GREENFIELD CHEMICAL HOLDINGS LIMITED
嘉輝化工控股有限公司*

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 582)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

The board of directors (the "**Directors**") (the "**Board**") of Greenfield Chemical Holdings Limited (the "**Company**") hereby presents the unaudited condensed consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2013 together with the comparative figures for the corresponding period in 2012 which have been reviewed by the Company's auditor, Zenith CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). The audit committee of the Company (the "**Audit Committee**") has reviewed and discussed with the management of the Company and the Company's auditor the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2013.

* *For identification purposes only*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
SIX MONTHS ENDED 30 JUNE 2013

		Six months ended 30 June	
		2013	2012
		HK$'000	*HK$'000*
	Notes	**(Unaudited)**	(Unaudited)
CONTINUING OPERATION			
Revenue	*3*	**87,962**	69,199
Cost of sales		**(66,693)**	(53,153)
Gross profit		**21,269**	16,046
Other income		**903**	1,826
Distribution and selling expenses		**(3,673)**	(2,834)
Administrative expenses		**(30,861)**	(52,737)
Impairment of trade and other receivables		**(4,217)**	(5,127)
Fair value gains on derivative components of convertible notes	*19*	**1,312**	–
Loss on redemption of convertible notes	*19*	**–**	(10,918)
Impairment of goodwill		**–**	(102,104)
Finance costs	*4*	**(3,494)**	(7,263)
LOSS BEFORE TAX	*5*	**(18,761)**	(163,111)
Income tax credit	*6*	**1,053**	984
LOSS FOR THE PERIOD FROM CONTINUING OPERATION		**(17,708)**	(162,127)
DISCONTINUED OPERATION			
Loss for the period from discontinued operation	*8*	**–**	(83,962)
LOSS FOR THE PERIOD		**(17,708)**	(246,089)

	Notes	Six months ended 30 June **2013** ***HK$'000*** **(Unaudited)**	 2012 *HK$'000* (Unaudited)
LOSS FOR THE PERIOD		**(17,708)**	(246,089)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**4,598**	(2,894)
Items that will not be reclassified to profit or loss:			
Release of exchange differences upon disposal of subsidiaries		**–**	(29,562)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD (NET OF TAX)		**4,598**	(32,456)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(13,110)**	(278,545)
Loss for the period attributable to:			
Owners of the Company		**(17,080)**	(239,235)
Non-controlling interests		**(628)**	(6,854)
		(17,708)	(246,089)
Total comprehensive loss for the period attributable to:			
Owners of the Company		**(11,940)**	(270,117)
Non-controlling interests		**(1,170)**	(8,428)
		(13,110)	(278,545)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	*7*		
Basic and diluted:			
For loss for the period		**HK(0.9) cents**	HK(18.6) cents
For loss from continuing operation		**HK(0.9) cents**	HK(11.9) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Notes	30 June 2013 HK$'000 (Unaudited)	31 December 2012 HK$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*9*	**141,907**	143,856
Prepaid lease payments	*9*	**598,025**	15,955
Goodwill	*10*	**75,135**	75,135
Intangible assets		**69,718**	72,720
		884,785	307,666
CURRENT ASSETS			
Prepaid lease payments	*9*	**8,985**	388
Inventories		**63,482**	60,008
Trade and other receivables	*11*	**83,624**	75,549
Tax recoverable		**837**	–
Bank balances and cash		**40,162**	49,259
		197,090	185,204
CURRENT LIABILITIES			
Trade and other payables	*12*	**121,730**	69,466
Tax payable		**2,713**	2,830
Bank borrowings	*14*	**75,828**	74,631
Deferred revenue		**500**	797
Loan from government		**7,420**	7,056
		208,191	154,780
NET CURRENT (LIABILITIES)/ASSETS		**(11,101)**	30,424
TOTAL ASSETS LESS CURRENT LIABILITIES		**873,684**	338,090

	Notes	**30 June 2013** *HK$'000* **(Unaudited)**	31 December 2012 *HK$'000* (Audited)
NON-CURRENT LIABILITIES			
Convertible notes	*19*	**418,839**	–
Deferred tax liabilities		**4,859**	5,994
		423,698	5,994
NET ASSETS		**449,986**	332,096
EQUITY			
Equity attributable to owners of the Company			
Issued capital	*13*	**37,045**	191,002
Reserves		**336,033**	63,016
		373,078	254,018
Non-controlling interests		**76,908**	78,078
		449,986	332,096

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SIX MONTHS ENDED 30 JUNE 2013

