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CENERIC (HOLDINGS) LIMITED

新嶺域(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 542)

2013 INTERIM RESULTS ANNOUNCEMENT

UNAUDITED INTERIM RESULTS

The Board of Directors of Ceneric (Holdings) Limited (the “Company”) is pleased to present the unaudited 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 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		For the six months ended 30 June	
	<i>Note</i>	2013	2012
		HK\$'000	HK\$'000
		(Unaudited)	(restated)
CONTINUING OPERATIONS			
REVENUE	5	1,103	1,834
Cost of sales		(601)	(1,113)
Gross profit		502	721
Other income	6	858	60,738
Selling expenses		(241)	(223)
Administrative expenses		(20,342)	(7,550)
Finance costs		(39)	—
(LOSS)/PROFIT BEFORE TAX		(19,262)	53,686
Income tax expense	8	—	—

		For the six months ended 30 June	
		2013	2012
		HK\$'000	HK\$'000
	<i>Note</i>	(Unaudited)	(restated)
(Loss)/Profit for the period from continuing operations		(19,262)	53,686
DISCONTINUED OPERATION			
Loss for the period from a discontinued operation		<u>—</u>	<u>(54,092)</u>
LOSS FOR THE PERIOD		<u>(19,262)</u>	<u>(406)</u>
Attributable to:			
Owners of the Company		(18,022)	727
Non-controlling interests		<u>(1,240)</u>	<u>(1,133)</u>
		<u>(19,262)</u>	<u>(406)</u>
EARNINGS (LOSS) PER SHARE	9		
Basic and diluted			
— For (loss)/profit for the period		<u>(0.93 cent)</u>	<u>0.04 cent</u>
— For (loss)/profit from continuing operations		<u>(0.93 cent)</u>	<u>0.04 cent</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30 June	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (restated)
Loss for the period	<u>(19,262)</u>	<u>(406)</u>
Other comprehensive income:		
Reclassification adjustments for gain on available-for-sale financial assets	<u>–</u>	<u>–</u>
Changes in fair value of available-for-sale financial assets	<u>2,197</u>	<u>13,201</u>
	<u>2,197</u>	<u>13,201</u>
Exchange differences on translation of foreign operations	<u>1,706</u>	<u>(1,316)</u>
Other comprehensive income for the period, net of tax	<u>3,903</u>	<u>11,885</u>
Total comprehensive (expense)/income for the period	<u><u>(15,359)</u></u>	<u><u>11,479</u></u>
Attributable to:		
Owners of the Company	<u>(14,119)</u>	<u>12,612</u>
Non-controlling interests	<u>(1,240)</u>	<u>(1,133)</u>
	<u><u>(15,359)</u></u>	<u><u>11,479</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 June 2013 <i>HK\$'000</i> (Unaudited)	At 31 December 2012 <i>HK\$'000</i> (Audited)
	<i>Note</i>		
NON-CURRENT ASSETS			
Property, plant and equipment	11	21,648	22,344
Property under development		–	–
Prepaid land lease payments		2,988	2,983
Investment in an associate		–	–
Available-for-sale financial assets	12	23,576	21,379
Other assets		8,042	8,492
Pledged bank balances		2,408	2,362
Deferred tax assets		–	–
		<u>58,662</u>	<u>57,560</u>
CURRENT ASSETS			
Properties held for sale under development		66,930	66,816
Properties held for sale		28,200	27,820
Inventories		330	224
Trade receivables	13	41	50
Prepayments, deposits and other receivables		154,666	51,732
Financial assets at fair value through profit or loss		–	–
Due from related companies		–	–
Due from associates		–	–
Cash and cash equivalents		349,158	477,344
		<u>599,325</u>	<u>623,986</u>
TOTAL CURRENT ASSETS			
		<u>599,325</u>	<u>623,986</u>
CURRENT LIABILITIES			
Due to related companies		2,279	2,279
Due to associates		182	182
Obligations under finance leases	14	386	–
Tax payables		6,526	6,595
Trade payables, other payables and accruals	15	34,747	43,705
Non-interest bearing other borrowings		16,710	16,710
		<u>60,830</u>	<u>69,471</u>
TOTAL CURRENT LIABILITIES			
		<u>60,830</u>	<u>69,471</u>

