首長四方(集團)有限公司*

SHOUGANG CONCORD GRAND (GROUP) LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 730)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2011 AND RESIGNATION OF DIRECTOR

INTERIM RESULTS

The board of directors (the "Board") of Shougang Concord Grand (Group) Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2011. These interim results have been reviewed by the Company's Audit Committee and its Auditor.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2011

		Six months ended 30 June	
		2011	2010
	NOTES	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
			(restated)
Continuing operations			
Revenue	*3*	**29,716**	33,747
Cost of sales		**(19,035)**	(22,089)
Gross profit		**10,681**	11,658
Interest income from entrusted loan receivables		**12**	193
Other income	*4*	**1,552**	1,553
Distribution costs and selling expenses		**(1,185)**	(534)
Administrative expenses		**(17,925)**	(9,942)
Impairment loss on finance lease receivables	*15*	**(6,345)**	(12,304)
Increase in fair value of investment properties		**39,655**	8,750
Changes in fair value of held-for-trading investments		**(6,213)**	(2,040)
Finance costs	*5*	**(1,102)**	(1,396)
Share of profit of an associate		**10,420**	–
Profit on disposal of partial interests in an associate	*7*	**15,417**	–

	NOTES	Six months ended 30 June **2011** ***HK$'000*** **(unaudited)**	 2010 *HK$'000* (unaudited) (restated)
Profit (loss) before tax		**44,967**	(4,062)
Income tax expense	*9*	**(26)**	(4,964)
Profit (loss) for the period from continuing operations		**44,941**	(9,026)
Discontinued operations			
Profit for the period from discontinued operations	*6*	**–**	64,978
Profit for the period	*10*	**44,941**	55,952
Other comprehensive income:			
Exchange differences on translation of foreign operations		**(2)**	–
Share of translation difference of an associate		**4,174**	6,927
		4,172	6,927
Total comprehensive income for the period		**49,113**	62,879
Profit (loss) for the period attributable to:			
Owners of the Company		**44,954**	11,790
Non-controlling interests		**(13)**	44,162
		44,941	55,952
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		**49,126**	17,042
Non-controlling interests		**(13)**	45,837
		49,113	62,879
Earnings (loss) per share	*11*		
From continuing and discontinued operations			
Basic (HK cents)		**3.90**	1.02
Diluted (HK cents)		**3.89**	1.02
From continuing operations			
Basic (HK cents)		**3.90**	(0.78)
Diluted (HK cents)		**3.89**	(0.78)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2011

	NOTES	30 June 2011 HK$'000 (unaudited)	31 December 2010 HK$'000 (audited)
Non-current assets			
Property, plant and equipment	*12*	**29,918**	30,459
Investment properties	*13*	**181,400**	190,590
Goodwill		**52,935**	52,935
Available-for-sale investments		**4,941**	4,941
Interests in associates		**210,896**	204,888
Finance lease receivables	*15*	**309,711**	342,228
Other receivables	*14*	**6,699**	–
Restricted bank deposits	*20(iii)*	**35,294**	10,619
		831,794	836,660
Current assets			
Inventories		**2,019**	–
Amount due from an associate		**390**	396
Finance lease receivables	*15*	**270,050**	206,414
Entrusted loan receivables		**–**	235
Trade receivables	*16*	**191**	132
Prepayments, deposits and other receivables	*14*	**36,051**	6,284
Held-for-trading investments		**14,564**	15,002
Bank balances and cash		**407,001**	308,337
		730,266	536,800
Current liabilities			
Other payables and accruals		**5,501**	6,504
Income received in advance		**3,896**	4,896
Rental and management fee deposits received		**1,061**	1,210
Tax liabilities		**10,936**	10,855
Secured bank borrowings – due within one year	*17*	**402,096**	333,803
		423,490	357,268
Net current assets		**306,776**	179,532
Total assets less current liabilities		**1,138,570**	1,016,192

	NOTES	30 June 2011 HK$'000 (unaudited)	31 December 2010 HK$'000 (audited)
Capital and reserves			
Share capital	*18*	**11,522**	11,522
Retained earnings		**565,748**	520,794
Other reserves		**175,606**	171,434
Equity attributable to owners of the Company		**752,876**	703,750
Non-controlling interests		**648**	661
Total equity		**753,524**	704,411
Non-current liabilities			
Income received in advance		**3,291**	3,520
Secured bank borrowings – due after one year	*17*	**363,963**	295,691
Security deposits received	*19*	**15,882**	10,588
Deferred tax liabilities		**1,910**	1,982
		385,046	311,781
Total equity and liabilities		**1,138,570**	1,016,192