	Attributable to owners of the Company									
	Issued capital HK$'000	Share premium HK$'000	Special reserve HK$'000 (note a)	Contributed surplus HK$'000 (note c)	Translation reserve HK$'000	Non-distributable reserve HK$'000 (note b)	(Accumulated losses)/ retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2013 (audited)	**191,002**	**88,679**	**–**	**–**	**11,029**	**2,552**	**(39,244)**	**254,018**	**78,078**	**332,096**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**–**	**(17,080)**	**(17,080)**	**(628)**	**(17,708)**
Exchange differences arising on translation of foreign operation	**–**	**–**	**–**	**–**	**5,140**	**–**	**–**	**5,140**	**(542)**	**4,598**
Total comprehensive income/(loss) for the period	**–**	**–**	**–**	**–**	**5,140**	**–**	**(17,080)**	**(11,940)**	**(1,170)**	**(13,110)**
Issue of shares upon exercise of convertible notes	**17,945**	**113,055**	**–**	**–**	**–**	**–**	**–**	**131,000**	**–**	**131,000**
Transfer of credit arising from the capital reduction in relation to the capital reorganisation	**(171,902)**	**–**	**–**	**171,902**	**–**	**–**	**–**	**–**	**–**	**–**
At 30 June 2013 (unaudited)	**37,045**	**201,734**	**–**	**171,902**	**16,169**	**2,552**	**(56,324)**	**373,078**	**76,908**	**449,986**
At 1 January 2012 (audited)	27,286	100,853	32,000	–	38,463	8,919	275,557	483,078	335,658	818,736
Loss for the period	–	–	–	–	–	–	(239,235)	(239,235)	(6,854)	(246,089)
Exchange differences arising on translation of foreign operation	–	–	–	–	(1,320)	–	–	(1,320)	(1,574)	(2,894)
Release of exchange differences upon disposal of subsidiaries	–	–	–	–	(29,562)	–	–	(29,562)	–	(29,562)
Total comprehensive loss for the period	–	–	–	–	(30,882)	–	(239,235)	(270,117)	(8,428)	(278,545)
Released upon disposal of subsidiaries	–	–	(32,000)	–	–	(6,367)	38,367	–	(237,241)	(237,241)
Transfer	–	(100,853)	–	–	–	–	100,853	–	–	–
Issue of shares	13,643	88,679	–	–	–	–	–	102,322	–	102,322
Bonus issue	150,073	–	–	–	–	–	(150,073)	–	–	–
At 30 June 2012 (unaudited)	191,002	88,679	–	–	7,581	2,552	25,469	315,283	89,989	405,272

Notes:

(a) The special reserve of the Group represents the nominal value of 32,000,000 non-voting class A shares of HK$1 each issued by a subsidiary of the Company to its then shareholders prior to the group reorganisation in 2002.

(b) The non-distributable reserve of the Group mainly represents statutory reserve requirement that the foreign investment enterprises appropriated 10% of the profit after taxation of the subsidiaries of the Company registered in the People's Republic of China (the "**PRC**") other than Hong Kong to the non-distributable reserve under the PRC laws and regulations until the transferred amount met 50% of the registered capital of these PRC subsidiaries.

(c) The contributed surplus of the Company represents the credit arising from a capital reduction of the Company and the contributed surplus will be used to offset accumulated losses of the Company. Any credit standing in the contributed surplus account of the Company will be used in any manner permitted by laws of Bermuda and the bye-laws of the Company.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED 30 JUNE 2013

1. BASIS OF PREPARATION

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

As at 30 June 2013, the Group had net current liabilities of HK$11,101,000. The Directors have given due consideration to the liquidity of the Group and have adopted the going concern basis in preparing the condensed consolidated financial statements as it is expected that proceeds from pre-sale of the residential properties at a project site held by a subsidiary of the Company will be received at the expected commencement of the pre-sale activities in late-2013 or early-2014. In addition, the ultimate holding company of the Company will provide continuous financial support and adequate funds to the Company to enable it to meet its liabilities as and when they fall due.

The interim condensed consolidated financial statements have been prepared under historical cost convention. The interim condensed consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand, except otherwise indicated.

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those adopted in the annual consolidated financial statements of the Group for the year ended 31 December 2012, which have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance, except for the adoption of the new and revised HKFRSs effective as of 1 January 2013, which are set out below.

The Group has adopted the following new and revised HKFRSs for the first time in the condensed consolidated financial statements.

HKFRS 1 Amendments	Government Loans
HKFRS 7 Amendments	Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Transition Guidance
HKFRS 13	Fair Value Measurement
HKAS 1 Amendments	Presentation of Items of Other Comprehensive Income
HKAS 19 Amendments	Employee Benefits
HKAS 27 (Revised)	Separate Financial Statements
HKAS 28 (Revised)	Investments in Associates and Joint Ventures
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine
Annual Improvements 2009–2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

The adoption of these new and revised HKFRSs has had no significant financial effect on these interim condensed consolidated financial statements and there have been no significant changes to the accounting policies applied in these interim condensed consolidated financial statements.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. SEGMENT INFORMATION

For management purpose, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

(a) the design, manufacturing and sale of the light-emitting diode ("**LED**") (the "**Lighting Business**"); and

(b) the property development in Mainland China (the "**Property Development**").

The directors, being the chief operating decision makers, make the decision on allocation of resources and assessment of performance of the Lighting Business and the Property Development based on the location of customers.

The following table presents revenue and profit information about the Group's operating segments for the six months ended 30 June 2013 and 2012, respectively:

Six months ended 30 June 2013 (unaudited)

	Lighting Business		**Property Development**	
	Overseas	**Mainland China**	**Mainland China**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Revenue — external sales	**38,515**	**49,447**	**–**	**87,962**
Revenue — segment results	**7,705**	**9,891**	**–**	**17,596**
Interest income				**73**
Unallocated corporate income				**830**
Unallocated corporate expenses				**(35,078)**
Finance costs				**(3,494)**
Fair value gains on derivative components of convertible notes				**1,312**
Loss before tax				**(18,761)**

Six months ended 30 June 2012 (unaudited)

	Lighting Business		
	Overseas	Mainland China	Total
	HK$'000	*HK$'000*	*HK$'000*
Revenue — external sales	37,740	31,459	69,199
Revenue — segment results	6,325	1,760	8,085
Interest income			13
Unallocated corporate income			1,813
Unallocated corporate expenses			(52,737)
Finance costs			(7,263)
Impairment of goodwill			(102,104)
Loss on redemption of convertible notes			(10,918)
Loss before tax			(163,111)

The following table presents segment assets and liabilities of the Group's operating segments from the continuing operations as at 30 June 2013 and 31 December 2012:

