中 期 2010 報 告

ZHONG HUA INTERNATIONAL HOLDINGS LIMITED

中華國際控股有限公司*

(於百慕達註冊成立之有限公司)

股份代號：1064

* 僅供識別

BOARD OF DIRECTORS
Executive Director
Ho Kam Hung

Non-Executive Director
Young Kwok Sui

Independent Non-Executive Directors
Lawrence K. Tam
Wong Miu Ting, Ivy
Wong Kui Fai

COMPANY SECRETARY
Yu Chun Kau, *FCPA (Practicing), ACS*

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Certified Public Accountants
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董事會
執行董事
何鑑雄

非執行董事
楊國瑞

獨立非執行董事
譚剛
黃妙婷
黃鉅輝

公司秘書
余振球，*FCPA（執業）、ACS*

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Vigers Appraisal and Consulting Limited
10th Floor, The Grande Building
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Kowloon
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物業估值師

第一太平洋戴維斯估值及專業顧問有限公司
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中環
交易廣場第二座23樓

威格斯資產評估顧問有限公司
香港
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PRINCIPAL BANKERS

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

主要往來銀行

永亨銀行有限公司，廣州分行
南洋商業銀行有限公司

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Corporate Services Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
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股份登記及過戶總處

Butterfield Corporate Services Limited
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HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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公司網址

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STOCK CODE

1064

股份代號

1064

UNAUDITED INTERIM RESULTS

The Board of Directors (the "Directors") of Zhong Hua International Holdings Limited (the "Company") would like to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2010 (the "Interim Results"), together with the comparative figures for the corresponding period in 2009, as follows:

未經審核中期業績

中華國際控股有限公司(「本公司」)董事會(「董事會」)欣然宣佈，本公司及其附屬公司(統稱「本集團」)截至二零一零年六月三十日止六個月未經審核綜合業績(「中期業績」)，連同二零零九年同期之比較數字，如下：

CONDENSED CONSOLIDATED INCOME STATEMENT

簡明綜合收益表

			For the six months ended 30 June 截至六月三十日止六個月	
		Notes 附註	**2010 二零一零年 (Unaudited) (未經審核) HK$'000 千港元**	2009 二零零九年 (Unaudited) (未經審核) HK$'000 千港元
Revenue	收益	2	**16,570**	16,425
Other income	額外收入		**427**	246
Administrative expenses	行政開支		**(4,504)**	(7,585)
Finance costs	財務費用	3	**(5,286)**	(17,250)
PROFIT/(LOSS) BEFORE TAX	**稅前溢利／(虧損)**	4	**7,207**	(8,164)
Income tax expense	利得稅開支	5	**(2,742)**	(2,983)
PROFIT/(LOSS) FOR THE PERIOD	**期間溢利／(虧損)**		**4,465**	(11,147)
ATTRIBUTABLE TO:	**歸屬於：**			
Ordinary equity holders of the Company	**本公司普通股權益持有人**		**739**	(14,438)
Non-controlling interests	**非控股權益**		**3,726**	3,291
			4,465	(11,147)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	**本公司普通股權益持有人應佔每股盈利／(虧損)**	7		
– Basic	－基本		**HK0.49 cents港仙**	HK(9.61) cents港仙
– Diluted	－攤薄		**N/A不適用**	N/A不適用

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

簡明綜合全盤收益表

		For the six months ended 30 June 截至六月三十日止六個月 2010 二零一零年 (Unaudited) (未經審核) HK$'000 千港元	2009 二零零九年 (Unaudited) (未經審核) HK$'000 千港元
Profit/(loss) for the period	期間溢利/(虧損)	**4,465**	(11,147)
Other comprehensive income	**額外全盤收益**		
Exchange differences on translation of foreign operations	換算海外業務時計出的匯兑差額	**17,935**	17,087
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**期間全盤總收益**	**22,400**	5,940
Total comprehensive income/(loss) attributable to:	全盤總收益/(虧損)歸屬於:		
Ordinary equity holders of the Company	本公司普通股權益持有人	**6,272**	(8,988)
Non-controlling interests	非控股權益	**16,128**	14,928
		22,400	5,940

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

		Notes 附註	30 June 2010 二零一零年六月三十日 (Unaudited) (未經審核) HK$'000 千港元	31 December 2009 二零零九年十二月三十一日 (Audited) (經審核) HK$'000 千港元
NON-CURRENT ASSETS	**非流動資產**			
Property, plant and equipment	物業、廠房及設備		**7,756**	8,212
Investment properties	投資物業		**3,047,770**	3,022,022
Total non-current assets	非流動資產總值		**3,055,526**	3,030,234
CURRENT ASSETS	**流動資產**			
Properties held for sales	待售物業		**37,724**	37,393
Trade receivables	貿易應收款項	*8*	**58,474**	42,499
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		**63,347**	59,107
Pledged deposits	已抵押存款		**–**	18,080
Cash and cash equivalents	現金及現金等值項目		**17,305**	23,316
Total current assets	流動資產總值		**176,850**	180,395
CURRENT LIABILITIES	**流動負債**			
Trade payables	貿易應付款項	*9*	**(26,552)**	(26,319)
Tax payable	應付稅項		**(33,950)**	(30,956)
Other payables and accruals	其他應付款項及應計負債		**(83,543)**	(77,438)
Interest-bearing bank and other borrowings	計息銀行貸款及其他借款		**(6,724)**	(22,748)
Total current liabilities	流動負債總額		**(150,769)**	(157,461)
NET CURRENT ASSETS	**流動資產淨值**		**26,081**	22,934
TOTAL ASSETS LESS CURRENT LIABILITIES	**總資產減流動負債**		**3,081,607**	3,053,168

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

簡明綜合財務狀況表*(續)*

		30 June 2010 二零一零年六月三十日 (Unaudited) (未經審核) HK$'000 千港元	31 December 2009 二零零九年十二月三十一日 (Audited) (經審核) HK$'000 千港元
NON-CURRENT LIABILITIES	**非流動負債**		
Loan from a director	董事貸款	**(72,937)**	(72,297)
Due to a director	應付董事款項	**(79,668)**	(74,604)
Long term other payables	其他長期應付款項	**(177,976)**	(180,000)
Interest-bearing bank and other borrowings	計息銀行貸款及其他借款	**(63,001)**	(65,909)
Deferred tax liabilities	遞延税項負債	**(623,890)**	(618,623)
Total non-current liabilities	非流動負債總額	**(1,017,472)**	(1,011,433)
Net assets	淨資產	**2,064,135**	2,041,735
EQUITY	**權益**		
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益		
Issued capital	已發行股本	**15,140**	15,140
Reserves	儲備	**632,574**	626,302
		647,714	641,442
Non-controlling interests	非控股權益	**1,416,421**	1,400,293
Total equity	**總權益**	**2,064,135**	2,041,735