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 June 2011

	Attributable to owners of the Company										Non-controlling interests			
	Share capital	Share premium	Capital contribution reserve	Contributed surplus reserve	Translation reserve	Share options reserve	Statutory reserve	Special reserve	Retained earnings	Subtotal	Share options reserve of a subsidiary	Non-controlling interests	Subtotal	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2010 (audited)	11,514	559	445	115,576	40,834	21,976	2,879	(23,496)	438,708	608,995	33,120	255,257	288,377	897,372
Exchange differences on translation of foreign operations	–	–	–	–	5,252	–	–	–	–	5,252	–	1,675	1,675	6,927
Profit for the period	–	–	–	–	–	–	–	–	11,790	11,790	–	44,162	44,162	55,952
Total comprehensive income for the period	–	–	–	–	5,252	–	–	–	11,790	17,042	–	45,837	45,837	62,879
Exercise of share options	8	448	–	–	–	(128)	–	–	–	328	–	–	–	328
Cancellation of share options granted by subsidiaries	–	–	–	–	–	–	–	–	4,792	4,792	(6,167)	1,375	(4,792)	–
Difference arising on dilution of interest in a subsidiary	–	–	–	–	–	–	–	1,146	–	1,146	–	2,154	2,154	3,300
Release upon disposal of subsidiaries	–	–	–	–	(18,194)	–	–	–	18,194	–	–	(15,024)	(15,024)	(15,024)
Non-controlling interests arising on acquisition of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	27,927	27,927	27,927
At 30 June 2010 (unaudited)	11,522	1,007	445	115,576	27,892	21,848	2,879	(22,350)	473,484	632,303	26,953	317,526	344,479	976,782
Exchange differences on translation of foreign operations	–	–	–	–	5,027	–	–	–	–	5,027	–	–	–	5,027
Share of translation difference of an associate	–	–	–	–	3,778	–	–	–	–	3,778	–	–	–	3,778
Profit for the period	–	–	–	–	–	–	–	–	18,058	18,058	–	45,765	45,765	63,823
Total comprehensive income for the period	–	–	–	–	8,805	–	–	–	18,058	26,863	–	45,765	45,765	72,628
Partial disposal of interest in a subsidiary	–	–	–	–	–	–	–	–	–	–	–	2,769	2,769	2,769
Recognition of equity-settled share-based payment	–	–	–	–	–	7,590	–	–	–	7,590	–	–	–	7,590
Lapse of share option	–	–	–	–	–	(350)	–	–	350	–	–	–	–	–
Lapse of share option granted by subsidiaries	–	–	–	–	–	–	–	–	–	–	(1,375)	1,375	–	–
Release upon deemed disposal of subsidiaries	–	–	(445)	–	(10,934)	–	(2,879)	21,354	28,902	35,998	(25,578)	(369,314)	(394,892)	(358,894)
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	236	236	236
Difference arising on dilution of interest in a subsidiary	–	–	–	–	–	–	–	996	–	996	–	2,304	2,304	3,300
At 31 December 2010 and 1 January 2011 (audited)	11,522	1,007	–	115,576	25,763	29,088	–	–	520,794	703,750	–	661	661	704,411
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**–**	**(2)**	**–**	**–**	**–**	**–**	**(2)**	**–**	**–**	**–**	**(2)**
Share of translation difference of an associate	**–**	**–**	**–**	**–**	**4,174**	**–**	**–**	**–**	**–**	**4,174**	**–**	**–**	**–**	**4,174**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**44,954**	**44,954**	**–**	**(13)**	**(13)**	**44,941**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**4,172**	**–**	**–**	**–**	**44,954**	**49,126**	**–**	**(13)**	**(13)**	**49,113**
At 30 June 2011 (unaudited)	**11,522**	**1,007**	**–**	**115,576**	**29,935**	**29,088**	**–**	**–**	**565,748**	**752,876**	**–**	**648**	**648**	**753,524**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2011

		Six months ended 30 June	
		2011	2010
	NOTES	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
NET CASH (USED IN) FROM OPERATING ACTIVITIES		**(87,555)**	304,781
INVESTING ACTIVITIES			
Repayment of convertible loan receivable		**–**	110,107
Proceeds from disposal of subsidiaries	*6*	**–**	90,443
Placement of restricted bank deposits		**(24,706)**	–
Withdrawal of restricted bank deposits		**31**	46,679
Repayment of entrusted loan receivables		**235**	24,373
Interest received		**1,296**	3,172
Interest received from entrusted loan receivables		**12**	193
Purchase of property, plant and equipment		**(60)**	(90,148)
Proceeds from disposal of investment properties		**48,845**	–
Acquisition of a subsidiary	*8*	**–**	(63,149)
Placement of pledged bank deposits		**–**	(42,052)
Proceeds from disposal of partial interests in an associate		**24,002**	–
NET CASH FROM INVESTING ACTIVITIES		**49,655**	79,618
FINANCING ACTIVITIES			
Repayment of borrowings		**(122,258)**	(333,309)
New borrowings raised		**258,824**	144,300
Proceeds from issue of shares of a subsidiary upon exercise of its share options		**–**	3,300
Advance from an associate		**–**	240
Proceeds from exercise of share options of the Company		**–**	329
NET CASH FROM (USED IN) FINANCING ACTIVITIES		**136,566**	(185,140)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**98,666**	199,259
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		**308,337**	372,847
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**(2)**	4,875
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		**407,001**	576,981

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2011

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting".

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in these condensed consolidated financial statements for the six months ended 30 June 2011 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010.

The comparative figures presented in the condensed consolidated statement of comprehensive income have been restated in order to represent operations of Global Digital Creations Holdings Limited ("GDC") and its subsidiaries ("GDC Group") as discontinued operations. Details are set out in note 6 to the condensed consolidated financial statements.