	Lighting Business	**Property Development**	**Sub-total**	**Corporate and other unallocated**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Operating assets					
30 June 2013 (unaudited)	**474,534**	**593,225**	**1,067,759**	**14,116**	**1,081,875**
31 December 2012 (audited)	469,184	–	469,184	23,686	492,870
Operating liabilities					
30 June 2013 (unaudited)	**160,565**	**43,225**	**203,790**	**428,099**	**631,889**
31 December 2012 (audited)	150,803	–	150,803	9,971	160,774

4. FINANCE COSTS

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Continuing operation:		
Interest charged on bank and other borrowings wholly repayable within five years	**2,093**	4,354
Interest on loan from government	**250**	228
Interest on convertible notes *(note 19)*	**1,151**	2,681
	3,494	7,263

5. LOSS BEFORE TAX

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Continuing operation:		
Loss before tax has been arrived at after (crediting)/charging:		
Interest income	**(73)**	(13)
Amortisation of intangible assets	**4,171**	4,058
Amortisation of prepaid lease payments	**207**	171
Depreciation of property, plant and equipment	**6,214**	5,025
(Gain)/loss on disposal of subsidiaries	**(79)**	88,539

6. INCOME TAX CREDIT

No provision for Hong Kong profits tax has been made as the Group did not generate assessable profits arising in Hong Kong during the six months ended 30 June 2013 and 2012. Taxes on profits assessable elsewhere have been calculated at the tax rates prevailing in the countries in which the Group operates.

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Continuing operation:		
Current tax — PRC	**18**	–
Deferred tax	**(1,071)**	(984)
Total tax credit for the period	**(1,053)**	(984)

7. LOSS PER SHARE

The calculation of basic and diluted loss per share from continuing and discontinued operations are based on:

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company, used in the basic and diluted loss per share calculation:		
— From continuing operation	**(17,080)**	(153,121)
— From discontinued operation	**–**	(86,114)
	(17,080)	(239,235)
Number of shares	***'000***	*'000*
Weighted average number of shares for the purpose of calculating basic and diluted loss per share	**1,908,744**	1,287,103

The weighted average number of ordinary shares for the purpose of basic and diluted loss per share for the six months ended 30 June 2012 has been adjusted for the open offer (with the bonus issue) that became effective on 8 May 2012.

	Six months ended 30 June 2012
	HK$'000
	(Unaudited)
Loss for the period from discontinued operation	(83,962)
Less: profit for the period from discontinued operation attributable to non-controlling interests	2,152
Loss attributable to owners of the Company from the discontinued operation	(86,114)

The conversion of the Company's outstanding convertible notes would decrease the loss per share, after taking into account the effect of the interest of the convertible notes liability and fair value change on derivative components of convertible notes, and is therefore considered as anti-dilutive.

From discontinued operation

For the six months ended 30 June 2012, basic and diluted loss per share from discontinued operation is HK6.7 cents per share, based on the loss for the period from discontinued operation of HK$86,114,000 and the denominators detailed above for both basic and diluted loss per share.

8. DISCONTINUED OPERATION

In January 2012, the Company entered into a sale and purchase agreement with an independent third party, Mezzo International Limited, to dispose of 51% equity interest in Rookwood Investments Limited ("**Rookwood**") (being the entire interest directly held by the Company) for a consideration of HK$154,000,000, resulted a loss on disposal amounted to approximately HK$88,539,000 during the six months ended 30 June 2012. Rookwood and its subsidiaries and associates are principally engaged in the manufacturing and trading of liquid coatings, power coatings and solvents business.

The loss for the period from discontinued operation is analysed as follows:

	Six months ended 30 June 2012 *HK$'000* (Unaudited)
Profit from discontinued operation	4,577
Loss on disposal of subsidiaries	(88,539)
Loss for the period from discontinued operation	(83,962)

An analysis of the results of discontinued operation included in the condensed consolidated statement of comprehensive income is as follows:

	Six months ended 30 June 2012 *HK$'000* (Unaudited)
Revenue	65,777
Expenses	(60,165)
Profit before tax	5,612
Income tax	(1,035)
Profit from discontinued operation	4,577

9. PROPERTY, PLANT AND EQUIPMENT AND PREPAID LEASE PAYMENTS

During the six months ended 30 June 2013, the Group spent HK$1,423,000 (six months ended 30 June 2012: HK$348,000) on acquisition of property, plant and equipment and prepaid lease payments, excluding property, plant and equipment and prepaid lease payments acquired through acquisition of subsidiaries (note 18).

During the six months ended 30 June 2013, the Group disposed of certain property, plant and equipment with a carrying amount of HK$294,000 (six months ended 30 June 2012: HK$157,000) and resulting in a loss on disposal of HK$75,000 (six months ended 30 June 2012: a loss on disposal of HK$65,000).

10. GOODWILL

	Total *HK$'000*
Cost	
At 1 January 2012, 31 December 2012, 1 January 2013 and 30 June 2013	**203,392**
Impairment	
At 1 January 2012	**–**
Impairment losses recognised in the year ended 31 December 2012	**(128,257)**
At 31 December 2012 and 1 January 2013	**(128,257)**
Impairment losses recognised in the period ended 30 June 2013	**–**
At 30 June 2013	**(128,257)**
Carrying amounts	
At 30 June 2013 (Unaudited)	**75,135**
At 31 December 2012 (Audited)	**75,135**

Goodwill was allocated to the cash-generating unit ("**CGU**") for the Lighting Business. During the period, no impairment of goodwill (six months ended 30 June 2012: HK$102,104,000) was recognised.

As at 30 June 2013, a valuation was carried out by Roma Appraisals Limited, an independent, professionally qualified valuer, to assess the recoverable amount of the CGU. The recoverable amount for the CGU has been determined based on the fair value calculations, covering a detailed five-year budget plan.