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合股本變動表

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

		Issued capital 已發行股本 (Unaudited) (未經審核) HK$'000 千港元	Share premium account 股份溢價賬 (Unaudited) (未經審核) HK$'000 千港元	Contributed surplus 繳入盈餘 (Unaudited) (未經審核) HK$'000 千港元	Share option scheme reserve 購股權計劃儲備 (Unaudited) (未經審核) HK$'000 千港元	Equity component of convertible bond 可換股債券之股本部分 (Unaudited) (未經審核) HK$'000 千港元	Exchange fluctuation reserve 匯兌漲落儲備 (Unaudited) (未經審核) HK$'000 千港元	Retained profits/ (accumulated losses) 保留溢利／(累計虧損) (Unaudited) (未經審核) HK$'000 千港元	Total 合計 (Unaudited) (未經審核) HK$'000 千港元	Non-controlling interest 非控股權益 (Unaudited) (未經審核) HK$'000 千港元	Total reserves 儲備總額 (Unaudited) (未經審核) HK$'000 千港元
At 1 January 2010	**於二零一零年一月一日**	**15,140**	**398,726**	**80,258**	**159**	**44,737**	**91,175**	**11,247**	**641,442**	**1,400,293**	**2,041,735**
Expiry of share options	**購股權到期**	**–**	**–**	**–**	**(159)**	**–**	**–**	**159**	**–**	**–**	**–**
Total comprehensive income for the period	**期間全盤總收益**	**–**	**–**	**–**	**–**	**–**	**5,533**	**739**	**6,272**	**16,128**	**22,400**
At 30 June 2010 (Unaudited)	**於二零一零年六月三十日 (未經審核)**	**15,140**	**398,726**	**80,258**	**–**	**44,737**	**96,708**	**12,145**	**647,714**	**1,416,421**	**2,064,135**
At 1 January 2009	於二零零九年一月一日	12,640	386,226	80,258	277	44,737	85,745	(6,614)	603,269	1,302,280	1,905,549
Issue of new shares	發行新股份	2,500	12,500	–	–	–	–	–	15,000	–	15,000
Expiry of share options	購股權到期	–	–	–	(118)	–	–	118	–	–	–
Total comprehensive income/(loss) for the period	期間全盤總收益／(虧損)	–	–	–	–	–	5,450	(14,438)	(8,988)	14,928	5,940
At 30 June 2009 (Unaudited)	於二零零九年六月三十日 (未經審核)	15,140	398,726	80,258	159	44,737	91,195	(20,934)	609,281	1,317,208	1,926,489

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS 簡明綜合現金流量報表

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 (Unaudited) (未經審核) HK$'000 千港元	2009 二零零九年 (Unaudited) (未經審核) HK$'000 千港元
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	經營業務現金流出淨額	(4,608)	(6,932)
NET CASH INFLOW FROM INVESTING ACTIVITIES	投資業務現金流入淨額	18,080	5
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	融資活動現金流出淨額	(19,483)	(14,493)
DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目減少	(6,011)	(21,420)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	期初現金及現金等值項目	23,316	36,216
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期終現金及現金等值項目	17,305	14,796
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值項目結餘分析		
Cash and bank balances	現金及銀行結存	17,305	14,796

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting". The accounting policies and basis of preparation adopted in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 31 December 2009, except in relation to the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") which also include HKASs and Interpretations, that affect the Group and are mandatory for the accounting period beginning on or after 1 January 2010:

HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Group Cash-settled Share-based Payment Transactions*
HKFRS 3 (Revised)	*Business Combinations*
HKAS 18 Amendment	*Revenue*
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*

1. 編製基準及主要會計政策

本簡明綜合中期財務報表是按照香港會計準則(「HKAS」)第34號「中期財務報告」編制的。除了以下會影響本集團且於二零一零年一月一日或之後開始的會計期間強制採用的新訂及經修訂的香港財務報告準則(「HKFRSs」，也包括HKASs和詮釋)，編製本中期財務報表中採用的會計政策和編製基礎均與截至二零零九年十二月三十一日止年度的全年財務報表一致：

HKFRS 2(修訂本)	HKFRS 2 *「以股份支付之支出－集團以現金結算以股份支付之交易」之修訂*
HKFRS 3(經修訂)	*業務合併*
HKAS 18(修訂本)	*收益*
HKAS 27(經修訂)	*綜合及獨立財務報表*
HKAS 39(修訂本)	HKAS 39 *「金融工具：確認及計量－合資格對沖項目」之修訂*

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

HK(IFRIC)-Int 17	*Distributions of Non-cash Assets to Owners*
Amendments to HKFRS 5 *included in Improvements to HKFRSs* issued in October 2008	Amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Plan to Sell the Controlling Interest in a Subsidiary*
HK Interpretation 4 (Revised in December 2009)	*Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases*

The Group applies HKFRS 3 (Revised) Business Combinations prospectively to business combinations for which the acquisition date is on or after 1 January 2010. The requirements in HKAS 27 (Revised) Consolidated and Separate Financial Statements in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1 January 2010.

As there was no transaction during the current interim period in which HKFRS 3 (Revised) and HKAS 27 (Revised) are applicable, the application of HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to other HKFRSs had no effect on the interim financial statements of the Group for the current or prior accounting periods.

1. 編製基準及主要會計政策*（續）*

HK(IFRIC)-Int 17	*向擁有者分派非現金資產*
HKFRS 5之修訂（包含於二零零八年十月頒佈之*HKFRSs之改進*）	HKFRS 5 *「列為持作出售之非流動資產及已終止業務－計劃出售於附屬公司之控股權益」之修訂*
香港詮釋第4號（於二零零九年十二月經修訂）	*租賃－釐定香港土地租賃之期限*

本集團就收購日期為二零一零年一月一日或其後之業務合併追溯應用HKFRS 3（經修訂）「業務合併」。本集團亦於二零一零年一月一日或其後追溯應用HKAS 27（經修訂）「綜合及獨立財務報表」有關於取得或失去於附屬公司控制權後於附屬公司擁有權變動之會計處理的規定。

由於在HKFRS 3（經修訂）及HKAS 27（經修訂）適用之本中期期間概無有關交易，應用HKFRS 3（經修訂）、HKAS 27（經修訂）及其他HKFRSs就此作出之修訂對本集團於本會計期間或過往會計期間之中期財務報表並無影響。

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

Results of the Group in future periods may be affected by future transactions for which HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to other HKFRSs are applicable.