		At 30 June 2013 <i>HK\$'000</i> (Unaudited)	At 31 December 2012 <i>HK\$'000</i> (Audited)
	<i>Note</i>		
NET CURRENT ASSETS		538,495	554,515
NON-CURRENT LIABILITIES			
Obligations under finance leases	14	<u>441</u>	<u>–</u>
NET ASSETS		<u>596,716</u>	<u>612,075</u>
CAPITAL AND RESERVES			
Share capital	16	19,316	19,316
Reserves		<u>529,167</u>	<u>543,286</u>
Equity attributable to owners of the Company		548,483	562,602
Non-controlling interests		<u>48,233</u>	<u>49,473</u>
TOTAL EQUITY		<u>596,716</u>	<u>612,075</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 June 2013

	Attributable to owners of the Company								
	Share capital	Share premium account	Foreign currency translation reserve	Capital reduction reserve	Other reserve	Available for sales financial assets valuation reserve	Accumulated profit/(losses)	Total	Non-controlling interests
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
At 1 January 2013	19,316	223,215	8,818	191,925	(708)	15,728	104,308	562,602	49,473
Loss for the period	-	-	-	-	-	-	(18,022)	(18,022)	(1,240)
Other comprehensive income/(expenses) for the period	-	-	1,706	-	-	2,197	-	3,903	-
Total comprehensive income/(expense) for the period	-	-	1,706	-	-	2,197	(18,022)	(14,119)	(1,240)
At 30 June 2013	19,316	223,215	10,524	191,925	(708)	17,925	86,286	548,483	48,233
At 1 January 2012	19,316	223,216	17,586	191,925	(1,522)	-	9,381	459,902	58,884
Profit for the period	-	-	-	-	-	-	727	727	(1,133)
Other comprehensive income/(expenses) for the period	-	-	(1,316)	-	-	13,201	-	11,885	-
Total comprehensive income/(expense) for the period	-	-	(1,316)	-	-	13,201	727	12,612	(1,133)
At 30 June 2012	19,316	223,216	16,270	191,925	(1,522)	13,201	10,108	472,514	57,751

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended 30 June	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
NET CASH GENERATED FROM OPERATING ACTIVITIES	521	1,117
NET CASH USED IN INVESTING ACTIVITIES	(130,785)	(7,773)
NET CASH GENERATED FROM FINANCING ACTIVITIES	<u>788</u>	<u>–</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(129,476)	(6,656)
Cash and cash equivalents at the beginning of period	477,344	429,647
Effect of foreign exchange rate changes, net	<u>1,290</u>	<u>(1,190)</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u><u>349,158</u></u>	<u><u>421,801</u></u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u><u>349,158</u></u>	<u><u>421,801</u></u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The condensed consolidated interim 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 and with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). These condensed consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared in accordance with the accounting policies adopted in the Group’s annual audited consolidated financial statements for the year ended 31 December 2012. The Group has adopted all of the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the HKICPA which are relevant to its operations and effective for accounting periods beginning or after 1 January 2013:

- Amendments to HKAS 1 (Revised) “Presentation of Items of Other Comprehensive Income”
- Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 — “Transition Guidance”
- Amendments to HKFRS 7 “Financial Instruments: Disclosures — Offsetting Financial Assets and Financial Liabilities”
- Annual Improvements to HKFRS 2009–2011 Cycle
- HKFRS 10 “Consolidated Financial Statements”
- HKFRS 11 “Joint Arrangements”
- HKFRS 12 “Disclosure of Interests in Other Entities”
- HKFRS 13 “Fair Value Measurement”
- HKAS 19 (Revised 2011) “Employee Benefits”
- HKAS 27 (Revised 2011) “Separate Financial Statements”
- HKAS 28 (Revised 2011) “Investments in Associates and Joint Ventures”

The adoption of these new/revised HKFRS and interpretations does not have implication to the Group’s accounting policies applied in these interim financial statements except for below:

HKFRS 10 “Consolidated Financial Statements” provides additional guidance on the determination of control. Under HKFRS 10, the Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has applied HKFRS 10 retrospectively in accordance with the standard which has no significant impact on the results and the financial position of the Group.

HKFRS 13 “Fair Value Measurements” defines fair value and provides a single source of fair value measurement and disclosure requirements for use across HKFRS. The requirements do not extend the use of fair value accounting. The Group has applied the new fair value measurement and disclosure requirements prospectively in accordance with the standard.