In the current interim period, the Group has applied, for the first time, a number of new and revised Standards and Interpretations ("new or revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Except as described below, the application of the above new or revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

HKAS 24 Related Party Disclosures (as revised in 2009)

The Group has applied HKAS 24 Related Party Disclosures (as revised in 2009) in full for the first time in the current period. The application of HKAS 24 (as revised in 2009) has resulted in changes in related party disclosures on the following two aspects:

(i) The Group is a government-related entity as defined in HKAS 24 (as revised in 2009). HKAS 24 (as revised in 2009) provides a partial exemption from the disclosure requirements for government-related entities whilst the previous version of HKAS 24 did not contain specific exemption for government-related entities. Under HKAS 24 (as revised in 2009), the Group has been exempted from making the disclosures required by paragraph 18 of HKAS 24 (as revised in 2009) in relation to related party transactions and outstanding balances (including commitments) with (a) the government that has significant influence over the Group and (b) other entities that are significantly influenced by the same government. Rather, in respect of these transactions and balances, HKAS 24 (as revised in 2009) requires the Group to disclose (a) the nature and amount of each individually significant transaction, and (b) a qualitative or quantitative indication of the extent of transactions that are collectively, but not individually, significant.

(ii) In addition, HKAS 24 (as revised in 2009) has revised the definition of a related party.

HKAS 24 (as revised in 2009) requires retrospective application. The application of HKAS 24 (as revised in 2009) has had no effect on the amounts recognised or recorded in the condensed consolidated financial statements for the current and prior periods. However, the related party disclosures set out in note 21 to the condensed consolidated financial statements have been changed to reflect the application of HKAS 24 (as revised in 2009) as the Group is a government-related entity. Details are set out in note 21 to the condensed consolidated financial statements.

The Group has not early applied new and revised standards that have been issued but are not yet effective. The following new or revised standards have been issued after the date of the consolidated financial statements for the year ended 31 December 2010 were authorised for issuance and are not yet effective:

HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosures of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
HKAS 1 (Amendments)	Presentation of Items in Other Comprehensive Income[1]
HKAS 19 (as revised in 2011)	Employee Benefits[2]
HKAS 27 (as revised in 2011)	Separate Financial Statements[2]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[2]

1 Effective for annual periods beginning on or after 1 July 2012.

2 Effective for annual periods beginning on or after 1 January 2013.

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. Under HKFRS 10, there is only one basis for consolidation, that is control. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios. Overall, the application of HKFRS 10 requires a lot of judgement. The directors of the Company (the "Directors") are still in the progress of assessing the financial impact.

The Directors anticipate that the application of the other new and revised standards will have no material impact on the condensed consolidated financial statements.

3. SEGMENT INFORMATION

For management purposes, the Group is currently organised into three operating divisions – property leasing and building management services, finance leasing and assets management. These divisions are the basis that is regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Upon disposal of Grand Award Limited and its subsidiaries ("Grand Award Group") and deemed disposal of the GDC Group in 2010, reportable and operating segments – digital content distribution and exhibitions, deployment of digital cinema network in Asia, computer graphics ("CG") creation and production, films and television programme production, CG training courses and cultural park were discontinued. The segment information reported below does not include any amounts for these discontinued operations, which are described in more detail in note 6.

The following is an analysis of the Group's revenues and results from continuing operations by reportable and operating segments for the period under review:

Six months ended 30 June 2011 (unaudited)

Continuing operations

	Property leasing and building management services	**Finance leasing**	**Assets management**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue	**3,505**	**26,063**	**148**	**29,716**
Segment result	**42,797**	**(3,753)**	**(615)**	**38,429**
Investment income				**987**
Central administration costs				**(12,971)**
Changes in fair value of held-for-trading investments				**(6,213)**
Finance costs				**(1,102)**
Share of profit of an associate				**10,420**
Profit on disposal of partial interests in an associate				**15,417**
Profit before tax (continuing operations)				**44,967**

Six months ended 30 June 2010 (unaudited)

Continuing operations

	Property leasing and building management services	**Finance leasing**	**Assets management**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (restated)
Segment revenue	3,103	30,644	–	33,747
Segment result	12,455	1,250	(153)	13,552
Investment income				914
Central administration costs				(15,092)
Changes in fair value of held-for-trading investments				(2,040)
Finance costs				(1,396)
Loss before tax (continuing operations)				(4,062)

All of the segment revenue reported above is from external customers.

Segment result represents the profit earned or loss incurred by each segment without allocation of investment income, central administration costs, changes in fair value of held-for-trading investments, finance costs, share of profit of an associate and profit on disposal of partial interests in an associate. This is the measure reported to the chief operating decision maker, being the Group's Executive Directors, for the purposes of resources allocation and assessment of segment performance.

During the six months ended 30 June 2011, the Group had no material change in segment assets and liabilities.

4. OTHER INCOME

Continuing operations

Other income for the six months ended 30 June 2011 primarily comprises bank interest income of approximately HK$1,296,000 (Six months ended 30 June 2010: HK$448,000).

5. FINANCE COSTS

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
		(restated)
Continuing operations		
Interest on bank borrowings wholly repayable within five years	**1,102**	1,396

6. DISCONTINUED OPERATIONS

(a) Disposal of subsidiaries

On 16 March 2010, a subsidiary of the Company entered into a share transfer agreement with an independent purchaser and a guarantor, pursuant to which the subsidiary agreed to sell to the purchaser the entire issued share capital of Grand Award Limited for US$1 and to assign the loan to the purchaser for an aggregate consideration of HK$247,920,000 (the "Disposal"). Grand Award Group carried out all the Group's film and television programme production. The Disposal was completed on 11 June 2010 on which date the Group passed the control of Grand Award Group to the purchaser. Details of the Disposal are set out in the announcement of the Company dated 16 March 2010.