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

The Group has not early applied the following new standards, amendments or interpretations that have been issued but are not yet effective in these financial statements:

HKFRS 1 Amendment	Amendment to HKFRS 1 *Limited Exemption from Comparatives HKFRS 7 Disclosures for First-time Adopters*[2]
HKFRS 9	*Financial Instruments*[4]
HKAS 24 (Revised)	*Related Party Disclosures*[3]
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation – Classification of Rights Issues*[1]
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement*[3]
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments*[2]

1. 編製基準及主要會計政策（續）

本集團於未來期間之業績可能受到HKFRS 3（經修訂）、HKAS 27（經修訂）及其他HKFRSs就此作出之修訂適用之未來交易的影響。

應用其他新訂HKFRSs對如何編製本會計期間或過往會計期間之業績及財務狀況並無重大影響。

本集團並無於該等財務報表內提早應用以下已頒佈但尚未生效之新訂準則、修訂或詮釋：

HKFRS 1（修訂本）	HKFRS 1「*首次採納者無需按照HKFRS 7「披露」比較資料之有限豁免*」之修訂[2]
HKFRS 9	*金融工具*[4]
HKAS 24（經修訂）	*關連人士披露*[3]
HKAS 32（修訂本）	HKAS 32「*金融工具：呈列－供股之分類*」之修訂[1]
HK(IFRIC)-Int 14（修訂本）	HK(IFRIC)-Int 14「*最低資金規定之預付款項*」之修訂[3]
HK(IFRIC)-Int 19	*發行權益工具以抵銷金融負債*[2]

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

[1] Effective for annual periods beginning on or after 1 February 2010

[2] Effective for annual periods beginning on or after 1 July 2010

[3] Effective for annual periods beginning on or after 1 January 2011

[4] Effective for annual periods beginning on or after 1 January 2013

1. 編製基準及主要會計政策*(續)*

[1] 於二零一零年二月一日或之後開始之年度期間生效

[2] 於二零一零年七月一日或之後開始之年度期間生效

[3] 於二零一一年一月一日或之後開始之年度期間生效

[4] 於二零一三年一月一日或之後開始之年度期間生效

2. OPERATING SEGMENT INFORMATION

For management purposes, the business units of the Group are classified based on their services and two reportable operating segments are determined as follows:

(a) the property investment segment, which invests in properties located in the Mainland of the People's Republic of China ("Mainland China") for rental income potential; and

(b) the corporate and other segment, which provides management services to group companies.

The accounting policies of the operating segments are the same as those described in the Group's financial statements for the year ended 31 December 2009.

2. 經營分類資料

就管理而言，本集團之業務單位按所提供之服務及以下釐定之兩個可報告經營分類劃分：

(a) 物業投資分類，就租金收入潛力於中華人民共和國內陸(「中國大陸」)物業之投資；及

(b) 企業及其他分類，向集團公司提供管理服務。

經營分類之會計政策與本集團截至二零零九年十二月三十一日止年度之財務報表所述者一致。

2. OPERATING SEGMENT INFORMATION *(Cont'd)*

2. 經營分類資料*（續）*

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

因本集團90%以上之收入源自中國大陸之客戶，故並無呈報地區分類資料。

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

下表為本集團按經營分類呈列之有關收入及業績之資料：

For the six months ended 30 June

截至六月三十日止六個月

		Property investment 物業投資		Corporate and others 公司及其他		Total 總計	
		2010 二零一零年 (Unaudited) (未經審核) HK$'000 千港元	2009 二零零九年 (Unaudited) (未經審核) HK$'000 千港元	**2010 二零一零年 (Unaudited) (未經審核) HK$'000 千港元**	2009 二零零九年 (Unaudited) (未經審核) HK$'000 千港元	**2010 二零一零年 (Unaudited) (未經審核) HK$'000 千港元**	2009 二零零九年 (Unaudited) (未經審核) HK$'000 千港元
Segment revenue:	**分類收入：**						
Sales to external customers	銷售予外界客戶	**16,570**	16,425	**–**	–	**16,570**	16,425
Segment results	分類業績	**15,800**	13,530	**(3,734)**	(4,690)	**12,066**	8,840
Other income	額外收入					**427**	246
Finance costs	財務費用					**(5,286)**	(17,250)
Profit/(loss) before tax	稅前溢利／(虧損)					**7,207**	(8,164)
Income tax expense	利得稅開支					**(2,742)**	(2,983)
Profit/(loss) for the period	期間溢利／(虧損)					**4,465**	(11,147)

2. OPERATING SEGMENT INFORMATION *(Cont'd)*

2. 經營分類資料(續)

Information about major customers

For the six months ended 30 June 2010 (the "Period"), aggregate revenue from three customers (2009: three) with each of whom transactions had exceeded 10% of the Group's total revenue amounted to approximately HK$16,245,000 (2009: HK$16,104,000).

有關主要客戶之資料

截至二零一零年六月三十日止六個月(「期間」),來自三名客戶(二零零九年:三名)之總收入約為16,245,000港元(二零零九年:16,104,000港元),而與各客戶進行之交易金額均已超逾本集團總收入之10%。

3. FINANCE COSTS

3. 財務費用

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 (Unaudited) (未經審核) HK$'000 千港元	2009 二零零九年 (Unaudited) (未經審核) HK$'000 千港元
Interest on:	利息:		
Bank loans	銀行貸款	**2,380**	1,109
Finance lease	融資租賃	**27**	46
Convertible bond	可換股債券	**–**	3,131
Loan from a director	董事貸款	**2,852**	2,827
Deferred completion of the second and third tranches in relation to an acquisition	有關收購事項之第二部分及第三部分之遞延完成	**–**	10,085
Other loan	其他貸款	**27**	52
		5,286	17,250

4. PROFIT/(LOSS) BEFORE TAX

4. 稅前溢利／（虧損）

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

本集團之稅前溢利／（虧損）乃經扣除／（計入）：

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 **二零一零年** **(Unaudited)** **（未經審核）** **HK$'000** **千港元**	2009 二零零九年 (Unaudited) （未經審核） HK$'000 千港元
Depreciation	折舊	**518**	519
Interest income	利息收入	**(91)**	(24)
Net rental income	租金收入淨額	**(16,570)**	(16,425)

5. INCOME TAX EXPENSE

5. 利得稅開支

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 **二零一零年** **(Unaudited)** **（未經審核）** **HK$'000** **千港元**	2009 二零零九年 (Unaudited) （未經審核） HK$'000 千港元
Provision for the period:	期內撥備：		
Hong Kong	香港	**–**	–
Elsewhere	其他地區	**2,742**	2,983
Deferred taxation	遞延稅項	**–**	–
		2,742	2,983

No provision for Hong Kong profits tax had been made as the Group did not generate any taxable profits in Hong Kong during the Period (2009: Nil).

由於本集團於期間並無在香港產生任何應課稅溢利，故未就香港利得稅作出撥備（二零零九年：無）。

5. INCOME TAX EXPENSE *(Cont'd)*

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof. The subsidiaries established in Mainland China are subject to income taxes at the rate of 25% (2009: 25%).