The Group has not early adopted the new and revised HKFRSs that have been issued but are not yet effective in these condensed consolidated interim financial statements.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of interim financial statements requires management to make judgments, estimate and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2012.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group identifies reportable segments, on the basis of the products and services, for internal reports about components of the Group that are regularly reviewed by the chief operation decision makers for the purpose of allocating resources to segments and assessing their performance. There are two reportable operating segments identified as follows:

- (a) The property development segment comprises the development and sales of properties; and
- (b) The corporate and other businesses segment includes general corporate expense items.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment result represents the profit or loss earned before tax from continuing operations without allocation of interest income from bank deposits, unallocated other income, unallocated corporate expenses (including central administration costs and directors' remuneration) and finance costs. This is the measure reported to the chief operation decision makers and the board of directors for the purposes of resource allocation and performance assessment.

The following is an analysis of the Group's revenue and results by reportable segment:

	For the six months ended 30 June					
	Property development		Corporate and other businesses		Total	
	2013	2012	2013	2012	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue:						
Sales to external customers	1,103	1,834	–	–	1,103	1,834
Other income	250	262	–	175	250	437
Total revenue	1,353	2,096	–	175	1,353	2,271
Reconciliation:						
Interest income					608	3,890
Recovery from impaired available-for-sale financial assets					–	1,014
Gain on waiver of intercompany balances					–	55,397
Revenue from continuing operations					1,961	62,572
Segment results	(3,085)	(2,875)	(11,836)	56,242	(14,921)	53,367
Reconciliation:						
Interest income					608	3,890
Unallocated expenses					(4,949)	(3,571)
(Loss)/Profit before tax for continuing operations					(19,262)	53,686

Revenue reported above represents revenue generated from external customers.

Geographical information

The Group operates in two main geographical areas — Hong Kong and the People's Republic of China (excluding Hong Kong) (the "PRC").

	For the six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue		
Hong Kong	—	—
PRC	<u>1,103</u>	<u>1,834</u>
	<u>1,103</u>	<u>1,834</u>

5. REVENUE

Revenue, which also is the Group's turnover, represents the value of services rendered, and proceeds from sales of properties held for sale during the period.

	For the six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Continuing operations		
Sales of properties held for sale	<u>1,103</u>	<u>1,834</u>
	<u>1,103</u>	<u>1,834</u>

6. OTHER INCOME

	For the six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
	(Unaudited)	(Restated)
Continuing operations		
<i>Other income</i>		
Bank interest income	593	2,812
Other interest income	15	1,078
	<u>608</u>	<u>3,890</u>
Others	250	437
	<u>858</u>	<u>4,327</u>
<i>Gains</i>		
Recovery from impaired available-for-sale financial assets	–	1,014
Gain on waiver of intercompany balances	–	55,397
	<u>–</u>	<u>56,411</u>
	<u><u>858</u></u>	<u><u>60,738</u></u>

7. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Cost of properties sold	601	1,113
Depreciation	2,116	339
Amortisation of prepaid land lease payments	38	37
Recovery from impaired available-for-sale financial assets	–	(1,014)
Gain on waiver of intercompany balances	–	(55,397)
Bank interest income	(593)	(2,812)
Other interest income	(15)	(1,078)
	<u>(608)</u>	<u>(3,890)</u>

8. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Subsidiaries in the People's Republic of China ("PRC") are subject to PRC Enterprise Income Tax at 25% (2012: 25%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries (or jurisdictions) in which the Group operates. No provision for Hong Kong profits tax has been made as the Group did not have an assessable profit on Hong Kong sector during the period (30 June 2012: nil).

	For the six months ended 30 June	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Continuing operations		
PRC tax	—	—

9. EARNINGS (LOSS) PER SHARE

The calculation of basic and diluted earnings per share is based on the profit for the period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 1,931,638,040 (31 December 2012: 1,931,638,040) in issue during the period.

10. DIVIDEND

No dividend was paid or proposed for the six months ended 30 June 2013, nor has any dividend been proposed since the end of the reporting period (30 June 2012: Nil).

11. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately HK\$1,589,000 (31 December 2012: HK\$9,276,000) on additions to property, plant and equipment.

12. AVAILABLE-FOR-SALE FINANCIAL ASSETS

During the period under review, the Group acquired a listed equity security in Hong Kong with carrying value of HK\$23,576,000 as at 30 June 2013, which was classified as available-for-sale financial asset. In addition, the gains on change in the fair value of the available-for-sale financial assets during the period recognised in other comprehensive income amounted to HK\$2,197,000 (30 June 2012: HK\$13,201,000).

