款，僅向閣下（作為一個個體）呈報本核數師之結論，除此之外別無其他目的。本核數師並不就本報告之內容對任何其他人士承擔任何義務或接受任何責任。

REVIEW REPORT TO THE BOARD OF DIRECTORS

致董事會之審閱報告

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 Hong Kong Institute of Certified Public Accountants. A review of interim financial information 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information as at 30 June 2010 is not prepared, in all material respects, in accordance with HKAS 34.

Emphasis of matter

Without qualifying our review conclusion, we draw attention to the following issues:

- (a) As reported in note 1 to the condensed consolidated interim financial information, the Group incurred a consolidated net loss attributable to the equity shareholders of the Company of approximately HK\$1,097,000 for the six months ended 30 June 2010 and had consolidated net current liabilities of approximately HK\$948,807,000 as at 30 June 2010. This condition indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The condensed consolidated interim financial information has been prepared on a going concern basis, the validity of which is dependent on the continuing financial support from the Group's substantial shareholder in order to finance the Group's future working capital and financial requirements and the Group's ability to obtain new working capital from prospective investors and to generate adequate cash flows from its continuing operations in the foreseeable future. The condensed consolidated interim financial information does not include any adjustments that would result from a failure to obtain such financial support and working capital. We consider that adequate disclosures have been made.

審閱範圍

本核數師依據香港會計師公會頒佈之《香港審閱委聘準則》第2410號「由實體之獨立核數師執行之中期財務資料審閱」進行本核數師之審閱工作。審閱中期財務資料包括向負責財務及會計事務之人員作出查詢，以及進行分析性和其他審閱程序。由於審閱之範圍遠較根據《香港審計準則》進行審核之範圍為小，故本核數師不保證可知悉所有在審核中可能發現之重大事項。因此，本核數師不會發表審核意見。

結論

根據本核數師之審閱結果，本核數師並無發現任何事項而令本核數師相信於二零一零年六月三十日之中期財務資料在任何重大方面未有根據《香港會計準則》第34號編製。

強調事項

本核數師在並無對結論作出保留意見之情況下，謹促閣下注意下列事項：

- (a) 如簡明綜合中期財務資料附註1所報告，貴集團於截至二零一零年六月三十日止六個月產生貴公司股東應佔綜合虧損淨額約1,097,000港元，以及於二零一零年六月三十日有綜合流動負債淨額約948,807,000港元。此等狀況顯示存在一項重大不明朗因素，可能對貴集團之持續經營能力構成重大疑問。簡明綜合中期財務資料乃根據持續經營基準編製，而能否持續經營取決於來自貴集團主要股東之持續財政支援，為貴集團之未來營運資金及財務需要提供資金，以及貴集團向有意投資者取得新營運資金與在可預見未來從持續經營產生足夠現金流量之能力。簡明綜合中期財務資料並無包括對未能獲得財政支援及營運資金所需之調整。本核數師認為已作出足夠披露。

REVIEW REPORT TO THE BOARD OF DIRECTORS

致董事會之審閱報告

(b) As reported in note 11(b) to the condensed consolidated interim financial information, the Group has prepaid HK\$13,911,000 in output Value-Added Tax in respect of customer's gift cards sold in 2007 and 2008. The Group has been negotiating with the local PRC Tax Bureau as to when the prepaid output VAT can be used to offset the output VAT derived from the sale of goods in future. The recoverability of this amount is dependent on the outcome of the negotiations.

Baker Tilly Hong Kong Limited

Certified Public Accountants

Hong Kong, 27 August 2010

Andrew David Ross

Practising certificate number P01183

(b) 如簡明綜合中期財務資料附註11(b)所報告，貴集團已就於二零零七年及二零零八年銷售之客戶禮品卡預付13,911,000港元之銷項增值稅。貴集團一直就可使用預付銷項增值稅抵銷未來銷售貨品產生之銷項增值稅之時機與當地中國稅務局進行磋商。該金額之可收回性視乎磋商結果而定。

香港天華會計師事務所有限公司

執業會計師

香港，二零一零年八月二十七日

羅安狄

執業證書編號P01183