5. 利得稅開支（續）

其他地區應課稅溢利稅項根據本集團經營業務所在國家之現有法例、詮釋及慣例，按該等國家之現行稅率計算。於中國大陸成立之附屬公司須按利得稅稅率25%（二零零九年：25%）繳稅。

6. INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Period (2009: Nil).

6. 中期股息

董事會不建議派付期間之中期股息（二零零九年：無）。

7. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings/loss per share for the Period is based on the profit attributable to ordinary equity holders of the Company of HK$739,000 (2009: loss of HK$14,438,000) and the weighted average number of 151,404,130 (2009: 150,299,158) ordinary shares in issue during the Period.

Diluted loss per share for the Period had not been disclosed as there were no convertible bond and share options outstanding during the Period. Diluted loss per share for the six months ended 30 June 2009 had not been disclosed as the convertible bond and share options outstanding had anti-dilutive effect on the basic loss per share.

7. 本公司普通股權益持有人應佔每股盈利╱（虧損）

期間每股基本盈利╱（虧損）乃根據本公司普通股權益持有人應佔溢利739,000港元（二零零九年：虧損14,438,000港元）及期間已發行普通股之加權平均數151,404,130股（二零零九年：150,299,158股）計算。

由於期間並無尚未行使之可換股債券及購股權，故並無披露期間每股攤薄虧損金額。由於截至二零零九年六月三十日止六個月尚未行使之可換股債券及購股權對每股基本虧損有反攤薄影響，故並無披露每股攤薄虧損金額。

8. TRADE RECEIVABLES

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

8. 貿易應收款項

本集團之貿易應收款項於報告期完結日之賬齡分析如下：

		30 June 2010 二零一零年六月三十日 (Unaudited) (未經審核) HK$'000 千港元	% 百分比	31 December 2009 二零零九年十二月三十一日 (Audited) (經審核) HK$'000 千港元	% 百分比
Within 6 months	6個月內	**13,693**	**23**	19,648	46
More than 6 months but within 1 year	超過6個月但不超過1年內	**–**	**–**	–	–
More than 1 year	超過1年	**44,781**	**77**	22,851	54
		58,474	**100**	42,499	100
Portion classified as current assets	列為流動資產之部份	**(58,474)**		(42,499)	
Non-current assets	非流動資產	**–**		–	

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

本集團一般授予其客戶3個月至12個月信貸期。

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

本集團貿易應收款項之賬齡根據銷售協議所列分期付款到期日營業額確認日計算。

An amount of HK$23,053,000 (2009: HK$22,851,000) included in the total trade receivables of the Group are attributable to properties sold in prior years.

計入本集團之貿易應收款項總額之23,053,000港元（二零零九年：22,851,000港元）乃過往年度出售物業所得。

9. TRADE PAYABLES

9. 貿易應付款項

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

本集團之貿易應付款項於報告期完結日之賬齡分析如下：

		30 June 2010 二零一零年六月三十日 (Unaudited) (未經審核) HK$'000 千港元	% 百分比	31 December 2009 二零零九年十二月三十一日 (Audited) (經審核) HK$'000 千港元	% 百分比
Within 6 months	6個月內	–	–	–	–
More than 6 months but within 1 year	超過6個月但不超過1年內	–	–	–	–
More than 1 year	超過1年	**26,552**	**100**	26,319	100
		26,552	**100**	26,319	100

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

本集團之貿易應付款項之賬齡分析根據收取貨物或服務提供日起計算。

10. CONTINGENT LIABILITIES

10. 或然負債

At the balance sheet date, the Group's contingent liabilities not provided for in the financial statements were as follows:

於結算日，本集團並未於財務報表作出撥備之或然負債如下：

		30 June 2010 二零一零年六月三十日 (Unaudited) (未經審核) HK$'000 千港元	31 December 2009 二零零九年十二月三十一日 (Audited) (經審核) HK$'000 千港元
Guarantees given for mortgage loans granted by banks to certain purchasers of the Group's properties	就銀行向本集團物業若干買家批出之按揭貸款所作之擔保	**139**	139

11. PLEDGE OF ASSETS

The Group's secured bank loans of HK$69,077,000 (31 December 2009: HK$87,701,000) were supported by certain of the Group's investment properties and a corporate guarantee executed by the Company.

11. 資產抵押

本集團之有抵押銀行貸款69,077,000港元(二零零九年十二月三十一日：87,701,000港元)乃以本集團若干投資物業及本公司簽訂之公司擔保作為支持。

12. OPERATING LEASE COMMITMENTS

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

At 30 June 2010, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

12. 經營租約承擔

本集團根據經營租約安排租用香港辦公室物業，所議定之租期介乎一至兩年。

於二零一零年六月三十日，根據於下列期間到期之經營租約，本集團之未來應付最低租金總額如下：

		Group 本集團	
		30 June 2010 二零一零年六月三十日 (Unaudited) (未經審核) HK$'000 千港元	31 December 2009 二零零九年十二月三十一日 (Audited) (經審核) HK$'000 千港元
Within one year	於一年內	**948**	948
In the second to fifth years, inclusive	於第二至第五年(包括首尾兩年)	**79**	553
		1,027	1,501

13. LITIGATIONS

(a) In December 2008, a company under the Group (the "Plaintiff") served a writ against a third party (the "Defendant") at the Yuexiu District People's Court (越秀區人民法院) demanding for disqualification of the Defendant as the sino partner to a sino-foreign joint venture established between a member of the Group (as foreign party) and the Defendant.

Judgment was obtained in July 2009 (the "Judgement") with rulings in favour of the Plaintiff confirming the Defendant's loss of all its rights and entitlements under the relevant joint venture agreement. Subsequent to the Judgement, the Defendant filed an appeal petition in Guangzhou Municipal Middle People's Court (廣州市中級人民法院) in August 2009, and a hearing was made in October 2009. Further details about the recent developments of the litigation were disclosed in the Company's announcements dated 22 April, 22 June and 16 August 2010.

Taking into account the latest rulings obtained in July 2009, the Plaintiff remains optimistic in obtaining a favourable judgement in the appeal.