13. TRADE RECEIVABLES

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	At 30 June 2013 HK\$'000 (Unaudited)	At 31 December 2012 HK\$'000 (Audited)
Within 1 month	41	50
1–3 months	–	–
4–12 months	–	–
Over 1 year	–	–
	<u>41</u>	<u>50</u>

14. OBLIGATIONS UNDER FINANCE LEASES

At 30 June, 2013, the Group had obligations under finance leases repayable as follows:

	At 30 June 2013 Present value of the minimum lease payments HK\$'000 (Unaudited)	At 31 December 2012 Present value of the minimum lease payments HK\$'000 (Audited)
Within one year	421	–
Payable in the second to fifth years	<u>476</u>	<u>–</u>
	897	–
Less: finance charges allocated to future periods	<u>(70)</u>	<u>–</u>
Present value of lease obligations	<u>827</u>	<u>–</u>

The carrying amount of the Group's obligations under finance leases approximated its fair value.

15. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	At 30 June 2013 HK\$'000 (Unaudited)	At 31 December 2012 HK\$'000 (Audited)
Trade payables	–	–
Received in advance for sales of properties held for sale	825	367
Other payables and accruals	<u>33,922</u>	<u>43,338</u>
	<u>34,747</u>	<u>43,705</u>

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	At 30 June 2013 <i>HK\$'000</i> (Unaudited)	At 31 December 2012 <i>HK\$'000</i> (Audited)
Within 1 month	–	–
1–3 months	–	–
4–12 months	–	–
Over 1 year	–	–
	<u>–</u>	<u>–</u>
	<u>–</u>	<u>–</u>

16. SHARE CAPITAL

	At 30 June 2013 <i>HK\$'000</i> (Unaudited)	At 31 December 2012 <i>HK\$'000</i> (Audited)
Authorised:		
100,000,000,000 (31 December 2012: 100,000,000,000) ordinary shares of HK\$0.01 (31 December 2012: HK\$0.01) each	<u>1,000,000</u>	<u>1,000,000</u>
Issued and fully paid:		
1,931,638,040 (31 December 2012: 1,931,638,040) ordinary shares of HK\$0.01 (31 December 2012: HK\$0.01) each	<u>19,316</u>	<u>19,316</u>

17. CAPITAL COMMITMENTS

As at 30 June 2013, the Group did not have any capital commitments (31 December 2012: HK\$Nil).

18. OPERATING LEASE COMMITMENTS

The Group leases certain of its office properties under operating lease commitments. Leases for properties are negotiated for terms ranging from one to three years.

At 30 June, 2013, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	At 30 June 2013 HK\$'000 (Unaudited)	At 31 December 2012 HK\$'000 (Audited)
Within one year	10,673	10,517
In the second to fifth years, inclusive	9,048	14,368
	<u>19,721</u>	<u>24,885</u>

19. CONTINGENT LIABILITIES

As at 30 June 2013, the Group had contingent liabilities amounting to HK\$2,290,000 (31 December 2012: HK\$3,044,000) in respect of the buy-back guarantee in favor of banks to secure mortgage loans facilities granted to the purchasers of the Group's properties held for sales.

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 the accounts for the guarantees.

20. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had no material transactions with related parties during the six months ended 30 June 2013 and 2012, respectively.
- (b) Remuneration of key managerial personnel of the Group:

	For the six months ended 30 June 2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Short term employee benefits	3,194	1,337
Post-employment benefits	34	6
	<u>3,228</u>	<u>1,343</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Group Overview

For the six months ended 30 June 2013, the Group's total revenue amounted to HK\$1.1 million, compared to HK\$1.8 million for the corresponding period in 2012. The Group recorded a loss for the period of HK\$19.3 million, compared to the loss of HK\$0.4 million for the corresponding period in 2012. The Group's consolidated loss attributable to the owners of the Company for the six months ended 30 June 2013 amounted to HK\$18.0 million, compared to a profit of HK\$0.7 million in the corresponding period in 2012.

Property Development Segment

For the six months ended 30 June 2013, segment revenue of the Property Development Segment amounted to HK\$1.1 million, compared to HK\$1.8 million for the corresponding period in 2012. The segment loss for six months ended 30 June 2013 was HK\$3.1 million compared, to the segment profit of HK\$2.9 million for the corresponding period in 2012.

In line with the normal approach adopted in the recognition of sales, revenue and profits arising from 2 units sold with an accumulated sales value of HK\$0.8 million and profit of HK\$0.5 million have not been recognised in the Group's income statement.

During the period under review, the Group continued focusing on the sale of completed unsold properties. To-date, approximately 99.7% of all residential units completed under Phase I to Phase VIII of Morning Star Villa ("MSV") had been sold, and approximately 96.0% of all residential and commercial units completed under Phase I to Phase IV of Morning Star Plaza ("MSP") had been sold.

