TALENT PROPERTY GROUP LIMITED
新天地產集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 760)

2012 INTERIM RESULTS ANNOUNCEMENT

The Board of Directors (the "Board") of Talent Property Group Limited (the "Company") presents the unaudited consolidated results of the Company and its subsidiaries (collectively called the "Group") for the six months ended 30 June 2012 with comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	**Six months ended 30 June 2012 *HK$'000* (unaudited)**	2011 *HK$'000* (unaudited) (restated)
Revenue	*5*	**257,329**	326,247
Cost of sales		**(211,407)**	(298,718)
Gross profit		**45,922**	27,529
Other revenue and net income	*6*	**4,100**	2,899
Distribution costs		**(20,869)**	(12,074)
Administrative and other operating expenses		**(138,428)**	(88,871)
Loss on disposal of investment properties		**(29,287)**	(1,892)
Share of loss of an associate		**(1,315)**	(1,303)
Impairment loss of properties under development		**(93,918)**	—
Fair value changes on investment properties		**(21,541)**	18,405
Fair value changes on derivative financial instrument	*14*	**(58,649)**	(63,651)
Finance costs	*7*	**(128,513)**	(111,809)
Loss before income tax	*8*	**(442,498)**	(230,767)
Income tax credit/(expense)	*9*	**90,868**	(7,995)
Loss for the period		**(351,630)**	(238,762)

* *For identification purposes only*

	Notes	Six months ended 30 June **2012** *HK$'000* **(unaudited)**	2011 *HK$'000* (unaudited) (restated)
Other comprehensive (loss)/income			
Share of exchange difference of an associate		**(5,451)**	14,160
Exchange (loss)/gain on translation of financial statements of foreign operations		**(25,556)**	96,242
Other comprehensive (loss)/income for the period		**(31,007)**	110,402
Total comprehensive loss for the period		**(382,637)**	(128,360)
Loss attributable to:			
Owners of the Company		**(304,375)**	(232,449)
Non-controlling interests		**(47,255)**	(6,313)
		(351,630)	(238,762)
Total comprehensive loss attributable to:			
Owners of the Company		**(330,820)**	(137,607)
Non-controlling interests		**(51,817)**	9,247
		(382,637)	(128,360)
Basic loss per share for loss attributable to the owners of the Company during the period	*10*	**10.558 HK cents**	10.202 HK cents
Diluted loss per share for loss attributable to the owners of the Company during the period	*10*	**N/A**	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at	
		30 June	31 December
		2012	2011
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(audited)
			(restated)
ASSETS AND LIABILITIES			
NON-CURRENT ASSETS			
Investment properties		**413,906**	927,516
Property, plant and equipment		**662,340**	696,372
Leasehold land and land use rights		**1,110,086**	1,138,761
Interests in an associate		**556,006**	562,772
Deferred product development costs		**520**	616
Available-for-sale financial assets		**2,100**	2,121
		2,744,958	3,328,158
Current assets			
Leasehold land and land use rights		**252**	252
Financial assets at fair value through profit or loss		**4,821**	5,577
Properties under development		**3,317,102**	3,225,400
Completed properties held for sale		**458,332**	482,931
Inventories		**31,767**	36,229
Trade receivables	*11*	**36,427**	61,989
Prepayments, deposits and other receivables	*12*	**949,462**	712,909
Tax recoverable		**13,401**	3,357
Restricted cash		**29,498**	5,153
Cash and cash equivalents		**159,108**	320,339
		5,000,170	4,854,136
Current liabilities			
Trade payables	*13*	**(123,305)**	(86,303)
Accruals, deposits received and other payables	*14*	**(1,153,080)**	(1,270,979)
Provision for tax		**(311,690)**	(251,375)
Current portion of borrowings		**(927,486)**	(1,048,088)
Obligations under finance lease		**(55)**	(55)
		(2,515,616)	(2,656,800)
Net current assets		**2,484,554**	2,197,336
Total assets less current liabilities		**5,229,512**	5,525,494

	Notes	As at **30 June 2012** ***HK$'000*** **(unaudited)**	 31 December 2011 *HK$'000* (audited) (restated)
Non-current liabilities			
Provision for long service payment		**(2,045)**	(2,160)
Deferred tax liabilities		**(903,071)**	(1,112,431)
Borrowings		**(899,962)**	(744,208)
Obligations under finance lease		**(190)**	(218)
Convertible notes	*16*	**(2,057,278)**	(2,025,995)
Promissory notes	*17*	**(160,916)**	(152,092)
		(4,023,462)	(4,037,104)
Net assets		**1,206,050**	1,488,390
EQUITY			
Share capital	*15*	**12,915**	11,215
Reserves		**777,743**	1,009,966
Equity attributable to the Company's owners		**790,658**	1,021,181
Non-controlling interests		**415,392**	467,209
Total equity		**1,206,050**	1,488,390

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2012

1. GENERAL INFORMATION

Talent Property Group Limited (the "Company") is a limited liability company incorporated in Bermuda and domiciled in Hong Kong. The addresses of its registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of the principal subsidiaries are including (i) real estate development, (ii) property investment, (iii) property management, (iv) hotel operation, (v) design, manufacture and sale of electronic products, (vi) trading of listed equity investments and commodities and (vii) provision of loan financing.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2012 are unaudited but have been reviewed by the Audit Committee.

The interim 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 (the "Listing Rules") and with the Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's 2011 annual financial statements.