13. 訴訟

(a) 於二零零八年十二月，本集團旗下之一間公司(「原告人」)在廣州市越秀區人民法院向一名第三者(「被告人」)作出起訴書，要求取消被告人於本集團一成員公司(作為外方夥伴)與被告人成立之中外合作企業之中方夥伴角色。

本集團已於二零零九年七月獲知裁決(「該裁決」)，法院裁定同意原告人所證實之被告人於相關合作協議中之所有權利及權益之損失。於作出該裁決後，被告人於二零零九年八月向廣州市中級人民法院提出上訴，並已於二零零九年十月進行聆訊。有關訴訟最新進展之進一步詳情於本公司二零一零年四月二十二日、六月二十二日及八月十六日之各公告中披露。

考慮到二零零九年七月作出之最新裁決，原告人仍然對在該上訴案件中獲得令人滿意之判決保持樂觀態度。

13. LITIGATIONS *(Cont'd)*

(b) A writ was filed in Hong Kong in August 2005 by a former director of a subsidiary of the Company (the "Plaintiff") against, inter alia, the Company (the "Defendant"), a wholly-owned subsidiary of the Company, and a former director together with certain former accounting staff of the Company. Under the writ, the Plaintiff claimed certain damages in relation to the acquisition of the entire interests of a company by the Group from a private company controlled by the Plaintiff in December 2000 (the "Acquisition"). In the Indorsement of Claims, the Plaintiff demanded that a receipt for payment of HK$33.5 million by the Defendant signed and issued by the private company controlled by the Plaintiff be set aside and demanded for payment of HK$33.5 million as outstanding consideration for the Acquisition. The Defendant, together with other defendants, filed an acknowledgement of service to defend the proceedings in February 2006. No further action has been taken by the Plaintiff since then.

13. 訴訟（*續*）

(b) 於二零零五年八月，本公司附屬公司一名前董事（「原告人」）在香港向（其中包括）本公司（「被告人」）、本公司全資附屬公司以及本公司一名前董事連同若干會計人員發出一份令狀，內容有關原告人就本集團於二零零零年十二月向原告人控制的私營公司收購一間公司之所有權益（「收購事項」）所造成之若干損失提出索償。於索償書中，原告人聲稱由被告人簽署而由原告人控制的私營公司發出款項為33,500,000港元之收據應撤回，並要求支付收購事項之未償代價金額33,500,000港元。被告人及其他被告人已於二零零六年二月提交送達認收書以提出抗辯。此後原告人並無另外採取法律行動。

13. LITIGATIONS *(Cont'd)*

(b) *(Cont'd)*

Having consulted with its legal counsel, the Defendant is of the view that the legal ground of the claim is thin and that the legal proceedings will be pending till further action from the parties concerned. In this connection, the Plaintiff is of the view that the legal proceedings are unlikely to have significant adverse impact on the cashflow and financial positions as well as business operations of the Group. No provision for any claims has been made at this stage.

14. RELATED PARTY TRANSACTIONS

In addition to the related party transactions and balances with related parties as detailed elsewhere in the financial statements, the Group also incurred an interest expense of HK$2,852,000 in respect of a loan from a director during the Period.

13. 訴訟*（續）*

(b) *（續）*

被告人經向其律師諮詢後，認為有關索償之法律理據不充分並預期有關訴訟將會推遲作出裁決直至有關各方另外採取法律行動。就此而言，原告人認為，本集團之現金流量、財務狀況及營運不會因有關訴訟而帶來重大不利影響。在此階段並無就任何索償作出撥備。

14. 關連人士交易

除本財務報表其他詳述之關連人士交易及關連人士結存外，本集團亦於期間產生董事貸款之利息支出2,852,000港元。

REVIEW OF RESULTS

The Group's consolidated turnover for the Period was HK$16.57 million, which is almost the same level compared with the same period last year (30 June 2009: HK$16.43 million). The Group's profit for the Period was HK$4.47 million (30 June 2009: loss of HK$11.15 million), which improvement was mainly attributable to the saving of interests on a convertible bond and deferred completion of a material acquisition for HK$13.2 million. The Group's profit attributable to equity shareholders was HK$0.74 million for the Period (30 June 2009: loss of HK$14.44 million).

業績回顧

本集團期間之綜合營業額為16,570,000港元，與去年同期(二零零九年六月三十日：16,430,000港元)相比相差不大。本集團於期間之溢利為4,470,000港元(二零零九年六月三十日：虧損11,150,000港元)，此扭虧為盈之狀況改善主要歸因於省回可換股債券及重大收購之遞延完成所疊加之利息13,200,000港元。權益持有人於期間應佔本集團之溢利為740,000港元(二零零九年六月三十日：虧損14,440,000港元)。

BUSINESS REVIEW

The Group is principally engaged in property investment and development in Mainland China and has two property interests, one in Chongqing (重慶市) and the other in Guangzhou (廣州市).

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

業務回顧

本集團主要於中國大陸從事物業投資及發展，並擁有兩項物業權益，一項位於重慶市及另一項位於廣州市。

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

BUSINESS REVIEW *(Cont'd)*

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

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

業務回顧(續)

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

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

BUSINESS REVIEW *(Cont'd)*

The Group acquired an 25% indirect interest in Zheng Da in December 2007 while the remaining 75% indirect interest to be completed by the Group not later than 30 June 2011 (subject to revised terms for settlement of consideration for, and completion timetable in relation to the uncompleted tranches of the acquisition). Details of the intended acquisition, including terms and conditions, consideration and settlement mechanism, and their amendments thereafter were disclosed in the Company's circular dated 26 November 2007 and the Company's announcements dated 31 March 2009, 29 June 2009, 17 December 2009 and 22 June 2010 (primarily refers to the deferment of the long stop date for completion of the acquisition from 31 March 2009 to 30 June 2011).

業務回顧（續）

本集團於二零零七年十二月收購正大25%之間接權益，餘下75%之間接權益擬由本集團於不遲於二零一一年六月三十日完成，唯須受有關收購內未完成部份之支付代價及完成時間表之經修訂條款規限。建議收購事項之詳情，包括條款及條件、代價及支付方式以及有關修訂乃披露於本公司於二零零七年十一月二十六日刊發之通函及本公司於二零零九年三月三十一日、二零零九年六月二十九日、二零零九年十二月十七日及二零一零年六月二十二日發表之各公告（主要披露將成交限期從二零零九年三月三十一日遞延至二零一一年六月三十日）。

BUSINESS REVIEW *(Cont'd)*

The development project was initially planned to be completed within a period of 15 years but its progress was interrupted by the modifications of municipal planning from time to time in the past years. Pursuant to the terms of the relevant joint venture agreement, the joint venture period of Guangzhou Zheng Da is from 31 December 1993 to 31 December 2008 and can be further extended at the request of either foreign or Sino partner upon maturity. In December 2008, both Guangzhou Zheng Da and its foreign partner, Zheng Da, agreed to extend the joint venture period by 15 years with effect from 1 January 2009 but its Sino partner withheld its consent to such extension. As such, Guangzhou Zheng Da filed a petition at the Yuexiu District People's Court (越秀區人民法院) in late December 2008 demanding for disqualification of the Sino partnership of the subject joint venture. Judgment was obtained in July 2009 with rulings endorsing the forfeiture of the partnership qualification and legal entitlements of the Sino partner in the joint venture. The Sino partner then filed an appeal petition (the "Appeal") at the Guangzhou Municipal Middle People's Court (廣州市中級人民法院) in August 2009 and a hearing was made in October 2009. Both Guangzhou Zheng Da and Zheng Da have not yet received any notice of judgement or written judgment in respect of the Appeal from the relevant authority to-date. Details of the developments of the Appeal were disclosed in the Company's announcements dated 11 February, 22 April, 22 June and 16 August 2010.