11. TRADE AND OTHER RECEIVABLES

	30 June 2013 HK$'000 (Unaudited)	31 December 2012 HK$'000 (Audited)
Trade receivables from third parties	**70,081**	62,605
Prepayments, deposits and other receivables	**13,543**	12,944
	83,624	75,549

The Group allows credit periods ranged from 30 days to 90 days to its trade customers. The following is an aged analysis of trade receivables net of impairment presented based on the invoice date at the end of the reporting period:

	30 June 2013 HK$'000 (Unaudited)	31 December 2012 HK$'000 (Audited)
0–30 days	**13,499**	13,291
31–60 days	**16,014**	13,052
61–90 days	**8,496**	7,468
Over 90 days	**32,072**	28,794
	70,081	62,605

12. TRADE AND OTHER PAYABLES

	30 June 2013 HK$'000 (Unaudited)	31 December 2012 HK$'000 (Audited)
Trade payables to third parties	**47,794**	37,723
Accruals, deposits received and other payables	**73,936**	31,743
	121,730	69,466

The following is an aged analysis of trade payables presented based on invoice date at the end of the reporting period:

	30 June 2013 HK$'000 (Unaudited)	31 December 2012 HK$'000 (Audited)
0–30 days	**17,002**	16,113
31–60 days	**13,592**	12,272
61–90 days	**10,106**	3,861
Over 90 days	**7,094**	5,477
	47,794	37,723

13. SHARE CAPITAL

	Number of shares '000	Total value HK$'000
Authorised:		
At 1 January 2012	1,000,000	100,000
Additions during the year *(note (a))*	4,000,000	400,000
At 31 December 2012 and 1 January 2013	5,000,000	500,000
Share subdivision *(note (c)(ii))*	45,000,000	–
At 30 June 2013	50,000,000	500,000
Issued and fully paid:		
At 1 January 2012	272,860	27,286
Issue of open offer shares *(note (b))*	136,430	13,643
Issue of bonus shares *(note (b))*	1,500,730	150,073
At 31 December 2012 and 1 January 2013	1,910,020	191,002
Capital reduction *(note (c)(i) and (iii))*	–	(171,902)
Issue of shares upon exercise of convertible notes *(note (d))*	1,794,520	17,945
At 30 June 2013	3,704,540	37,045

Notes:

(a) Pursuant to a resolution passed at the Company's extraordinary general meeting held on 28 March 2012, the authorised share capital of the Company was increased from HK$100,000,000 to HK$500,000,000 by the creation of 4,000,000,000 additional shares of HK$0.1 each, ranking pari passu in all respects with the existing shares of the Company.

(b) On 28 March 2012, the shareholders of the Company (the "**Shareholders**") approved by way of poll the open offer on the basis of one offer share for every two existing shares held on 11 April 2012 to the qualifying Shareholders, at an issue price of HK$0.75 per offer share, resulting in the issue of 136,430,000 shares of HK$0.1 each for a total cash consideration, before expenses, of HK$102,322,000 upon completion in May 2012. In addition to the open offer, a bonus issue on the basis of eleven bonus shares for every one offer share taken up after the open offer, resulting in the issue of 1,500,730,000 shares.

(c) Pursuant to a special resolution passed at a special general meeting of the Company held on 19 April 2013, a capital reorganisation was implemented by the Company which involved:

(i) the reduction in the issued share capital of the Company by cancellation of paid-up capital to the extent of HK$0.09 on each issued share so that the par value of each issued share has been reduced from HK$0.1 to HK$0.01;

(ii) the subdivision of each authorised but unissued existing share into ten shares of HK$0.01 each;

(iii) the transfer of the credit arising from the capital reduction of HK$171,902,000 to the contributed surplus of the Company.

Details of which are set out in the Company's circular dated 25 March 2013.

(d) On 28 June 2013, the Company allotted and issued 1,794,520,000 shares of HK$0.01 each upon the exercise of the conversion rights attached to convertible notes in the aggregate principal amount of HK$131,000,000.

14. BANK BORROWINGS

	30 June 2013 *HK$'000* **(Unaudited)**	31 December 2012 *HK$'000* (Audited)
Within one year:		
Bank borrowings, secured *(note)*	**75,828**	74,631

Notes: Secured by the Group's property, plant and equipment, prepaid lease payments and intangible assets (see note 17) and the effective interest rates ranged from 5.6%–6.6% (As at 31 December 2012: 5.9%–6.9%) per annum. All bank loans are denominated in Renminbi.

15. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the Group had commitments for future minimum lease payments in respect of office and factory premises under non-cancellable operating leases which fall due as follows:

	30 June 2013 *HK$'000* **(Unaudited)**	31 December 2012 *HK$'000* (Audited)
Within one year	**778**	899
In the second year to fifth year both inclusive	**379**	694
	1,157	1,593

Rentals are negotiated for terms from two to three years (2012: two to three years).

16 . CAPITAL COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	30 June 2013 *HK$'000* **(Unaudited)**	31 December 2012 *HK$'000* (Audited)
Contracted, but not provided for:		
Properties under development	**212,791**	–
Plant and machinery	**–**	234
	212,791	234

17. PLEDGE OF ASSETS

As at 30 June 2013, the Group pledged its property, plant and equipment, prepaid lease payments and intangible assets of HK$119,289,000, HK$16,924,000 and HK$37,921,000 (31 December 2012: HK$139,297,000 (restated), HK$16,343,000 and HK$38,702,000), respectively to secure the general banking facilities.