The accounting policies and method of computation adopted in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2011 except as stated in note 3 below.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA:

- Amendment to HKFRS 1 "Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters";
- Amendment to HKFRS 7 "Financial Instruments: Disclosures — Transfers of financial Assets"; and
- Amendment to HKAS 12 "Deferred Tax: Recovery of Underlying Assets".

Except as described below, the adoption of the above amendments to 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.

Amendments to HKAS 12 Deferred Tax: Recovery of Underlying Assets

The amendment introduces a presumption that an investment property measured at fair value is recovered entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. Prior to the amendment, HKAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sales.

The Group's investment properties are situated in the People's Republic of China ("PRC") and Hong Kong, which are measured using the fair value model. For the purpose of application of the amendments to HKAS 12, the directors reviewed the Group's investment properties portfolios as at 31 December 2011 and concluded that the Group's investment properties situated in the PRC and Hong Kong amounting to HK$913,516,000 (2010: HK$1,146,409,000) and HK$14,000,000 (2010: Nil) respectively are not held under a business model whose objective is to consume substantially all of the economic benefits embodies in the investment properties over time, and that the presumption set out in the amendments to HKAS 12 is not rebutted.

As a result of the application of the amendments to HKAS 12, the Group has recognised deferred taxes on changes in fair value of the investment properties in the PRC as those properties are subject to land appreciation taxes and corporate income tax upon disposal. Previously, the Group did not recognise deferred taxes on land appreciation tax due to changes in fair value of investment properties in the PRC on the basis that the entire carrying amounts of the properties were recovered through use.

The Group has adopted amendments to HKAS 12 retrospectively and the effect of adoption on the condensed consolidated income statement and condensed consolidated statement of financial position is as follows:

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
(Decrease)/increase in loss for the period:		
Loss before tax	**(493)**	(81)
Income tax expenses	**(89,585)**	5,641
Loss for the period	**(90,078)**	5,560
Attributable to:		
Shareholders of the Company	**(90,078)**	5,560
Non-controlling interests	**—**	—
	(90,078)	5,560
	HK cents	*HK cents*
Loss per share		
Basic	**(3.125)**	0.244
Diluted	**N/A**	N/A

	As at 30 June 2012 *HK$'000*	As at 31 December 2011 *HK$'000*
Increase/(decrease) in:		
Retained profit	**(54,151)**	(147,832)
Currency translation reserve	**(10,581)**	(8,006)
Total equity	**(64,732)**	(155,838)
Deferred tax liabilities	**64,732**	155,838
Total equity and liabilities	**—**	—

The Group has not early adopted the following new and revised standards, amendments or interpretation that have been issued but are not yet effective.

Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[1]
Amendments to HKFRS 1	Government Loans[2]
Amendments to HKFRS 7	Financial instruments: Disclosures — Offsetting Financial Assets and Financial Liabilities[2]
Amendments to HKFRS 7 and HKFRS 9	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[4]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[2]
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]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[3]
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine[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
3 Effective for annual periods beginning on or after 1 January 2014
4 Effective for annual periods beginning on or after 1 January 2015

4. **SEGMENT INFORMATION**

The executive directors have identified the Group's seven (2011: six) products and service lines as operating segments as follows:

(a) Electronic products consists of the manufacturing and sales of electronic products;

(b) Equity and commodity investments consists of investments in equity securities and precious metals;

(c) Provision of loan finance consists of loan financing services;

(d) Properties development consists of the sales and leases of properties which were completed;

(e) Properties investment consists of the leasing of investment properties;

(f) Hotel operation consists of the operation of the hotel;

(g) Property management consists of the provision of property management services.

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

For the six months ended 30 June 2012 (unaudited)

	Electronic products *HK$'000*	**Equity and commodity investments** *HK$'000*	**Provision of loan finance** *HK$'000*	**Properties development** *HK$'000*	**Properties investment** *HK$'000*	**Hotel operation** *HK$'000*	**Property management** *HK$'000*	**Total** *HK$'000*
Revenue from external customer								
Reportable segment revenue	**127,641**	**—**	**—**	**31,678**	**9,806**	**83,597**	**4,607**	**257,329**
Reportable segment profit/(loss)	**(128)**	**(779)**	**(17)**	**(115,507)**	**(41,581)**	**(65,933)**	**3,056**	**(220,889)**

For the six months ended 30 June 2011 (unaudited)

	Electronic products *HK$'000*	Equity and commodity investments *HK$'000*	Provision of loan finance *HK$'000*	Properties development *HK$'000*	Properties investment *HK$'000*	Hotel operation *HK$'000*	Total *HK$'000*
Revenue from external customer							
Reportable segment revenue	153,220	5,710	—	153,366	13,951	—	326,247
Reportable segment profit/(loss)	204	(707)	(14)	(18,551)	11,782	(30,074)	(37,360)

As at 30 June 2012 (unaudited)

	Electronic products *HK$'000*	Equity and commodity investments *HK$'000*	Provision of loan finance *HK$'000*	Property development *HK$'000*	Property investment *HK$'000*	Hotel operation *HK$'000*	Property management *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Reportable segment assets	**126,385**	**5,059**	**2**	**3,870,054**	**418,886**	**1,664,017**	**4,309**	**1,656,416**	**7,745,128**
Reportable segment liabilities	**(52,412)**	**(100)**	**(25)**	**(1,346,621)**	**(144,405)**	**(819,820)**	**(783)**	**(4,174,912)**	**(6,539,078)**

As at 31 December 2011 (audited)