(b) Deemed disposal of subsidiaries

On 10 December 2010, upon allotment and issue of the relevant GDC shares pursuant to its share option scheme, the Company's equity interest in GDC has been diluted and fallen below 50% and was considered as a deemed disposal of GDC. Accordingly, GDC Group ceased to be a subsidiary of the Company and became an associate of the Company on that day ("Deemed Disposal").

GDC is incorporated in Bermuda as an exempted company with limited liability under The Companies Act 1981 of Bermuda (as amended) and its shares are listed on the Growth Enterprise Market ("GEM") of the Stock Exchange.

The principal activities of GDC are the provision and distribution of cultural recreation content including CG creation and production, digital content distribution and exhibitions, deployment of digital cinema network in Asia, CG training courses and cultural park. Accordingly, these operations were considered as discontinued since 10 December 2010.

Analysis of profit for the period from discontinued operations

The combined results of discontinued operations from the Grand Award Group and GDC Group included in the condensed consolidated statement of comprehensive income and condensed consolidated statement of cash flows are set out below.

The profit from the discontinued operations is analysed as follow:

	Six months ended 30 June 2010 *HK$'000* (restated)
Profit from discontinued operations	64,592
Gain on disposal of discontinued operations	386
	64,978
Attributable to:	
Owners of the Company	20,801
Non-controlling interests	44,177
	64,978

The following were the combined results of the Grand Award Group for the period from 1 January 2010 to 10 June 2010 and the GDC Group for the period from 1 January 2010 to 30 June 2010. No separate disclosure of the results of Grand Award Group and GDC Group has been made as the results attributed to Grand Award Group are insignificant.

	Six months ended 30 June 2010 *HK$'000* (restated)
Revenue	254,629
Cost of sales	(144,208)
Gross profit	110,421
Other income	7,810
Distribution costs and selling expenses	(5,635)
Administrative expenses	(44,221)
Changes in fair value for held-for-trading investments	270
Finance costs	(370)
Share of loss of an associate	(19)
Profit before tax	68,256
Income tax expenses	(3,664)
Profit from discontinued operations	64,592

The net assets of the subsidiaries at the date of disposal of Grand Award Group were as follows:

	HK$'000 (unaudited)
Net assets disposed of	
Property, plant and equipment	120
Available-for-sale investments	32,506
Prepayments, deposits and other receivables	233,921
Bank balances and cash	15,886
Trade payables	(890)
Other payables and accruals	(18,985)
	262,558
Non-controlling interests	(15,024)
	247,534
Gain on disposal	386
Total consideration	247,920
Satisfied by:	
Cash	106,329
Deferred cash consideration *(Note)*	141,591
	247,920
Net cash inflow arising on disposal:	
Total cash consideration received	106,329
Bank balances and cash disposed of	(15,886)
	90,443

Note: The deferred cash consideration was settled in July 2010 and August 2010 by instalments.

7. DISPOSAL OF PARTIAL INTERESTS IN AN ASSOCIATE

During the six months ended 30 June 2011, the Group had disposed of its certain GDC shares in the open market at total cash consideration of approximately HK$24,002,000.

The profit on disposal is calculated based on the sales proceeds minus the carrying value attributable to the disposed interest in associate and transaction costs incurred.

As at 30 June 2011 and 31 December 2010, the Group held 47.80% and 49.84% of the issued share capital of GDC respectively.

8. ACQUISITION OF A SUBSIDIARY

On 30 March 2010, the Group acquired 68% of the issued capital of 廣東時尚置業有限公司 (Guangdong Shishang Zhiye Investment Co., Ltd.) ("Guangdong Shishang") for consideration of RMB56,060,000 (equivalent to approximately HK$63,705,000). The acquisition was completed on 20 April 2010. The net cash flow arising on acquisition, after taking into account the bank balances and cash acquired of approximately HK$556,000, amounted to HK$63,149,000.

Details of the acquisition were set out in the announcement of the Company dated 30 March 2010. This subsidiary has been disposed of last year upon Deemed Disposal as set out in note 6(b).

9. INCOME TAX EXPENSE

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
		(restated)
Continuing operations		
Current tax:		
The People's Republic of China Enterprise Income Tax ("PRC EIT")	**–**	4,536
Hong Kong	**98**	307
	98	4,843
Deferred taxation:		
Current period *(Note)*	**(72)**	121
	26	4,964

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

Under the Laws of the People's Republic of China ("PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the PRC EIT rate of certain subsidiaries of the Group operating in the PRC was either reduced from 33% to 25% or was increased from 15% to 25% progressively from I January 2008 onwards. For the six months ended 30 June 2011, the relevant tax rates for the Group's subsidiaries in the PRC ranged from 24% to 25% (Six months ended 30 June 2010: 22% to 25%).

Note: The deferred taxation charge for the six months ended 30 June 2011 has been included the reversal of deferred taxation liabilities of approximately HK$325,000 arising from disposal of investment properties in the current period.