18. ACQUISITION OF SUBSIDIARIES

On 7 June 2013, the Group acquired 100% equity interest in Double Earn Holdings Limited ("**Double Earn**") from Hong Han Limited ("**Hong Han**"), a controlling Shareholder. Double Earn and its subsidiaries (collectively, "**Double Earn Group**") are engaged in Property Development in Mainland China.

At the time of acquisition, Double Earn Group had not actively engaged in any business and accordingly, in the opinion of the Directors, the acquisition of the Double Earn Group does not constitute a business combination but an acquisition of assets and liabilities. Details of which are set out in the circular issued by the Company dated 25 March 2013.

For accounting purpose, the cost of acquisitions of HK$550,000,000 has been allocated to the following identifiable assets and liabilities of the Double Earn Group as at the date of acquisition as follows:

	HK$'000 (Unaudited)
Net asset acquired:	
Property, plant and equipment	811
Prepaid lease payments	590,086
Other receivables	2,177
Bank balances and cash	151
Other payables	(43,225)
Total identifiable net assets acquired	550,000
Satisfied by:	
Issuance of convertible notes *(note 19)*	550,000
Analysis of cash flows in respect of Double Earn Group is as follows:	
Bank balances and cash acquired with the subsidiaries	151
Cash paid	–
Net inflow of cash and cash equivalents included in cash flows used in investing activities	151

19. CONVERTIBLE NOTES

On 7 June 2013, the Company issued the three-year zero coupon convertible notes at par with a nominal value of HK$550,000,000 to Hong Han in relation to acquisition of 100% equity interests of Double Earn Group. The acquisition was completed on 7 June 2013 and details of the acquisition were disclosed in the circular of the Company dated 25 March 2013. The convertible notes are denominated in Hong Kong dollars. The notes entitle the holder to convert them into ordinary shares of the Company at any time before their maturity at a conversion price of HK$0.073 per ordinary share. If the notes have not been converted, they will be redeemed on maturity date at par.

The convertible notes contained two components, liability component and conversion and early redemption option derivative components. The effective interest rate of the liability component is 4.8% per annum. The conversion and early redemption option derivatives are measured at fair value with changes in fair value recognised in the income statement.

The Company has right to redeem, in whole or in part, the convertible notes, at any time commencing from the issue date to maturity date, by giving the noteholder at least seven business days' prior notice at the redemption amount, which is 100% of the principal amount of the outstanding convertible notes. The noteholder may, at any time during the period commencing from the issue date, and expiring on the maturity date, convert the notes into ordinary shares of the Company.

During the period, convertible notes with a nominal value of HK$131,000,000 were converted into 1,794,520,000 ordinary shares by the exercise of conversion rights attached to the convertible notes.

The movement of the principal amount, the liability component and conversion and early redemption option derivative components of the convertible notes for the period is set out as below:

		Liability and Derivative Components		
	Principal amount *HK$'000*	**Carrying amount of liability component** *HK$'000*	**Conversion and early redemption** *HK$'000*	**Total** *HK$'000*
At 1 January 2012	65,000	53,682	–	53,682
Interest expense *(note 4)*	–	2,681	–	2,681
Interest paid	–	(2,281)	–	(2,281)
Loss on redemption of convertible notes	–	10,918	–	10,918
Redemption of convertible notes	(65,000)	(65,000)	–	(65,000)
At 31 December 2012 and 1 January 2013 (Audited)	–	–	–	–
Issuance of convertible notes	550,000	477,692	72,308	550,000
Interest charged *(note 4)*	–	1,151	–	1,151
Conversion during the period	(131,000)	(113,777)	–	(113,777)
Settlement resulting from conversion during the period	–	–	(17,223)	(17,223)
Fair value gains on derivative components of convertible notes recognised in profit or loss	–	–	(1,312)	(1,312)
At 30 June 2013 (Unaudited)	419,000	365,066	53,773	418,839

The estimation of the fair value of the conversion and early redemption option derivatives is measured based on the Black-Scholes option pricing model. Details of the assumptions of conversion and early redemption option derivatives are as follows:

	30 June 2013
Exercise price	**HK$0.073**
Expected life	**2.94 years**
Risk free rate	**0.518%**
Expected volatility	**3.081%**

20. RELATED PARTY TRANSACTIONS

(a) During the period, the Company acquired Double Earn Group from Hong Han, who is a controlling Shareholder of the Company. The consideration was satisfied by the issuance of convertible notes at a nominal value of HK$550,000,000 by the Company to Hong Han. Details of which are disclosed in notes 18 and 19.

(b) The remuneration of directors and other members of key management of the Company during the reporting period, which is determined by the remuneration committee having regard to the performance of individuals and market trends, is as follows:

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Short-term benefits	**797**	480

21. EVENT AFTER THE REPORTING DATE

On 14 August 2013, the Company and Jeju Free International City Development Center ("**JDC**") entered into a memorandum of agreement (the "**MOA**") with respect to an intended investment into the Myth-History Park project in Jeju, Korea, which is intended to be a world-class mega theme park resort (the "**Intended Investment**"). The Intended Investment may consist of the development, management and operation of hotel(s), casino(s), shopping and entertainment complex, resorts and villas on the land in Jeju of Korea located within the site designated for the theme park.

For the purpose of the Intended Investment, the Company will set up a special purpose vehicle (the "**SPV**") within 30 days after the execution of the MOA, with an initial paid-up capital of not less than KRW50,000,000,000 (equivalent to approximately HK$346,000,000). The payment of the initial paid-up capital of the SPV is to be funded by an unsecured, interest free shareholder's loan from a substantial Shareholder. A deposit of KRW13,600,000,000 (equivalent to approximately HK$94,000,000), being a refundable earnest money to be paid by the SPV to JDC pursuant to the MOA, will be paid to JDC within 5 business days after setting up of the SPV. Details of which have been disclosed in the announcement of the Company dated 14 August 2013.

22. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were approved by the Board on 27 August 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

For the six months ended 30 June 2013, the Group's revenue from continuing operation increased by 27% to approximately HK$87,962,000 (2012: HK$69,199,000). The Group recorded a loss for the period attributable to owners of the Company of approximately HK$17,080,000, compared to a loss of approximately HK$239,235,000 in the corresponding period in 2012. The loss per share was HK0.9 cents (2012: loss per share HK18.6 cents).

Review of Operation

During the period under review, the principal activity of the Company is investment holding, and through its subsidiaries, the Group is engaged in (a) the Lighting Business and (b) the Property Development in Mainland China.

For the Lighting Business, due to the recovery of global economy and the resumption of customer demand, the performance was slightly improved during the first half year of 2013. With the increase in market demand for the LED products, transaction volumes rose as compared to the corresponding period of 2012. The revenue of the Lighting Business was about HK$69,199,000 for the six months ended 30 June 2012 and it raised by 27% to approximately HK$87,962,000 for the corresponding period in 2013.

To generate diversified income and additional cash flow for the Group's continuous development, the Company acquired the entire issued share capital of Double Earn, a company incorporated in the British Virgin Islands with limited liability, at a consideration of HK$550,000,000 (the "**Acquisition**"). Double Earn Group is principally engaged in the development and operation of a parcel of land situated on the western shores of Nanhu Lake[#] (南湖), Yueyang, Hunan Province, PRC (the "**Project Site**"), which will be developed into high-end residential buildings with club houses and parking lots. The Acquisition was completed on 7 June 2013. The construction work has been commenced in July 2013 and pre-sale is expected to begin in around late-2013 or early-2014.

Financial Resources and Liquidity

As at 30 June 2013, the Group had non-current assets of approximately HK$884,785,000 (31 December 2012: HK$307,666,000) and net current liabilities of approximately HK$11,101,000 (31 December 2012: net current assets of HK$30,424,000). The current ratio, expressed as the ratio of the current assets over the current liabilities, was 0.95 as at 30 June 2013 (31 December 2012: 1.20). The sharp decrease in net current assets which resulted in net current liabilities as at 30 June 2013 and a decrease in current ratio was mainly due to the acquisition of Property Development and the issue of convertible notes by the Company with the fair value of HK$418,839,000.

As at 30 June 2013, the Group had trade and other payables of approximately HK$121,730,000 (31 December 2012: HK$69,466,000), bank borrowings of approximately HK$75,828,000 (31 December 2012: HK$74,631,000) and convertible notes of approximately HK$418,839,000 (31 December 2012: Nil), while total liabilities amounted to approximately HK$631,889,000 (31 December 2012: HK$160,774,000). The Group's gearing ratio, which is measured on the basis of the Group's total liabilities divided by total assets, is 58.4% (31 December 2012: 32.6%).

Capital Structure

On 18 April 2013, the Shareholders approved the relevant resolutions in relation to the proposed capital reorganization at a special general meeting of the Company, pursuant to which with effect from 19 April 2013, the issued share capital of the Company was reduced by cancelling the paid-up capital of the Company to the extent of HK$0.09 on each of the issued shares so that the par value of each issued share was reduced from HK$0.1 to HK$0.01 and each authorized but unissued share was subdivided into ten (10) new shares of HK$0.01 each. The credit arising from the capital reduction of approximately HK$171,902,000 was transferred to the contributed surplus account of the Company and would be used to offset accumulated losses of the Company (if any) (the "**Capital Reorganization**").

Upon the completion of the Capital Reorganization, the total number of issued ordinary shares of the Company remained at 1,910,020,000 with the par value reduced from HK$0.1 each to HK$0.01 each.

On 7 June 2013, the Company issued the three-year zero coupon convertible notes at par with a nominal value of HK$550,000,000 to Hong Han, who is the vendor of the Acquisition, as consideration for the Acquisition. The convertible notes are denominated in Hong Kong dollars. The notes entitle the holder to convert them into ordinary shares of the Company at any time before their maturity at a conversion price of HK$0.073 per ordinary share. If the notes have not been converted, they will be redeemed on maturity date at par.

During the period, convertible notes with a nominal value of HK$131,000,000 were being converted into 1,794,520,547 ordinary shares by the exercise of conversion rights attached to the convertible notes. After such conversion and as at 30 June 2013, the total number of issued ordinary share of the Company was 3,704,540,547.

Capital Commitments

As at 30 June 2013, the Group had capital commitment of HK$212,791,000 in respect of the construction of properties being developed (31 December 2012: HK$234,000 in respect of the purchase of production equipment and expansion of production lines).

Save as disclosed above, the Group did not have any other capital commitments.

Contingent Liability

As at 30 June 2013, the Group did not have any contingent liability.

Pledge of Assets

As at 30 June 2013, the Group pledged its property, plant and equipment, prepaid lease payments and intangible assets of approximately HK$119,289,000, HK$16,924,000 and HK$37,921,000 (31 December 2012: HK$139,297,000 (restated), HK$16,343,000 and HK$38,702,000), respectively to secure the general banking facilities.

Save as disclosed above, the Group did not have other pledge of assets.

Treasury Policy

As at 30 June 2013, the Group had no formal treasury policy.

Segment Information

Details of segment information of the Group for the six months ended 30 June 2013 are set out in note 3 to the unaudited condensed consolidated financial statements.