	Electronic products *HK$'000*	Equity and commodity investments *HK$'000*	Provision of loan finance *HK$'000*	Property development *HK$'000*	Property investment *HK$'000*	Hotel operation *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Reportable segment assets	144,154	5,817	5	3,758,608	930,429	1,718,383	1,624,898	8,182,294
Reportable segment liabilities	(61,640)	(80)	(20)	(771,750)	(197,603)	(868,823)	(4,793,988)	(6,693,904)

The total amounts presented for the Group's operating segments are reconciled to the Group's key financial figures as presented in the condensed financial statements as follows:

	For the six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Reportable segment revenue and Group revenue	**257,329**	326,247
Reportable segment loss	**(220,889)**	(37,360)
Share of loss of an associate	**(1,315)**	(1,303)
Loss on disposal of investment properties	**—**	(1,892)
Fair value changes on investment properties	**—**	18,405
Fair value changes on derivative financial instrument	**(58,649)**	(63,651)
Finance costs	**(95,889)**	(111,809)
Income tax credit/(expense)	**90,868**	(7,995)
Unallocated expenses	**(67,069)**	(35,265)
Unallocated income	**1,313**	2,108
Loss for the period	**351,630**	(238,762)

The Group's revenues from external customers and its non-current assets (other than financial instruments and interests in associate) are divided into the following geographical areas:

Revenue from external customers:

	For the six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Hong Kong (domicile) *(note (a))*	**10,026**	19,767
North America *(note (b))*	**21,201**	27,372
Europe *(note (c))*	**9,276**	13,959
Japan	**81,759**	89,848
Mainland China	**130,239**	169,054
Others *(note (d))*	**4,828**	6,247
Total	**257,329**	326,247

Non-current assets:

	As at	
	30 June	31 December
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Hong Kong (domicile) *(note (a))*	**54,926**	57,552
Mainland China	**2,131,926**	2,705,713
Total	**2,186,852**	2,763,265

Notes:

(a) The place of domicile is determined based on the location of central management.

(b) Principally included the United States of America ("the USA") and Canada.

(c) Principally included the United Kingdom, France, Germany and the Mainland Europe.

(d) Principally included Taiwan, Korea and elsewhere in Asia.

The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the non-current assets is based on the physical location of the assets.

5. REVENUE

Revenue from the Group's principal activities recognised during the reporting period is as follows:

	For the six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Sales of electronic products	**127,641**	153,220
Trading of precious metal	**—**	5,710
Sales of properties	**31,678**	152,975
Property management fees	**4,607**	—
Hotel operation income	**83,597**	—
Gross rental income from investment properties	**9,806**	13,951
Gross rental income from car parking spaces	**—**	391
Total	**257,329**	326,247

6. OTHER REVENUE AND NET INCOME

	For the six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Other revenue		
Interest income on financial assets carried at amortised costs	**761**	1,708
Products development income	**719**	295
Compensation from vendors	**28**	121
Gross rental income from plant and equipment	**—**	62
Bad debt recovery	**83**	—
Rental income from sub-letting of leased assets	**686**	—
Written off of long outstanding payables	**1,466**	—
Others	**357**	576
	4,100	2,762
Other net income		
Exchange gain, net	**—**	137
	4,100	2,899

7. FINANCE COSTS

	For the six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest on bank loan borrowing, gross	**49,509**	30,648
Less: amount capitalised to properties under development and the hotel property	**12,222**	20,733
Interest on bank loan borrowing, net	**37,287**	9,915
Interest on other loans wholly repayable within five year	**9,471**	22,874
Interest on convertible notes	**72,931**	70,743
Interest on promissory notes	**8,824**	8,277
	128,513	111,809

8. LOSS BEFORE INCOME TAX

	For the six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Loss before income tax is arrived at after charging:		
Cost of inventories sold	**77,985**	133,147
Cost of properties sold	**33,469**	161,017
Cost of hotel operation	**67,709**	—
Cost of property management	**1,286**	—
Business tax and other levies	**6,955**	4,554
Depreciation on property, plant and equipment	**40,530**	7,864
Amortisation of leasehold land and land use rights	**17,643**	15,985
Research and development costs (including amortisation charge on capitalised deferred product development costs)	**529**	413
Unrealised loss on financial assets at fair value through profit or loss	**756**	820
Provision for slow moving inventories	**1,200**	1,500
Net loss on disposal of property, plant and equipment	**—**	554

9. INCOME TAX (CREDIT)/EXPENSE

	For the six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
		(restated)
Current tax		
Hong Kong		
— Tax for the period	**—**	58
The PRC — Corporate Income Tax		
— Tax for the period	**714**	1,202
— Over provision in respect of prior years	**(6,471)**	—
	(5,757)	1,202
The PRC — Land Appreciation Tax		
— Tax for the period	**113,435**	—
Deferred tax		
— Tax for the period	**(198,546)**	6,735
Total income tax (credit)/expenses	**(90,868)**	7,995

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

The income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the period, based on the existing legislation, interpretations and practices in respect thereof.

PRC land appreciation tax is levied at progressive rate ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including lease charges of land use rights and all properties development expenditures.

The National People's Congress of the PRC approved the Corporate Income Tax Law of the PRC (the "New Tax Law") on 16 March 2007. With effective from 1 January 2008, the tax rate applicable to the enterprises established in the PRC will be unified at 25% with certain preferential provisions. Except for one of the Group's subsidiaries, Gaojin Electronics (Shenzhen) Co., Ltd is entitled to preferential tax treatments granted by the relevant tax authorities in the PRC and is subject to a lower income tax rate of 20%, until the unified tax rate of 25% gradually transitioned in 2012.