10. PROFIT FOR THE PERIOD

Profit for the period has been arrived after charging (crediting):

	Six months ended 30 June 2011	Six months ended 30 June 2010		
	Continuing operations	Continuing operations	Discontinued operations	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Interest income from entrusted loan receivables	**(12)**	(193)	–	(193)
Other income *(Note 4)*	**(1,552)**	(1,547)	(7,810)	(9,357)
Impairment loss on finance lease receivables	**6,345**	12,304	–	12,304
Deprecation of property, plant and equipment	**601**	682	6,548	7,230
(Gain) loss on disposal of property, plant and equipment	**–**	(6)	1,353	1,347
Finance costs *(Note 5)*	**1,102**	1,396	370	1,766
Increase in fair value of investment properties *(Note 13(i))*	**(39,655)**	(8,750)	–	(8,750)

11. EARNINGS (LOSS) PER SHARE

From continuing and discontinued operations

The calculation of basic and diluted earnings (loss) per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Earnings		
Earnings for the purpose of basic and diluted earnings (loss) per share (profit for the period attributable to owners of the Company)	**44,954**	11,790
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,152,192**	1,151,888
Effect of dilutive potential ordinary shares:		
Share options *(Note)*	**4,360**	–
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	**1,156,552**	1,151,888

Note: The computation of diluted earnings (loss) per share for the six months ended 30 June 2011 does not include the potential ordinary shares arising from the Company's share options because the exercise prices of these share options were higher than the average market price of the shares of the Company for the period.

From continuing operations

The calculation of basic and diluted earnings (loss) per share from continuing operations attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
		(restated)
Earnings figures are calculated as follow:		
Profit for the period attributable to the owners of the Company	**44,954**	11,790
Less: Profit for the period from discontinued operations attributable to the owners of the Company	**–**	(20,801)
Earnings (loss) for the purpose of basic and diluted earnings (loss) per share from continuing operations	**44,954**	(9,011)

The denominators used are the same as those detailed above for both basic and diluted earnings (loss) per share.

12. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2011, the Group acquired property, plant and equipment of approximately HK$60,000 (Six months ended 30 June 2010: HK$90,148,000) and incurred depreciation expense of approximately HK$601,000 (Six months ended 30 June 2010: HK$7,230,000).

13. INVESTMENT PROPERTIES

	Notes	**30 June 2011** **HK$'000** **(unaudited)**	31 December 2010 *HK$'000* (audited)
Investment properties located in Hong Kong, at fair value	(i) and (ii)	**181,400**	190,590

Notes:

(i) The fair value of the Group's investment properties located in Hong Kong at 30 June 2011 and 31 December 2010 has been arrived at on the basis of a valuation carried out on that date by AA Property Services Limited, an independent qualified professional valuer not connected with the Group. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. The resulting increase in fair value of investment properties of approximately HK$39,655,000 (Six months ended 30 June 2010: HK$8,750,000) has been credited to profit or loss for the period. Among the increase in fair value of HK$39,655,000 for the six months ended 30 June 2011, HK$4,455,000 arose from the disposal of two investment properties for total cash consideration of HK$49,360,000.

(ii) On 27 May 2011, a subsidiary of the Company entered into a provisional agreement with an independent purchaser, pursuant to which the subsidiary agreed to sell its entire ownership in a property comprises units A and B on all of the 3rd, 6th and 9th floors and all the car parking spaces on the 4th floor of Tin Fung Industrial Mansion, 63 Wong Chuk Hang Road, Aberdeen, Hong Kong with fair value of HK$108,000,000 as at 30 June 2011, to the purchaser for a cash consideration of HK$132,000,000. Details of this disposal were set out in the circular of the Company dated 17 June 2011. The disposal was duly passed by the shareholders at the special general meeting held on 6 July 2011.

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

As at 30 June 2011, the Group recorded an amount of other receivable of approximately HK$39,344,000 upon its payment to the lessee under a series of contracts for sale and leaseback arrangement entered into but not yet effective as at period ended 30 June 2011. The finance lease operation was not yet effective as part of the prerequisite conditions have not been satisfied.

The prepayment will be classified as finance lease receivables upon the satisfaction of the prerequisite conditions. According to the repayment schedule, approximately HK$32,645,000 will be settled within one year after the end of reporting period while the remaining approximately HK$6,699,000 will be settled thereafter, the amounts are classified as current assets and non-current assets accordingly.

15. FINANCE LEASE RECEIVABLES

	Minimum lease receipts		Present value of minimum lease receipts	
	30 June 2011	31 December 2010	**30 June 2011**	31 December 2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(audited)	**(unaudited)**	(audited)
Finance lease receivables comprise:				
Within one year	**310,399**	244,374	**270,050**	206,414
In more than one year but not more than two years	**216,697**	248,826	**200,366**	231,474
In more than two years but not more than three years	**73,869**	62,776	**68,313**	56,359
In more than three years but not more than four years	**31,225**	30,884	**28,868**	27,686
In more than four years but not more than five years	**12,485**	27,790	**12,164**	26,661
More than five years	**–**	48	**–**	48
	644,675	614,698	**579,761**	548,642
Less: Unearned finance income	**(64,914)**	(66,056)	**N/A**	N/A
Present value of minimum lease receipts	**579,761**	548,642	**579,761**	548,642
Analysed as:				
Current finance lease receivables (receivable within 12 months)			**270,050**	206,414
Non-current finance lease receivables (receivable after 12 months)			**309,711**	342,228
			579,761	548,642

Effective interest rates of the above finance leases receivables range from approximately 6% to 16% per annum.