Currency and Interest Rate Structure

Business transactions of the Group are mainly denominated in Hong Kong dollars and Renminbi. Currently, the Group does not enter into any agreement to hedge against the foreign exchange risk. In view of the fluctuation of Renminbi in recent years, the Group will continue monitor the situation closely and will introduce suitable measures as and when appropriate.

The Group had limited exposure to interest rate fluctuation as the interest rates of bank borrowings are fixed throughout the loan term.

Material Acquisition and Disposal

On 22 January 2013, the Company entered into a sale and purchase agreement pursuant to which the Company conditionally agreed to acquire the entire issued share capital of Double Earn, at a consideration of HK$550,000,000. Double Earn Group is principally engaged in the development and operation of a parcel of land situated on the western shores of Nanhu Lake# (南湖), Yueyang, Hunan Province, PRC. The Acquisition was completed on 7 June 2013. Details of which have been disclosed in the announcements of the Company dated 24 January 2013, 18 April 2013 and 7 June 2013 and the circular of the Company dated 25 March 2013.

Save as disclosed above, there was no material acquisition or disposal during the period under review that should be notified to the Shareholders.

Employees and Remuneration Policies

As at 30 June 2013, the Group had around 650 full-time employees with total staff costs amounted to approximately HK$18,999,000 (2012: HK$34,129,000). Including management and administrative staff and production workers, most of the employees were stationed in Mainland China while the rest were in Hong Kong. The remuneration, promotion and salary increments of employees are assessed according to the individual's performance, as well as professional and working experience, and in accordance with prevailing industry practices.

OUTLOOK

Lighting Business

During the six months ended 30 June 2013, transaction volume increased with slight increase in gross profit margin due to the recovery of the global economy and the resume of customer demand as compared to the corresponding period in 2012. However, more new competitors have entered into the LED market in Mainland China with lower technological barrier, causing keen market competition in the market for LED related products and unstable transaction volume of customers. As such, the management will closely monitor the performance of the business in the second half year of 2013.

Meanwhile, the management will thoroughly review both the operations and financial performance of the Lighting Business to formulate long-term business strategy for the Group, which may include the restructuring or downsizing of the Lighting Business if it continues to operate at unfavourable environment.

Property Development

In relation to the Acquisition, the sale of the residential properties at the Project Site will start upon obtaining the pre-sale permit and the pre-sale is expected to begin in around late-2013 or early-2014. After the completion of the construction on the Project Site, the Company will keep looking for other land acquisition opportunities in Yueyang or other provinces with similar prospects to increase the stock of its land bank in the future. The Group is also planning to explore further investment opportunities in Mainland China or overseas to accelerate the Group's growth and future development by leveraging on the experience and network of Mr. Yang Zhihui ("**Mr. Yang**"), the Chairman and an executive Director of the Company.

On 14 August 2013, the Company and JDC entered into the MOA with respect to the intended investment into the Myth-History Park project in Jeju, Korea, which is intended to be a world-class mega theme park resort. The Intended Investment may consist of the development, management and operation of hotel(s), casino(s), shopping and entertainment complex, resorts and villas on the land in Jeju of Korea located within the site designated for the theme park.

The signing of the MOA by the Company represents the Group's first major step to implement such plan and to explore business opportunities in overseas market. In view of the support by the JDC and the Korean government to the Myth-History Park project and hence the Intended Investment, the Directors consider that the MOA provides a potential opportunity for the Group to participate in the real estate, entertainment and hotel and hospitality markets in Korea and to further enhance the investment portfolio and future earning capability and potential of the Group. Details of which have been disclosed in the announcement of the Company dated 14 August 2013.

In addition, the Company will keep looking for fund raising opportunities to further strengthen the financial position of the Group as and when appropriate. As at the reporting date, the Company has not yet identified any fund raising opportunities.

Dividend

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2013 (six months ended 30 June 2012: nil).

DIRECTORS' INTERESTS

At 30 June 2013, none of the Directors and chief executive of the Company had any interests and short positions in shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("**SFO**")) which were required (i) pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interest and short positions in which they are deemed or taken to have under such provisions of the SFO) to be notified to the Company and the Stock Exchange, or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in Appendix 10 to the Listing Rules (the "**Model Code**") to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2013, the register of substantial Shareholders maintained by the Company pursuant to Section 336 of the SFO shows the following Shareholders had notified the Company of relevant interests and short position in the issued share capital of the Company.

Name	Capacity	Number of shares held	Long or Short Position	Percentage of issued share capital of the Company
Hong Han	Beneficial Owner *(Note 1)*	8,514,246,573	Long	229.83%
Mr. Wan Zhongbo ("**Mr. Wan**")	Held by controlled corporation *(Note 1)*	8,514,246,573	Long	229.83%
Ms. Liu Jia ("**Ms. Liu**")	Held by controlled corporation *(Note 1)*	8,514,246,573	Long	229.83%
Landing International Limited ("**Landing**")	Beneficial Owner *(Note 2)*	8,027,945,204	Long and Short	216.71% (Long) 216.71% (Short)
Mr. Yang	Held by controlled corporation *(Note 2)*	8,027,945,204	Long and Short	216.71% (Long) 216.71% (Short)

Notes:

1. Hong Han is wholly and beneficially owned by each of Mr. Wan and Ms. Liu as to 50%. Therefore, Mr. Wan and Ms. Liu are deemed to be interested in the shares of the Company held by Hong Han.