Furthermore, in accordance with the Detailed Implementation Regulations for implementation of the new Corporate Income Tax Law issued on 6 December 2007, a 10% withholding tax shall be levied on the dividends remitted by the companies established in the PRC to their foreign investors starting from 1 January 2008. Dividends coming from the profits generated by the PRC companies after 1 January 2008 shall be subject to this withholding tax. As at 30 June 2012, the Group has not accrued any withholding income tax for the earnings of its PRC subsidiaries, because the Group does not have a plan to distribute earnings from its PRC subsidiaries generated in the period from 1 January 2008 to 30 June 2012 in the foreseeable future.

10. LOSS PER SHARE

Basic loss per share

The calculation of loss per share is based on the loss attributable to the owners of the Company of approximately HK$304,375,000 (2011: loss of approximately HK$232,449,000) and on the weighted average of 2,882,940,252 (2011: 2,278,510,739) ordinary shares in issue during the period.

Diluted loss per share

Diluted loss per share for the period ended 30 June 2012 and 2011 is not presented because the impact of the exercise of the share options and the conversion of convertible notes is anti-dilutive.

11. TRADE RECEIVABLES

	As at 30 June 2012 *HK$'000* **(unaudited)**	As at 31 December 2011 *HK$'000* (audited)
Trade receivables	**36,745**	62,391
Less: Provision for impairment of trade receivables recognised	**(318)**	(402)
Trade receivables — net	**36,427**	61,989

In respect of the Group's sales on credit or documents against payment, the Group allows a range of credit periods ranging from 30 days to 90 days according to the credit rating of different trade customers.

Based on the invoice date, the ageing analysis of the trade receivables is as follows:

	As at 30 June 2012 *HK$'000* **(unaudited)**	As at 31 December 2011 *HK$'000* (audited)
0 to 90 days	**31,395**	56,652
91 to 180 days	**459**	313
181 to 365 days	**359**	247
Over 365 days	**4,214**	4,777
	36,427	61,989

12. PREPAYMENTS, DEPOSIT AND OTHER RECEIVABLES

	As at	
	30 June 2012	31 December 2011
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Deposits	**11,927**	11,373
Prepayments	**7,893**	7,035
Other receivables *(note (a))*	**929,642**	694,501
	949,462	712,909

Note:

(a) The amount of other receivable included HK$462,460,000 or equivalent to RMB380,000,000 (31 December 2011: HK$467,020,000 or equivalent to RMB380,000,000) which is indemnified by Talent Trend Holdings Limited according to the sales and purchase agreement for the sale of Talent Central Limited to the Group.

13. TRADE PAYABLES

The Group was granted by its suppliers credit periods ranging from 30 to 60 days. Based on the invoice dates, the ageing analysis of the trade payables were as follows:

	As at	
	30 June 2012	31 December 2011
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 to 90 days	**30,835**	74,891
91 to 180 days	**75,544**	286
181 to 365 days	**—**	1
Over 365 days	**16,926**	11,125
	123,305	86,303

14. ACCRUALS, DEPOSITS RECEIVED AND OTHER PAYABLES

	As at	
	30 June 2012	31 December 2011
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Deposits received	**14,373**	22,138
Receipts in advance from customers	**524,280**	444,672
Accruals	**118,192**	107,638
Other payables	**496,235**	696,531
	1,153,080	1,270,979

15. SHARE CAPITAL

	As at			
	30 June 2012		31 December 2011	
	Number of shares	***HK$'000***	*Number of shares*	*HK$'000*
		(unaudited)		(audited)
Authorised:				
Ordinary shares of HK$0.004 each	**125,000,000,000**	**500,000**	125,000,000,000	500,000

	For the six months ended 30 June			
	2012		2011	
	Number of shares	***HK$'000***	*Number of shares*	*HK$'000*
Issued and fully paid:				
Ordinary shares of HK$0.004 each				
At 1 January	**2,803,682,010**	**11,215**	2,247,682,010	8,991
Issue upon conversion of convertible notes *(Note)*	**425,000,000**	**1,700**	530,000,000	2,120
At 30 June	**3,228,682,010**	**12,915**	2,777,682,010	11,111

Note:

On 11 May 2012, a convertible note holder has exercised conversion right to convert part of the principal amount into 100,000,000 ordinary shares of the Company at the exercise price of HK$0.33 per share.

On 1 June 2012, convertible note holders have exercised conversion right to convert part of the principal amount into 325,000,000 ordinary shares of the Company at the exercise price of HK$0.33 per share.

The details of the convertible notes which are set out in note 16 to the condensed financial statements.

16. CONVERTIBLE NOTES

On 10 December 2010, the Company issued convertible notes with a principal amount of HK$3,100 million as part of the consideration to acquire Talent Central Limited. The convertible notes were denominated in Hong Kong Dollars, unsecured, transferrable and interest-free. The convertible notes entitled the holders thereof to convert the convertible notes, in whole or in part, into ordinary shares of the Company at a conversion price of HK$0.33 per share, at any time after 10 June 2011 to and including 10 December 2015 (the "Maturity Date"). The Company has option to redeem the outstanding principal amount of the convertible notes at any time after the third anniversary from the date of the issue of the convertible notes at 100% of the face amount thereof.

The principal amount of HK$1,090 million of the convertible notes are pledged and will be released to Talent Trend Holdings Limited ("Talent Trend") which is the vendor of Talent Central Limited according to the sale and purchase agreement signed between Talent Trend and Canton Million Investments Limited which is a directly owned subsidiary of the Company for the acquisition of Talent Central Limited.