業務回顧(續)

該發展項目原訂於十五年內完成，但由於過去多年越秀區政府不時修訂區內規劃以致工程進度受到延誤。按相關合作企業協議之條款，廣州正大之合作期限由一九九三年十二月三十一日至二零零八年十二月三十一日止，並可由中外方夥伴任何一方於到期時提出續期要求。於二零零八年十二月，廣州正大及其外方夥伴正大均已同意把合作期限延長十五年，由二零零九年一月一日起生效，但廣州正大之中方夥伴並不同意續期。因此，廣州正大於二零零八年十二月下旬向越秀區人民法院提出呈請，要求取消中方夥伴在有關合作企業之夥伴角色。本集團已於二零零九年七月獲取裁決，認同中方夥伴已喪失合營企業中合作資格及合作權利。其後，中方夥伴於二零零九年八月向廣州市中級人民法院提出上訴(「上訴」)，並於二零零九年十月進行聆訊。截至目前，廣州正大及正大均未從有關政府部門接獲有關上訴之任何裁決通知或書面裁決。有關上訴之發展詳情於本公司於二零一零年二月十一日、四月二十二日、六月二十二日及八月十六日發表之各公告中披露。

BUSINESS REVIEW *(Cont'd)*

The development site at the Yuexiu District (越秀區) is presently comprised of a 2-storey non-permanent commercial podium with a car park and operated as a shoes and footwear wholesale and distribution outlet. With a legend of over one hundred years as footwear trading hub in the area surrounding the development site, the footwear distribution outlet is very prosperous and almost fully let.

Litigations

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

業務回顧（續）

越秀區之發展地盤現時建有2層高附有停車場之暫建商業群樓，並以鞋類及鞋製品批發分銷商場形式營業。由於該發展地盤周圍地區已有過百年鞋製品貿易集散地之往績，鞋製品分銷商場非常暢旺，並已幾乎全部租出。

訴訟

有關訴訟之詳情乃於財務報表附註13內披露。

FINANCIAL REVIEW

Liquidity and financial resources

The Group generally financed its businesses with internally generated cash flows and banking facilities during the Period. Cash and bank balances of the Group as at 30 June 2010 amounted to HK$17.31 million (31 December 2009: HK$23.32 million). As at 30 June 2010, there were no pledged deposits (31 December 2009: HK$18.08 million).

As at 30 June 2010, the Group had outstanding borrowings of approximately HK$226.67 million (31 December 2009: HK$244.96 million) comprising interest-bearing bank loans amounted to HK$69.08 million (31 December 2009: HK$87.70 million), certain long term other payables amounted to HK$84.00 million (31 December 2009: HK$84.00 million), finance lease payable amounted to HK$0.65 million (31 December 2009: HK$0.96 million), and loan from a director amounted to HK$72.94 million (31 December 2009: HK$72.30 million). Of the Group's interest-bearing bank loans, 9%, 9%, 40% and 42% respectively were repayable within one year or on demand, in the second year, in the third to fifth years, inclusive and beyond five years.

As at 30 June 2010, the secured bank loans of HK$69.08 million (31 December 2009: HK$87.70 million) and the finance lease payables of HK$0.65 million (31 December 2009: HK$0.96 million) of the Group bore interest at floating interest rate and fixed interest rate, respectively. The secured bank loan of HK$19.50 million (31 December 2009: HK$20.60 million) and finance lease payables of the Group are denominated in Hong Kong dollars. HK$49.58 million (31 December 2009: HK$67.10 million) of the secured bank loans are denominated in Renminbi.

財務回顧

流動資金及財務資源

於期間內，本集團一般以內部產生之現金流及銀行信貸作為其運作所需資金。於二零一零年六月三十日，本集團之現金及銀行結存達17,310,000港元（二零零九年十二月三十一日：23,320,000港元），而並無已抵押存款（二零零九年十二月三十一日：18,080,000港元）。

於二零一零年六月三十日，本集團有未償還貸款約226,670,000港元（二零零九年十二月三十一日：244,960,000港元），包括計息銀行貸款69,080,000港元（二零零九年十二月三十一日：87,700,000港元）、若干長期其他應付款項84,000,000港元（二零零九年十二月三十一日：84,000,000港元）、應付融資租賃費650,000港元（二零零九年十二月三十一日：960,000港元）及董事貸款72,940,000港元（二零零九年十二月三十一日：72,300,000港元）。本集團的計息銀行貸款中，其中9%、9%、40%及42%分別須於一年內或按要求、第二年及第三至第五年（包括首尾兩年）內及五年後償還。

於二零一零年六月三十日，本集團69,080,000港元（二零零九年十二月三十一日：87,700,000港元）有抵押銀行貸款及650,000港元（二零零九年十二月三十一日：960,000港元）應付融資租約款項分別以浮息及固定息率計算利息。本集團19,500,000港元（二零零九年十二月三十一日：20,600,000港元）有抵押銀行貸款及應付融資租約款項以港元定值。49,580,000港元（二零零九年十二月三十一日：67,100,000港元）有抵押銀行貸款以人民幣定值。

FINANCIAL REVIEW *(Cont'd)*

Liquidity and financial resources *(Cont'd)*

The Group's gearing ratio as at 30 June 2010 was 0.07 (31 December 2009: 0.08), calculated based on the Group's borrowings of HK$226.67 million (31 December 2009: HK$244.96 million) over total assets of HK$3,232.38 million (31 December 2009: HK$3,210.63 million). The Group's gearing was maintained at a relatively low level during the Period.

Currency structure

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

Pledge of assets

The Group had utilized bank loan facilities amounting to approximately HK$69.08 million (31 December 2009: HK$87.70 million) as at 30 June 2010. The loans were charged by the Group's investment properties and corporate guarantee executed by the Company.

Contingent liabilities

As at 30 June 2010, guarantees given for mortgage loans granted by banks to certain purchasers of the Group's properties amounted to HK$0.14 million (31 December 2009: HK$0.14 million).