2. Landing is wholly and beneficially owned by Mr. Yang. Therefore, Mr. Yang is deemed to be interested in the shares of the Company held by Landing. Landing held 2,774,520,547 shares of the Company ("**Sale Shares**") and convertible notes in the principal amount of HK$383,500,000 ("**Sale Convertible Notes**") conferring rights to convert into 5,253,424,657 shares at the initial conversion price of HK$0.073 per share (subject to adjustment). As security of the Landing's payment obligations of the consideration for acquiring the Sale Shares and Sale Convertible Notes, Landing entered into certain mortgages to charge, mortgage and assign to Hong Han all its rights, title and interest in and to the Sale Shares and the Sale Convertible Notes on completion. Hong Han held convertible notes in the principal amount of HK$35,500,000 conferring rights to convert into 486,301,369 shares of the Company at the initial conversion price of HK$0.073 per Share (subject to adjustment).

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30 June 2013.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30 June 2013, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

SHARE OPTION SCHEME

The Company adopted the share option scheme pursuant to an ordinary resolution passed on 11 June 2010 (the "**Share Option Scheme**"). During the annual general meeting held on 11 June 2013 (the "**AGM**"), the Shareholders duly approved to refresh the total number of shares of the Company which may be issued upon the exercise of all options to be granted under the Share Option Scheme to be 10% of the Company's issued share capital as at the date of the AGM, that is 191,002,000 shares of the Company. No share option has been granted or exercised by the Company since the adoption of the Share Option Scheme.

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Corporate Governance Code as stated in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2013, except for the following deviation:

Code provision A.4.1

Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term and are subject to re-election.

The Company has not fully complied with code provision A.4.1. The existing independent non-executive Directors are not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting. The Board does not believe that arbitrary term limits on Directors' service are appropriate given that directors ought to be committed to representing the long-term interests of the Shareholders.

Code provision A.6.7

Codes provision A.6.7 stipulates that the independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of Shareholders. Due to various work commitments of the independent non-executive Directors, Mr. Chiang Chi Kin, Stephen was unable to attend the AGM and the special general meetings of the Company held on 18 April 2013 and 7 August 2013, and Mr. Fok Ho Yin, Thomas and Mr. Ng Hoi Yue were unable to attend the special general meetings of the Company held on 18 April 2013 and 7 August 2013.

MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the Model Code for securities transaction by Directors. Having made specific enquiry, all Directors confirmed that they have complied with the required standard set out in the Model Code during the six months ended on 30 June 2013.

AUDIT COMMITTEE REVIEW

As at the date of this announcement, the Audit Committee comprises Mr. Fok Ho Yin, Thomas, Mr. Ng Hoi Yue and Mr. Chiang Chi Kin, Stephen, the independent non-executive Directors of the Company. The Audit Committee has reviewed with the management and external auditors in relation to the accounting principles and practices adopted by the Group and has discussed auditing, internal controls and financial reporting matters including the review of the unaudited condensed consolidated interim financial statements for the six months ended on 30 June 2013.

CHANGE IN CONTROL AND MANDATORY CASH OFFER

On 14 June 2013, Hong Han (the "**Vendor**"), Landing International Limited (the "**Offeror**") and Mr. Yang as the Offeror's guarantor entered into a sale and purchase agreement, pursuant to which the Vendor has conditionally agreed to sell and the Offeror has conditionally agreed to acquire (i) 2,774,520,547 Sale Shares, comprising 980,000,000 shares of the Company beneficially owned by the Vendor and 1,794,520,547 conversion shares to be allotted and issued to the Vendor by the Company upon the exercise of the conversion rights attached to the convertible notes in the aggregate principal amount of HK$131,000,000 beneficially owned by the Vendor and (ii) the Sale Convertible Notes in the aggregate principal amount of HK$383,500,000, which are convertible into 5,253,424,657 conversion shares at the conversion price of HK$0.073 per conversion share at a total cash consideration of HK$1,324,000,000. Completion of the sale and purchase of the Sale Shares and the Sale Convertible Notes took place on 5 July 2013. The Offeror was required under the Hong Kong Codes on Takeovers and Mergers to make a mandatory unconditional cash offer to acquire all the issued shares in the Company (other than those shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it) (the "**Offer**"). The Offer was closed on 8 August 2013.

Upon the close of the Offer and as at the date of this announcement, having made all reasonable enquiries and to the best of the knowledge and belief of the Offeror, 2,774,725,067 shares of the Company, representing approximately 74.90% of the entire issued share capital of the Company, are held by the Offeror and its concert parties while 929,815,480 shares of the Company, representing approximately 25.10% of the entire issued share capital of the Company, remain in public hands. Accordingly, the Company is in compliance with the public float requirement under the applicable Listing Rules.

The change of the English name of the Company from "Greenfield Chemical Holdings Limited" to "Landing International Development Limited" and the adoption of the Chinese name "藍鼎國際發展有限公司" as the secondary name of the Company to replace the existing Chinese name "嘉輝化工控股有限公司" which has been used for identification purposes only were proposed and the Shareholders have approved such changes on 8 August 2013. Approval of the Registrar of Companies in Bermuda has been obtained for such changes with effective from 8 August 2013. The Company is carrying out necessary filing procedures with the Companies Registry in Hong Kong and after such procedures are completed, the Company will announce the change in the stock short names and details of the arrangement for free exchange of share certificates in compliance with the Listing Rules.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises Mr. Yang Zhihui (Chairman), Mr. Kong Fanbo, Ms. Zhou Xueyun and Mr. Li Li, as executive Directors and Mr. Fok Ho Yin, Thomas, Mr. Ng Hoi Yue and Mr. Chiang Chi Kin, Stephen as independent non-executive Directors.

By order of the Board
Greenfield Chemical Holdings Limited
Yang Zhihui
Executive Director and Chairman

Hong Kong, 27 August 2013

\# *The English translation of Chinese names or words in this announcement, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

In case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.