At the date of completion of the Acquisition, the fair value of the convertible notes was HK$2,574,228,000 which included the equity component of fair value HK$602,879,000. The fair value of the liability component was HK$1,971,349,000.

The embedded derivatives relating to the Company's redemption option which are not closely related to the host contract shall be separately measured and included together with the liabilities component as a financial liability. The fair value of the derivative component is determined based on the valuation performed by B.I. Appraisals Limited ("BI") using Black-Scholes Option Pricing Model. The fair value of the liabilities component is determined based on the valuation performed by BI using discounted cash flow method. The effective interest rate of the host contract is determined to be 6.42%. The residual amount is assigned as the equity component for the conversion option and was included in the convertible notes equity reserve.

The liability component is carried as a long term liability on the amortised cost basis until extinguished on conversion or redemption. The derivative component of the Convertible Notes is subsequently measured at fair value with changes recognised in the condensed consolidated statement of comprehensive income. The value of the equity component is not remeasured in subsequent years.

	As at	
	30 June 2012	31 December 2011
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Liability component	**2,225,586**	2,264,417
Derivative component	**(168,308)**	(238,422)
	2,057,278	2,025,995
Liability component		
At beginning of the year	**2,264,417**	2,259,301
Converted into Company's shares	**(111,762)**	(137,701)
Imputed finance cost	**72,931**	142,817
At end of the year	**2,225,586**	2,264,417
Derivative component		
At beginning of the year	**(238,422)**	(277,662)
Converted into Company's shares	**11,465**	12,667
Fair value change	**58,649**	26,573
At end of the year	**(168,308)**	(238,422)
Carrying amount	**2,057,278**	2,025,995

At 30 June 2012, convertible notes with principal amounts of HK$2,776,270,000 remained outstanding.

17. PROMISSORY NOTES

On 10 December 2010, the Group issued promissory notes with a principal amount of HK$160 million (the "Notes") as part of the consideration to acquire Talent Central Limited. The Notes were denominated in Hong Kong Dollars, unsecured and transferrable. The Notes carried interest at the rate of 5% per annum, payable at maturity and will mature on 10 June 2013 (the "Maturity Date"), unless redeemed earlier in minimum amount of HK$500,000 or whole multiple thereof without any penalty, fee or other additional payment.

At the date of completion of the Acquisition, the fair value of the promissory notes was HK$134,353,000.

	HK$'000
Non-current liability component at 31 December 2010 (audited)	135,272
Imputed finance cost	16,820
Non-current liability component at 31 December 2011 (audited)	152,092
Imputed finance cost	8,824
Non-current liability component at 30 June 2012 (unaudited)	**160,916**

The effective interest rate for the Notes is 12.12% per annum.

18. CAPITAL COMMITMENTS

	As at	
	30 June 2012	31 December 2011
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Capital commitments (contracted but not provided for):		
Capital injection into a subsidiary	**10,152**	10,210
Capital injection into an associate	**181,820**	—
Construction of properties under development	**990,744**	624,935
	1,182,716	635,145
Capital commitments (authorised but not contracted for):		
Construction of properties under development	**642,471**	1,136,163
	1,825,187	1,771,308

19. PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

	As at	
	30 June	31 December
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Guarantee given in respect of banking facilities for:		
— Third parties *(note (a))*	**—**	12,290
— Mortgage facilities for certain purchasers of the Group's property units *(note (b))*	**17,031**	8,787
	17,031	21,077

Notes:

(a) As at 31 December 2011, the Group's investment properties with fair value of approximately HK$29,789,000 was pledged to banks to secure general banking facilities granted to third parties to the extent of HK$12,290,000.

Under the guarantees, the Group would be liable to pay the bank if the bank is unable to recover the amount granted.

(b) It represented the guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. Of the amounts as at 30 June 2012 of HK$17,031,000 (31 December 2011: HK$8,787,000), was to be discharged upon earlier of (i) issuance of the real estate ownership certificate which are generally be available within three months after the purchasers take possession of the relevant properties; and (ii) the satisfaction of mortgaged loan by the purchasers of properties.

The Directors consider that in case of default in payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty and therefore no provision has been made in these financial statements for the guarantees.

20. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group had the following significant transactions with related parties:

(a) Compensation of key management personnel:

The directors are of the opinion that the key management personnel were the executive and non-executive director of the Company, details of whose emoluments are set out below:

	For the six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Short term benefits	**1,609**	3,949
Post-employment benefits	**36**	127
	1,645	4,076

(b) Balance with related party:

	As at	
	30 June	31 December
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Balances due from a related party		
— included in prepayment, deposits and other receivables		
Associate:		
Guangzhou Xintian Properties Development Limited	**53,792**	52,236

Balances due from a related party are unsecured, interest-free and settled according to the contract terms.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL REVIEW

The principal activity of Talent Property Group Limited (the "Company") is investment holding.

On 10 December 2010 (the "Completion Date"), the Company completed the acquisition of Talent Central Limited which, through its subsidiaries, holds interests in various real estate projects in the PRC (the "Acquisition"). Since then, the Company and its subsidiaries (collectively "the Group") are engaged in the business of (i) real estate development, (ii) property investment, (iii) property management, (iv) hotel operation, (v) design, manufacture and sale of electronic products, (vi) trading of listed equity investments and commodities and (vii) provision of loan financing.

Revenue and gross profit

During the six months ended 30 June 2012 (the "Reporting Period"), the Group recorded an unaudited consolidated revenue and gross profit of HK$257.3 million and HK$45.9 million, respectively, as compared to HK$326.2 million and HK$ 27.5 million during the six months ended 30 June 2011 (the "Preceding Period").