財務回顧（續）

流動資金及財務資源（續）

本集團於二零一零年六月三十日之資本負債比率為0.07（二零零九年十二月三十一日：0.08），乃按本集團貸款226,670,000港元（二零零九年十二月三十一日：244,960,000港元）除以資產總值3,232,380,000港元（二零零九年十二月三十一日：3,210,630,000港元）計算。於期間，本集團之資產負債比率維持在相對較低之水平。

貨幣結構

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

資產抵押

於二零一零年六月三十日，本集團已動用之銀行信貸額約為69,080,000港元（二零零九年十二月三十一日：87,700,000港元）。該貸款以本集團若干投資物業及銀行存款以及本公司所作之企業擔保作為支持。

或然負債

於二零一零年六月三十日，就銀行向本集團物業若干買家批出之按揭貸款而作出之擔保達140,000港元（二零零九年十二月三十一日：140,000港元）。

FINANCIAL REVIEW *(Cont'd)*

Material acquisition

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

財務回顧 *(續)*

重大收購

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

FINANCIAL REVIEW *(Cont'd)*

Material acquisition *(Cont'd)*

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

Completion of the First Tranche took place on 17 December 2007. As at 31 March 2009, the Second Tranche, the Third Tranche and the Fourth Tranche had not been completed. As such, the Purchaser was obliged to pay to Vendors the Deferred Interest of the Second Tranche and the Third Tranche, which was RMB22,927,000 (approximately HK$25,837,000) in total. No Deferred Interest was required to be paid by the Purchaser in respect of the Fourth Tranche as the original expected completion date for the Fourth Tranche was on 31 March 2009.

財務回顧*(續)*

重大收購*(續)*

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

第一部分已經於二零零七年十二月十七日完成。於二零零九年三月三十一日，第二部分、第三部分及第四部分尚未完成。因此，買方須向賣方支付第二部分及第三部分之遞延利息，總額估計為數人民幣22,927,000元(約25,837,000港元)。買方無須就第四部分支付任何遞延利息，原因為第四部分之原預期完成日期為二零零九年三月三十一日。

FINANCIAL REVIEW *(Cont'd)*

Material acquisition *(Cont'd)*

Since 31 March 2009, the Group and the Vendors have not yet concluded any revised terms for settlement of the consideration for, and completion timetable in relation to the aforesaid uncompleted tranches under, the Agreement. As such, the Group and the Vendors, entered into the fifth supplemental agreement on 22 June 2010 respectively to further extend the Long Stop Date to 30 June 2011 in order to give additional time for the parties to the Agreement to explore any opportunity to arrive at any revised terms for settlement of the consideration for, and completion timetable in relation to the uncompleted tranches, under the Agreement. For the avoidance of doubt, despite the extension of the Long Stop Date, no additional Deferred Interest shall be chargeable for the period from 1 April 2009 to 30 June 2011, both days inclusive.

財務回顧(續)

重大收購(續)

自二零零九年三月三十一日以來，本集團及賣方尚未釐定有關該協議內上述未完成部份支付代價及完成時間表之任何經修訂條款。因此，本集團與賣方於二零一零年六月二十二日訂立第五份補充協議，將最後截止日期進一步延遲至二零一一年六月三十日，給予該協議有關各方更多時間探討任何機會以達成有關該協議內未完成部份之支付代價及完成時間表之任何經修訂條款。為免生疑問，儘管延遲最後截止日期，惟二零零九年四月一日至二零一一年六月三十日止期間(首尾兩天包括在內)並不需要收取任何額外遞延利息。

EMPLOYEES AND REMUNERATION POLICY

The total staff cost for the Period was HK$1.4 million. The Group employed about 21 full time staff in Hong Kong, Chongqing and Guangzhou as at 30 June 2010. Employees are remunerated according to the nature of their job and market trend, with built-in merit components incorporated in the annual increment to reward and motivate individual performance. In Chongqing and Guangzhou, the Group provided staff welfare and bonuses to its employees in accordance with the prevailing labour law. In Hong Kong, other staff benefits included medical schemes, Mandatory Provident Fund Schemes and employee share option scheme.

僱員及薪酬政策

本期間之員工成本總額為1,400,000港元。於二零一零年六月三十日，本集團在香港、重慶及廣州共僱用約21名全職僱員。本集團根據員工之工作性質及市場趨勢釐定酬金，每年加薪亦考慮個別員工之優異表現，以獎勵及激勵員工爭取表現。就重慶及廣州而言，本集團按現行勞動法為員工提供福利及花紅，而在香港則提供醫療計劃、強制性公積金計劃及僱員購股權計劃等其他員工福利。

PROSPECTS

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

前景

儘管國務院正採取較為嚴厲之措施為大多數城市熾熱之物業市場降溫，本集團仍然對中期至長期之中國大陸物業市場之開發潛力及前景保持樂觀態度。本集團亦認為，其於中國西部中心城市重慶及中國南部中心城市廣州投資物業項目之地區延伸能更好地分散兩個地區不同經濟力度之業務風險。因此，於期間內，重慶及廣州之投資物業按綜合基準計算分別為本集團總收益貢獻約40%及60%。

PROSPECTS (Cont'd)

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

The development project in the Yuexiu District（越秀區）, Guangzhou（廣州市） was intended to be completed in 2013 but the construction schedule is deferred pending the outcome of rulings of the Appeal. Meantime, the non-permanent commercial podium at the development site continues to operate as a shoes and footwear whole sale and distribution outlet and is almost fully let.

前景（續）

本集團預期，港渝廣場之投資潛力將於中期內獲得進一步改善，原因為重慶市政府準備於近幾年在朝天門進行城市改造工程，港渝廣場四周大部分老舊樓宇將被拆除。為結合該城市改造工程，本集團擬整修港渝廣場以更新其設施及外部設計。

廣州市越秀區之發展項目乃擬於二零一三年完成，惟建築進度受到延遲，以待上訴之裁決結果。現時發展地盤上的暫建商業群樓則繼續以鞋類及鞋製品批發分銷商場形式營業，並已幾乎全部租出。

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

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

董事／主要行政人員於本公司及其相聯法團之股份中之權益

於二零一零年六月三十日，根據證券及期貨條例（「證券及期貨條例」）第XV部第7及8分部規定及根據董事進行證券交易標準守則須知會本公司及香港聯合交易所有限公司（「聯交所」），以及須根據證券及期貨條例第352條規定載入登記冊之本公司董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中之權益及淡倉（包括根據該等證券及期貨條例規定被認為或被視為擁有之權益及淡倉）如下：

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

董事／主要行政人員於本公司及其相聯法團之股份中之權益*（續）*

Long position in shares of the Company

於本公司股份之好倉

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

Note:

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

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

   (ii) 21,780,000 shares are held by EC Fair Limited, which he has $33^1/_3$% interest.

   (iii) 3,170,000 shares are held by High Rank Enterprises Limited, which he has approximately 31.58% interest.