During the six months ended 30 June 2011, the Directors reviewed the credit quality of the finance lease receivables according to their past repayment history. Impairment loss of approximately HK$6,345,000 (Six months ended 30 June 2010: HK$12,304,000) has been recognised for the six months ended 30 June 2011 in respect of a debtor that has defaulted in payment in this period and the Directors considered that the recoverability of the amount is low.

For finance lease receivables which are neither past due nor impaired, the Directors assessed that the balances are with good credit quality according to their past repayment history.

16. TRADE RECEIVABLES

	30 June 2011	31 December 2010
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Rental receivables – within three months	**191**	132
Less: allowance for doubtful debts	**–**	–
	191	132

The Group allows different credit periods to its trade customers from 30 days to 90 days depending on the type of products or services provided.

17. SECURED BANK BORROWINGS

During the six months ended 30 June 2011, the Group obtained new bank loans amounted to approximately HK$258,824,000 (Six months ended 30 June 2010: HK$144,300,000). The proceeds are wholly used for finance lease operations. The loans were secured by the Group's certain finance lease receivables (note 20) and carried interest at variable rate of the People's Bank of China plus a percentage up to 10% and are repayable by instalments over periods of 3 to 5 years. During the period, the Group repaid bank loans amounted to approximately HK$122,258,000 (Six months ended 30 June 2010: HK$333,309,000).

18. SHARE CAPITAL

Issued share capital as at 30 June 2011 amounted to HK$11,522,000. There were no movements in the issued share capital of the Company in the current period.

19. SECURITY DEPOSITS RECEIVED

Security deposits of approximately HK$15,882,000 (31 December 2010: HK$10,588,000) have been received by the Group to secure the finance lease receivables. Security deposits received have been classified into non-current liabilities based on the final lease instalment due date stipulated in the finance lease agreements.

20. CHARGE ON ASSETS

As at 30 June 2011, the Group has the following charge on assets:

(i) The Group's investment properties with an aggregate carrying value of approximately HK$181,400,000 (31 December 2010: HK$190,590,000) were pledged to banks to secure for bank borrowings with outstanding amount of approximately HK$125,000,000 (31 December 2010: HK$149,091,000).

(ii) The Group's finance lease receivables with a carrying value of approximately HK$579,761,000 (31 December 2010: HK$548,642,000) were pledged to banks to secure for bank borrowings with outstanding amount of approximately HK$641,059,000 (31 December 2010: HK$480,403,000).

(iii) There were bank deposits of approximately HK$35,294,000 (31 December 2010: HK$10,619,000) restricted for the repayment of bank borrowings, which will be released upon full settlement of the relevant bank borrowing with outstanding amount of approximately HK$35,294,000 (31 December 2010: HK$10,619,000).

21. RELATED PARTY TRANSACTIONS

Apart from the amount due from an associate disclosed in the condensed consolidated statement of financial position on pages 3 and 4 and the rental income received from Mr. Li Shaofeng, the Chairman of the Group, of approximately HK$71,000 (Six months ended 30 June 2010: Nil), the Group also entered into other transactions with related parties during the period as disclosed below.

The Group is an associate of Shougang Holding (Hong Kong) Limited ("Shougang Holding") which is a wholly-owned subsidiary of Shougang Corporation, a state-owned enterprise under the direct supervision of the State Council of the PRC. Accordingly, the Company and the Group are significantly influenced by Shougang Corporation and its subsidiaries (collectively referred as "Shougang Group"). Shougang Group is part of a larger group of companies under the PRC government. The transactions and balances with Shougang Group and other PRC government-related entities are disclosed below:

(a) Transactions with Shougang Group:

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Controlling shareholders:		
Consultancy expenses charged by Shougang Holding	**480**	480
Associate of Shougang Holding:		
Management fee charged by Shougang Concord International Enterprises Company Limited ("Shougang International")	**420**	545
Rental income received from Gold Regal Limited	**–**	71

At 30 June 2011, the Group's held-for-trading investments included listed securities of 14,870,000 shares (31 December 2010: 13,870,000 shares) of Shougang Concord Century Holdings Limited ("Shougang Century") and 230,000 shares (31 December 2010: 230,000 shares) of Shougang International. Shougang Century and Shougang International are associates of Shougang Holding.

(b) Transactions/balances with other PRC government controlled entities

Apart from the transactions and balances with the Shougang Group as disclosed in note 21(a), the Group has entered into various transactions including deposits placements, borrowings and other general banking facilities, with certain banks and financial institutions which are state-controlled entities in its ordinary course of business. As at 30 June 2011, approximately 100%, 88% and 95% of restricted bank deposits, bank balances and bank borrowings are held with these state-controlled financial institutions respectively.

INTERIM DIVIDEND

The Board did not declare an interim dividend for the six months ended 30 June 2011 (2010: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL PERFORMANCE

The Group continuously adjusts its resources allocation for its existing core business and towards exploring new business opportunities. In the first half of 2011, the Group achieved encouraging results. The Group recorded profit attributable to owners of the Company of approximately HK$44,954,000 for the six months ended 30 June 2011, represented an increase of approximately 280% when compared with the profit of approximately HK$11,790,000 for the corresponding period in the year 2010. The increase was mainly attributable to the profits contribution from the disposal of certain investment properties and the increase in the fair value of the investment properties by the property leasing and building management services division, profits from the disposal of partial interests in an associate and the share of profit of an associate.