Property development, management and investment

Substantial portion of our car parking spaces located in Guangzhou were sold in 2011. Revenue from the sales of portion of the remaining car parking spaces and residential units of HK$31.7 million was recorded in the Reporting Period (Preceding Period: HK$153.0 million).

Rental income generated from investments properties and car parking spaces of the Group was reduced to HK$9.8 million in the Reporting Period as compared to HK$14.3 million in the Preceding Period. It was primarily the result of the disposal of all the commercial units of Dongmingxuan (東鳴軒) in the Reporting Period.

During the Reporting Period, the Group commenced the property management business, revenue of HK$4.6 million was recorded.

A total gross profit of HK$9.1 million was recorded from property development, management and investment in the Reporting Period as compared to HK$1.7 million in the Preceding Period. It was because certain properties sold in the Preceding Period recorded minimal gross profit only. In addition, the proportion of rental income, which generated better margin, to the total revenue was higher in the Reporting Period than the Preceding Period.

Hotel operation

Our international luxury brand hotel, Hilton Guangzhou Tianhe (廣州天河新天希爾頓酒店) (the "Hotel"), commenced operation in August 2011. Our hotel brand name has got more and more local recognition. Despite the keen market competition, we recorded a gross revenue of HK$83.6 million from room rentals, food & beverage and other ancillary services. We had achieved an average room rate of approximately RMB1,200 per room night and occupancy rate nearly 60% in a single month during the Reporting Period. A gross profit of HK$11.2 million was recorded in the Reporting Period as compared to HK$2.9 million as recorded in the second half of 2011.

Business of electronic products, equity and commodities investments

During the Reporting Period, we recorded a revenue of HK$127.6 million as compared to HK$158.9 million in the Preceding Period. It was primarily due to the reduction of sales made to Japan, North America and Europe where economy was worsened or stagnant.

Despite the sales was reduced, we sold products with better margin and we increased the selling prices to reflect the raising manufacturing cost in PRC. As a result, gross profit margin of our manufacturing business increased from 16.2% in the Preceding Period to 20.1% in the Reporting Period.

Distribution costs

During the Reporting Period, distribution expenses amounted to HK$20.9 million. Of which, HK$18.0 million (Preceding Period: HK$8.5 million) and HK$2.9 million (Preceding Period: HK$3.6 million) were attributable to the property business and business of electronic products, respectively. Distribution expenses mainly included advertisement, marketing facilities and promotion expenses incurred for the pre-sale of Swan Bay Garden and Yuhaiwan. Whereas distribution costs incurred in the business of electronic products decreased along with the reduction of its sales.

Administrative and other operating expenses

Administrative and other operating expenses increased by 55.8% from HK$88.9 million in the Preceding Period to HK$138.4 million in the Reporting Period. Of which, HK$56.2 million, HK$46.8 million and HK$35.4 million were attributable to the property businesses, hotel business and business of electronic products, respectively.

Increase of administrative expenses of property businesses was mainly due to recruitment of more staff, increased business development expenses, rental & office overhead, bank charges and larger resources deployed in the pre-sale projects. Whereas, administrative expenses incurred in our electronic business remained stable.

Upon opening of the Hotel last year, amortization of land cost and depreciation of the hotel premise had to be charged to the income statement. This amounted to HK$44.4 million in the Reporting Period.

Loss on disposal of investment properties

In order to preserve more resources for the projects under development, we sold all the commercial units of Dongmingxuan (東鳴軒) gradually during the Reporting Period. A total gross proceed of HK$530.2 million was received. Taking into account the direct business tax and renovation cost, a loss on disposal of HK$29.3 million was recorded.

We would consider to sell other investment properties in order to preserve more working capital for projects with better return.

Share of loss of an associate

We partner with Sun Hung Kai Properties Group in carrying out the Linhe Cun Rebuilding Project (林和村重建項目). It is a high-end residential project at the CBD of Tianhe District of Guangzhou City and is just next to the Guangzhou terminus of the Guangzhou-Kowloon Through Train.

During the Reporting Period, the Group's share of results of this 30% owned project company amounted to HK$1.3 million.

Impairment loss of properties under development

Under the "home-purchase restricted" environment and huge supply in the Haikou City, property developers carried out "price-for-volume" strategy. During the Reporting Period, pre-sale of Swan Bay Garden (天鵝灣) commenced whereas pre-sale of Yuhaiwan (譽海灣) was keep going. Since the commencement of pre-sale and up to 30 June 2012, total cash receipts of approximately RMB312.5 million and RMB113.4 million were recorded from the contract sales of Yuhaiwan and Swan Bay Garden, respectively.

The pace of the pre-sales was slower than expected and lower selling price was recorded. After considering current sluggish market and the construction cost to completion, a provision of HK$93.9 million has been made in the Reporting Period.

Fair value changes on investment properties

During the Reporting Period, adjustment of commercial property market was seen. Valuation deficits were recorded for the commercial units of both Tianlun Garden (天倫花園) and Shangyu Garden (上譽花園) after re-assessment conducted by a professional independent qualified valuer.

Fair value changes on derivative financial instrument

According to applicable accounting standards, the fair value of the derivative component of the convertible notes of the Company has to be re-measured. The Company's right to redeem the convertible notes before its maturity date represents this derivative component. Its fair value will vary with its unexpired period to maturity and outstanding principal as well as the share price and volatility of share price of the Company. A fair value deficit of HK$58.6 million was recorded in the Reporting Period after re-assessment conducted by a professional independent qualified valuer.