附註：

1. 根據證券及期貨條例，何鑑雄被視為於以下列身份持有之該等股份中擁有權益：

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

   (ii) 易致富有限公司（彼擁有$33^1/_3$%權益）持有21,780,000股股份。

   (iii) High Rank Enterprises Limited（彼持有約31.58%權益）持有3,170,000股股份。

SHARES IN ASSOCIATED CORPORATIONS OF THE COMPANY

本公司相聯法團股份

At 30 June 2010, the following Director of the Company had interests in the non-voting deferred shares in certain of the Company's subsidiaries:

於二零一零年六月三十日，下列本公司董事所擁有之本公司若干附屬公司無投票權遞延股之權益如下：

Long position in shares of the associated corporations

於相聯法團股份之好倉

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

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

本公司相聯法團股份*(續)*

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

於相聯法團股份之好倉*(續)*

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

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

Save as disclosed above, as at 30 June 2010, to the knowledge of the Company, none of the directors or chief executive of the Company had or was deemed to have any interest or short position in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code.

除上文所披露者外，據本公司所知，於二零一零年六月三十日，根據證券及期貨條例第352條規定設置之登記冊所記錄，概無任何本公司董事或主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中擁有或被視為擁有任何權益或淡倉，或根據證券及期貨條例第XV部第7及8分部及標準守則須知會本公司及聯交所之任何權益或淡倉。

DIRECTORS' RIGHTS TO ACQUIRE SHARES

董事購買股份之權利

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

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

SHARE OPTION SCHEME

購股權計劃

The Company's share option scheme which was adopted on 19 September 1997 (the "Old Scheme") was terminated and replaced by a new share option scheme (the "New Scheme") on 11 June 2002. No share options were outstanding under the Old Scheme during the Period.

本公司於一九九七年九月十九日採納之購股權計劃(「舊計劃」)已於二零零二年六月十一日終止，並由新購股權計劃(「新計劃」)取代。於期間內，概無根據舊計劃之尚未行使購股權。

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

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

There is no change in any terms of the New Scheme during the Period. The detailed terms of the New Scheme were disclosed in the Company's 2009 annual report.

期間內新計劃條款並無任何變化。新計劃之詳細條款於本公司二零零九年度年報內披露。

SHARE OPTION SCHEME *(Cont'd)*

購股權計劃*(續)*

The following share options were outstanding under the New Scheme during the Period:

期內根據新計劃尚未行使之購股權如下：

Name/category of participant 姓名／參與者類別		Number of share options 購股權數目: At 1 January 2010 於二零一零年一月一日	Granted during the Period 期內授出	Exercised during the Period 期內行使	Lapsed during the Period 期內失效	At 30 June 2010 於二零一零年六月三十日	Date of grant of share options 購股權授出日期	Exercise period of share options 購股權行使期	Exercise price of share options 購股權行使價 HK$ 港元
Other employees, advisors and consultants	其他僱員、諮詢人及顧問								
In aggregate	合共	800,000	–	–	(800,000)	–	6 March 2007 二零零七年三月六日	6 March 2007 to 5 March 2010 二零零七年三月六日至二零一零年三月五日	2.0

SUBSTANTIAL SHAREHOLDERS

主要股東

As at 30 June 2010, as far as is known to the Directors or the chief executive of the Company, the following persons (other than Directors or chief executive of the Company) had interests or short positions in the shares and underlying share as recorded in the register required to be kept under section 336 of the SFO:

於二零一零年六月三十日，據本公司任何董事或主要行政人員所知，以下人士(本公司之董事或主要行政人員除外)擁有登記於根據證券及期貨條例第336條之規定存置之登記冊之股份及相關股份中之權益或淡倉如下：

Long position in shares of the Company

於本公司股份之好倉

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

SUBSTANTIAL SHAREHOLDERS *(Cont'd)*

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

Notes:

1. As Ye Jia Li is the spouse of Ho Kam Hung, a Director, she is deemed to be interested in 27,650,000 shares in the Company.

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

   (i) 1,450,000 shares are held by Morgan Estate Assets Limited, a company beneficially owned by him.

   (ii) 21,780,000 shares are held by EC Fair Limited, a company which he has $33^{1}/_{3}$% interest.

   (iii) 3,170,000 shares are held by High Rank Enterprises Limited, which he has approximately 31.58% interest.

主要股東(續)

於本公司股份之好倉(續)

附註：

1. 由於葉家禮為董事何鑑雄之妻子，彼被視為於本公司27,650,000股股份中擁有權益。

2. 根據證券及期貨條例，何湛雄被視為於以下列身份持有之該等股份中擁有權益：

   (i) Morgan Estate Assets Limited(一間由彼實益擁有之公司)持有1,450,000股股份。

   (ii) 易致富有限公司(一間由彼擁有$33^{1}/_{3}$%權益之公司)持有21,780,000股股份。

   (iii) High Rank Enterprises Limited(彼持有約31.58%權益)持有3,170,000股股份。

SUBSTANTIAL SHAREHOLDERS *(Cont'd)*

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

Notes: (Cont'd)

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

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

   (i) 21,780,000 shares are held by EC Fair Limited, which he has $33^1/_3$% interest.

   (ii) 3,170,000 shares are held by High Rank Enterprises Limited, which he has approximately 31.58% interest.

   Liang Gui Fen is deemed to be interested in these shares in the capacity as the spouse of Ho Pak Hung.

主要股東（續）

於本公司股份之好倉（續）

附註：（續）

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

4. 根據證券及期貨條例，何伯雄被視為於以下列身份持有之該等股份中擁有權益：

   (i) 易致富有限公司（彼擁有$33^1/_3$%權益）持有21,780,000股股份。

   (ii) High Rank Enterprises Limited（彼持有約31.58%權益）持有3,170,000股股份。

   梁桂芬被視為以何伯雄之妻子之身份於該等股份中擁有權益。

SUBSTANTIAL SHAREHOLDERS *(Cont'd)*

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

Notes: (Cont'd)

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

Save as disclosed above, as at 30 June 2010, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

CODE ON CORPORATE GOVERNANCE PRACTICE

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

Code Provision A.4.2

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

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

主要股東*(續)*

於本公司股份之好倉*(續)*

附註：(續)

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

除上文所披露者外，於二零一零年六月三十日，概無除本公司董事(其權益載於上文「董事於股份及相關股份之權益及淡倉」一節)外之任何人士擁有根據證券及期貨條例第336條規定須予登記之本公司股份及相關股份之權益或淡倉。

企業管治常規守則

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

守則條文A.4.2條

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS

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

證券交易之標準守則

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

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

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

買賣或贖回本公司上市證券

期內，本公司或其任何附屬公司概無買賣或贖回任何本公司之上市證券。

REVIEW BY AUDIT COMMITTEE

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

由審核委員會審閱

中期業績已由本公司之審核委員會審閱。

By order of the Board
Ho Kam Hung
Executive Director

Hong Kong, 24 August 2010

承董事會命
執行董事
何鑑雄

香港，二零一零年八月二十四日