Revenue from the continuing operations of the Group for the six months ended 30 June 2011 was approximately HK$29,716,000, compared with that of approximately HK$33,747,000 for the corresponding period in the year of 2010, represented a decrease of approximately 12% from the same period in 2010. The decrease was mainly attributable to decrease in the finance lease income.

The Group made a gross profit of approximately HK$10,681,000 from its continuing operations for the six months ended 30 June 2011, representing a gross profit margin of approximately 36%, which was at a similar level to the gross profit margin of approximately 35% for the corresponding period in the year 2010.

Basic earnings per share for the six months ended 30 June 2011 was HK3.9 cents (Six months ended 30 June 2010: HK1.02 cents).

BUSINESS REVIEW AND OUTLOOK

Property Investment and Management

During the period under review, revenue from the property leasing and building management services segment increased by 13% to approximately HK$3,505,000 (Six months ended 30 June 2010: HK$3,103,000), while the segment result recorded a profit of approximately HK$42,797,000 (Six months ended 30 June 2010: profit of HK$12,455,000). The increase in revenue from the property leasing and building management services segment was mainly attributed to certain maintenance and refurbishment carried out on the investment properties which enhanced the rental value of such properties and promoted occupancy rate. The significant growth in the results of this segment was benefited from the Hong Kong property market boom. During the period under review, the Group recorded an increase in fair value of investment properties of approximately HK$35,200,000 (Six months ended 30 June 2010: fair value increased of HK$8,750,000). In addition, gain on disposal of certain investment properties amounting to approximately HK$4,455,000 was recorded during the period under review.

Capturing market opportunities, the Group disposed certain investment properties during the period under review (including residential, commercial and industrial units) so as to adjust the combination and quality of the investment properties portfolio. The Group will continue to monitor market changes and seek investment opportunities. During the period under review, the Group received stable cash flow from rental income and expected that the investment properties would continue to contribute stable cash return in the foreseeable future.

Finance Leasing

During the period under review, revenue from the finance leasing segment decreased by approximately 15% to approximately HK$26,063,000 (Six months ended 30 June 2010: HK$30,644,000), while the segment result recorded a loss of approximately HK$3,753,000 (Six months ended 30 June 2010: profit of HK$1,250,000). The decrease in revenue from the finance leasing segment was mainly attributed to a decrease in interest-bearing finance lease receivable balances and the early completion of finance lease projects. The segmental loss was mainly attributed to a provision for doubtful debts made towards receivables for a particular finance lease.

The Group adhered to prudent risk management policy, with the finance leasing segment continuously carrying out rigorous and regular review of credit risk assessment over all the existing and new finance leasing clients. During the period under review, a provision for doubtful debts amounting to approximately HK$6,345,000 was made towards receivables for a particular finance lease. Excluding this particular lease, 99.7% of the clients (calculated based on the finance lease receivables as at the period end date) from the finance leasing segment arranged payments timely and according to the agreed repayment schedules. The Group will continue to adopt a careful and prudent credit risk management strategy and endeavour to exercise its best efforts in the recovery of impaired receivables.

In response to the tightening of credit policies in the PRC and the changing international economic environment, the finance leasing segment insisted on adopting a prudent business development strategy. The Group proactively responded to intensifying market competition by refining industrial classification and exploring different financing methods to lower its finance costs and enhance finance leasing project yield. The Group will look for continuous and steady business expansion based on effective risk control.

Assets Management

During the period under review, the assets management segment recorded a revenue of approximately HK$148,000, while the segment results recorded a loss of approximately HK$615,000 (Six months ended 30 June 2010: loss of HK$153,000). The enlarged loss from the assets management segment was mainly attributed to an increase in resources devoted for the expansion of the assets management business during the period under review in expectation of profit contributions within this year.

With an in-depth understanding of PRC economies, industries and cultures together with a well-established global investment relationship connections, the assets management segment focuses on grasping current investment opportunities and tracking market development so as to achieve stable risk-adjusted returns. The assets management segment mainly focus on investments in industry sectors which are positioned to benefit from the strong economic growth in the PRC.

LIQUIDITY, FINANCIAL RESOURCES AND FINANCING ACTIVITIES

The Group aimed to maintaining stable funding sources and financing to match business characteristics and cash flows if possible. The financial leverage of the Group as at 30 June 2011, as compared to 31 December 2010, is summarized below:

	30 June 2011 *HK$'000*	31 December 2010 *HK$'000*
Total borrowings		
Current borrowings	**402,096**	333,803
Non-current borrowings	**363,963**	295,691
sub-total	**766,059**	629,494
Total cash		
Bank balances and cash	**407,001**	308,337
Restricted bank deposits	**35,294**	10,619
sub-total	**442,295**	318,956
Net borrowings	**323,764**	310,538
Total equity	**753,524**	704,411
Total assets	**1,562,060**	1,373,460
Financial leverage		
Net borrowings to total equity	**43%**	44%
Net borrowings to total assets	**21%**	23%
Current ratio	**172%**	150%

As at 30 June 2011, the Group had bank balances and cash of approximately HK$407,001,000 (31 December 2010: HK$308,337,000) and restricted bank deposits of approximately HK$35,294,000 (31 December 2010: HK$10,619,000) which were mainly denominated in Hong Kong dollars and Renminbi. The increase was mainly from net new borrowings raised of approximately HK$136,566,000, net proceeds from the disposal of partial interests in an associate of approximately HK$24,002,000 and net proceeds from the disposal of investment properties of approximately HK$48,845,000 netting off with net cash outflow from operating activities of approximately HK$87,555,000.