Finance cost

During the Reporting Period, imputed finance cost of HK$72.9 million and HK$8.8 million were arising from the convertible notes and promissory notes, respectively, issued for the Acquisition. Whereas, HK$37.3 million and HK$9.5 million were interest expenses arising from general bank borrowing and loan for the funding of the associate company, respectively.

Taxation

During the Reporting Period, a tax credit of HK$90.9 million was recorded as compared to a tax charge of HK$8.0 million in Preceding Period. It was primarily the results of reversal of land appreciation tax and deferred tax due to valuation deficit of properties and reversal of over-provided corporate income tax in previous years.

Loss for the period attributable to owners of the Company

As a result of increased operating expenses, impairment loss on properties under development, fair value deficits of investment properties and increased finance cost, loss attributable to owners of the Company was increased from HK$232.4 million in the Preceding Period to HK$304.4 million in the Reporting Period.

PROSPECT

In the rest of the year, the international economic and political environment is expected to remain tremendously uncertain. It is due to the U.S. government has not yet concluded when would further economic stimulus policies be launched to cope with the slow pace of economy recovery and the imminent presidential election. The economic and political stability of Europe remains fluctuate in accordance with the development of debt crisis in individual countries from time to time.

Foreign trade and various economic constituents in China were affected by the impact of recent economic development of Europe and U.S., as well as, the short-term political uncertainties in respect of the re-election of leadership of the Chinese government at the end of the year and early next year. Fortunately, the increase of consumer price index in the PRC was curbed by the ongoing austerity measures over the past years. The government is in the process of stimulating and maintaining a steady economic growth by reducing the deposit reserve ratios and lending interest rates.

Regarding the mainland real estate market, the government's effort to rein in the market has not loosened. However, the data of National Bureau of Statistics suggested that the saleable area and sales amount of nationwide commodity properties had rebounded to normal gradually from the beginning of the year. Therefore, we believe that the domestic fundamental demand remains strong. Given the government does not carry out more stringent measures, the market liquidity is loosened and the lending interest rate is reduced, it is expected that the development of nationwide real estate market will be more stable in the second half year than in the first half year.

Guangzhou is a highly urbanized first-tier city. Its internal demand is strong enough to maintain the momentum of home purchases in the future. In addition, the transportation network is further improved and premium land available for development in the center of Guangzhou City is limited. These favour the future development of the Group. Our luxury residential project under construction, Talent Banshan (新天半山) (South Lake Village Phase II), which is located in the scenic area of South Lake in Baiyun and within 20 minutes driving distance from Tianhe district of Guangzhou City, is scheduled for pre-sale in the fourth quarter of the year. Forest Hill (峻林) (Linhe Cun Rebuilding Project) is a joint-venture project co-developed by the Group and Sun Hung Kai Properties Group of Hong Kong. It is located at the Tianhe Commercial District and is just next to the terminus of the Guangzhou-Kowloon Through Train. The construction of Forest Hill is in good progress and pre-sale is scheduled by the end of the year. Building on the Group's successful experience of the Linhe Cun Rebuilding Project, the Group is working towards other city redevelopment projects in order to obtain the approval from relevant government authorities by the end of the year.

As a result of developers' price-for-volume strategy, various stimulus policies including Central Bank's rate cuts and driven by fundamental demand, the digestion of properties' inventory in Hainan province accelerated. The general sales volume of the property market in Hainan province slightly rebounded in the second quarter. In order to boost sales under such fundamental demand driven home purchase environment, in the second half of the year, the Group's Yuhaiwan project and Swan Bay project, which are in pre-sale and located at Haikou city, will compete with other properties for sale in terms of geographical location, neighborhood amenities, quality and price. Furthermore, the Group is accelerating the completion of the construction and renovation of Yuhaiwan project so as to deliver the project in the third quarter.

The competition of five star hotels in the urban area of Guangzhou remains intense, more five star hotels in the center of Tianhe District will commence business in second half of the year. The Group will closely cooperate with the management team of Hilton Hotel to strive for more promising results in the second half year.

Given the uncertain economic outlook in Europe and the U.S., the weak economic environment in Japan, the continuous appreciation of Yen, and the increasing production cost in the PRC, the outlook for the business of electronic products of the Group remains difficult.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's total assets as at 30 June 2012 were approximately HK$7,745.1 million (31 December 2011: approximately HK$8,182.3 million) which were financed by the total equity and total liabilities (including convertible notes and promissory notes) of approximately HK$1,206.0 million (31 December 2011: approximately HK$1,488.4 million) and approximately HK$6,539.1 million (31 December 2011: approximately HK$6,693.9 million) respectively.

The directors consider the Group will have sufficient working capital for its operations and financial resources for financing future investment opportunities in suitable business ventures.

The Group borrowings were all denominated in Renminbi. Bank balances and cash were mainly denominated in Hong Kong Dollars, United States Dollars and Renminbi. As at 30 June 2012, there were no outstanding forward contracts in foreign currency committed by the Group that might involve it in significant foreign exchange risks and exposures.

CAPITAL STRUCTURE

On 10 December 2010, convertible notes and promissory notes in principal amount of HK$3,100 million and HK$160 million respectively were issued as part of the consideration for the Acquisition. The Group's gearing ratio then computed as total debts over total assets was approximately 84.4% as at 30 June 2012 (31 December 2011: 81.8%). As at 30 June 2012, bank borrowings amounted to RMB1,081.6 million (31 December 2011: RMB991.3 million) carried interest rate varied in accordance with the base rate of People's Bank of China. Whereas other borrowings amounted to RMB306.2 million (31 December 2011: RMB306.2 million) and RMB113.8 million (31 December 2011: RMB160.9 million) carried fixed interest rate and interest free respectively.

EXPOSURE TO FOREIGN EXCHANGE

The revenue of the Group is mainly denominated in Hong Kong Dollars, United States Dollars and Renminbi, and the cost of production and purchase are mainly denominated in Hong Kong Dollars, United States Dollars and Renminbi. Therefore, the Group is not exposed to any other material foreign currency exchange risk. An average rate and a closing rate of HK$1.2237: RMB1 and HK$1.217: RMB1, respectively, were applied on consolidation of the financial statements for the Reporting Period.

CHARGES ON ASSETS

As at 30 June 2012, certain assets of the Group with an aggregate amount of approximately HK$5,312.6 million (31 December 2011: HK$4,967.4 million), represented by completed properties held for sale of approximately HK$44.4 million (31 December 2011: Nil), properties under development of approximately HK$3,317.1 million (31 December 2011: HK$2,457.2 million), investment properties of approximately HK$306.4 million (31 December 2011: HK$808.5 million), property, plant and equipment of approximately HK$543.0 million (31 December 2011: HK$571.5 million) and land use right of approximately HK$1,101.7 million (31 December 2011: HK$1,130.2 million), were pledged to secure general banking facilities.

NUMBERS AND REMUNERATION OF EMPLOYEES

As at 30 June 2012, the Group had approximately 1,870 (31 December 2011: 1,800) employees, with about 1,820 in the Mainland China, 50 in Hong Kong and Macau. All employees are remunerated based on industry practice and in accordance with prevailing labor law. In Hong Kong, apart from basic salary, staff benefits including medical insurance, performance related bonus, and mandatory provident fund would be provided by the Group.

CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

Details of the capital commitment and contingent liabilities are set out in note 18 and 19 respectively to the condensed consolidated financial statements.

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

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the 6 months' period ended 30 June 2012.

DIVIDEND

The board does not recommend payment of any interim dividend for the six months ended 30 June 2012.

CONNECTED AND RELATED PARTY TRANSACTIONS

Details of the connected and related party transactions are set out in note 20 to the condensed consolidated financial statements.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules for directors' securities transactions. Having made specific enquiries of all directors of the Company, they have confirmed that they complied with required standard set out in the Model Code throughout the accounting period covered by the interim report.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Company's directors.

CORPORATE GOVERNANCE

The Board has been committed to maintaining the high level of corporate governance within the Group in order to enhance the transparency in disclosure of material information. The Board considers such commitment is essential for internal management, financial management and protection of shareholders' interests and believes that maintaining a high standard of corporate governance benefits all shareholders, investors, and its business as a whole. The Company has applied the principles and complied with the requirements of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited, except for the following deviations.

CG Code Provision A2.1

Currently, the Company does not appoint chief executive officer. In view of the operation of the Group, the Board believes that the present structure of the Board will provide a strong leadership for the Group to implement prompt decisions and to formulate efficient strategies, which is for benefits of the Group.

Moreover, the day-to-day operation of the Group's businesses are shared among those executive directors and the management of the Company. Therefore, there should be a clear division of the responsibilities at the board level to ensure a balance of power and authority, so that power is not concentrated in any one individual.

CG Code Provision A4.1

Under the CG Code, non-executive directors should be appointed for a specific term, subject to re-election.

During the Reporting Period, two independent non-executive directors of the Company, namely Mr. Ng Wai Hung and Mr. Cheung Chung Leung, Richard, were not appointed for any specific fixed term, whereas, Mr. Ng Wai Hung was resigned on 31 January 2012. Two independent non-executive directors, Mr. Lo Wai Hing and Ms. Pang Yuen Shan Christina, were appointed for a term of two years commencing from 1 February 2011 and 1 February 2012, respectively. In accordance with the bye-laws of the Company, at each annual general meeting of the Company one third of the directors shall retire from office by rotation. The Board considers that sufficient measures will be taken to ensure the corporate governance practices of the Company are not less exacting than those in the CG Code.

CG Code Provision A.5 and B.1

Under the CG Code, the issuers shall establish a nomination committee and a remuneration committee with specific written terms of reference which deal clearly with its authority and duties.

With effect from 31 January 2012, a remuneration committee and a nomination committee with written terms of reference had been established.

REVIEW OF ACCOUNTS

The unaudited condensed consolidated accounts of the Company and its subsidiary companies for the six months ended 30 June 2012 have been reviewed by the Company's auditor, Cheng & Cheng Limited, in accordance with Hong Kong Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of certified Public Accountants. The unaudited condensed consolidated accounts of the Company and its subsidiary companies for the six months ended 30 June 2012 have also been reviewed by the Audit Committee of the Company.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON THE WEBSITE OF THE COMPANY AND OF THE STOCK EXCHANGE

The interim results announcement is published on the websites of the Company (www.760hk.com) and the Stock Exchange. The interim report containing all the information required by the Listing Rules will be dispatched to shareholders and will be available at the above websites in and dispatched to shareholders in due course.

By Order of the Board
Ng Pui Keung
Chairman

Hong Kong, 30 August 2012

As at the date hereof, the Board comprises Mr. Ng Pui Keung and Mr. You Xiaofei as Executive Directors and Mr. Cheung Chung Leung, Richard, Mr. Lo Wai Hung and Ms. Pang Yuen Shan, Christina as Independent Non-executive Directors.