As at 30 June 2011, the Group's borrowings amounted to approximately HK$766,059,000, of which approximately HK$402,096,000 were repayable within twelve months from 30 June 2011 and approximately HK$363,963,000 were repayable after twelve months from 30 June 2011. During the period under review, the Group obtained new bank borrowings of approximately HK$258,824,000 which were applied to the finance leasing business. All loans bore interest at market rates.

CAPITAL STRUCTURE

The equity attributable to owners of the Company amounted to approximately HK$752,876,000 as at 30 June 2011 (31 December 2010: HK$703,750,000). The increase was mainly due to profit for the six months ended 30 June 2011 attributable to owners of the Company of approximately HK$44,954,000. The Company did not issue any new shares during the period under review. The issued share capital of the Company was approximately HK$11,522,000 (represented by approximately 1,152,200,000 ordinary shares).

MATERIAL ACQUISITION, DISPOSALS AND SIGNIFICANT INVESTMENT

Other than the disposal of partial interest in an associate as disclosed in note 7 to the condensed consolidated financial statements, the Group had no material acquisitions, disposals and significant investment during the six months ended 30 June 2011.

CHARGE ON ASSETS

As at 30 June 2011, the Group had the following charge on assets:

i) the Group's investment properties with an aggregate carrying value of approximately HK$181,400,000 were pledged to banks to secure bank borrowings with outstanding amount of approximately HK$125,000,000;

ii) the Group's finance lease receivables with a carrying value of approximately HK$579,761,000 were pledged to banks to secure bank borrowings with outstanding amount of approximately HK$641,059,000; and

iii) bank deposits of approximately HK$35,294,000 restricted to the repayment of bank borrowings, which will be released upon full settlement of the relevant bank borrowings of approximately HK$35,294,000.

FOREIGN EXCHANGE EXPOSURE

The normal operations and investments of the Group are mainly in Hong Kong and the PRC, with revenue and expenditure denominated in Hong Kong dollars and Renminbi. The Directors believe that the Group does not have significant foreign exchange exposure. However, if necessary, the Group will consider using forward exchange contracts to hedge against foreign currency exposures. As at 30 June 2011, the Group had no significant exposure to foreign exchange rate.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 30 June 2011.

EMPLOYEES

As at 30 June 2011, the Group employed 42 (31 December 2010 : 40) full time employees (excluding those under the payroll of associates of the Group). The Group remunerated its employees mainly with reference to the prevailing market practice, individual performance and experience. Other benefits such as medical coverage, insurance plan, mandatory provident fund, discretionary bonus and employee share option scheme are also available to employees of the Group.

During the six months ended 30 June 2011, the Company and its subsidiaries had not paid or committed to pay any amount as an inducement to join or upon joining the Company and/or its subsidiaries to any individual.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (whether on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or otherwise) during the period under review.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange during the six months ended 30 June 2011, except for the following deviation:

– Under the second part of code provision A.4.2 of the Code, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

  In order to comply with the applicable laws of Bermuda, the Chairman and the Managing Director are not subject to retirement by rotation under the bye-laws of the Company. However, they will voluntarily retire and offer themselves for re-election at least once every three years in order to comply with the second part of code provision A.4.2 of the Code.

RESIGNATION OF DIRECTOR

The Board announces that Mr. Chen Zheng ("Mr. Chen") has resigned as an Executive Director and the Managing Director of Operations of the Company with effect from 27 August 2011 and will ipso facto cease to be a member of the Executive Committee from the same date.

Mr. Chen resigned as a Director of the Company due to his dedication and commitments to the business of Global Digital Creations Holdings Limited, an associated company of the Company. Mr. Chen has confirmed that he did not have any disagreement with the Board and there is no other matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to express its deepest gratitude to Mr. Chen for his invaluable contributions to the Company during his tenure of services in the highest regard.

APPRECIATION

On behalf of the Board, I would like to extend our sincere thanks to our customers, suppliers and shareholders for their continuous support to the Group. I would also extend my gratitude and appreciation to all management and staff for their hard work and dedication throughout the period.

By Order of the Board
Li Shaofeng
Chairman

Hong Kong, 26 August 2011

As at the date of this announcement, the Board comprises Mr. Li Shaofeng (Chairman), Mr. Luo Zhenyu (Managing Director), Mr. Chen Zheng (Managing Director of Operations), Mr. Wang Tian (Deputy Managing Director), Mr. Yuan Wenxin (Deputy Managing Director), Mr. Leung Shun Sang, Tony (Non-executive Director), Mr. Tam King Ching, Kenny (Independent Non-executive Director), Ms. Zhou Jianhong (Independent Non-executive Director) and Mr. Yip Kin Man, Raymond (Independent Non-executive Director).

* *For identification purpose only*