The Board is optimistic about the property market in Hong Kong and the PRC, and will plan to engage in property related businesses.

Geographical Segments

During the period, the Group did not have revenue generated from Hong Kong, and the revenue generated from elsewhere in the PRC mainly related to property development.

Acquisition of Hotel

On 27 June 2013, one of the wholly owned subsidiaries of the Company entered into a Sale and Purchase Agreement with an independent third party to acquire conditionally the entire issued share capital in a group of companies (Target Group) for a consideration of HK\$725 million (the Acquisition). The principal asset of the Target Group is its indirectly 100% interest in a hotel property (the "Hotel") situated in Maoming City, Guangdong Province, the PRC. The Hotel comprises 299 guest rooms/suites and is currently operated and managed by a hotel management company, an independent third party, under two management agreements. As the Hotel is being operated and managed by the hotel management company, this can limit the Target Group's risk exposure on cost in respect of maintenance and operation of the Hotel. According to the information provided by the Target Group, the hotel management company at present provides a fixed monthly fee of RMB5.42 million to the Target Group in addition to

a royalty fee which is calculated in proportion to the Hotel's occupancy rate. The Board is of the opinion that the acquisition of the Hotel provides a good opportunity for the Company to participate in hotel business investment and expect that the profit level of the Company will increase after the proposed acquisition. As at the date of this announcement, the Acquisition is in progress and not completed. Details of this Acquisition are available to the public at the Company's website www.cenerichholdings.com.

REVIEW OF FINANCIAL POSITION

Overview

Non-current assets as at 30 June 2013, consisting mainly of property, plant and equipment, property under development, available-for-sale financial assets, pledged bank balances and deferred tax assets, amounted to HK\$58.7 million, compared to HK\$57.6 million as at 31 December 2012. Current assets as at 30 June 2013 amounted to HK\$599.3 million, compared to HK\$624.0 million as at 31 December 2012. Current liabilities as at 30 June 2013 amounted to HK\$60.8 million, compared to HK\$69.5 million as at 31 December 2012. Non-current liabilities as at 30 June 2013 amounted to HK\$0.4 million, compared to HK\$ nil as at 31 December 2012.

Capital Structure, Liquidity and Financial Resources

As at 30 June 2013, the Group's total borrowings amounted to HK\$17.5 million (31 December 2012: HK\$16.7 million). The total borrowings mainly comprised non-interest-bearing other borrowings and obligations under finance leases. As at 30 June 2013, the Group's available banking facilities not utilised is nil (31 December 2012: nil).

The Group's total equity as at 30 June 2013 was HK\$596.7 million (31 December 2012: HK\$612.1 million).

The Group's gearing ratio as at 30 June 2013 was 2.9% (31 December 2012: 2.7%). The gearing ratio was based on total borrowings over the total equity of the Group.

As part of treasury management, the Group centralises funding for all of its operations at the Group level. The Group's foreign currency exposure relates mainly to Renminbi, which is derived from its sales of property units in Zhongshan, PRC.

Capital Commitments

The Group did not have any capital commitments as at 30 June 2013 (31 December 2012: nil).

Contingent Liabilities

As at 30 June 2013, the Group had contingent liabilities amounting to HK\$2.3 million (31 December 2012: HK\$3.0 million). The contingent liabilities were mainly in respect of buy-back guarantees in favour of banks to secure mortgage loans granted to the purchasers of the properties developed by MSV and MSP. The Directors considered that the fair values of such guarantees were insignificant.

Charges on Group Assets

As at 30 June 2013, non-current bank balances amounting to HK\$2.4 million (31 December 2012: HK\$2.4 million) were pledged to certain banks to secure mortgage loan facilities to purchasers of properties developed by MSV and MSP in Zhongshan, Guangdong Province, the PRC. During the period, the Group acquired property, plant and equipment under finance leases. As at 30 June 2013, the carrying amount of the Group's obligations under finance leases of HK\$0.8 million approximated its fair value.

STAFF ANALYSIS

The total number of staff employed by the Group as at 30 June 2013 was 61, compared to 59 as at 31 December 2012. As part of the Group's human resources policy, employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus scale. Currently, the Group has setup a share option scheme for its employees, and continues to implement its overall human resource training and development programme and to equip its employees with the necessary knowledge, skills and experience to deal with the existing and future requirements and challenges.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining the high corporate governance standards and upholding accountability and transparency.

During the six months ended 30 June 2013, the Company has applied the principles of and complied with the applicable code provisions of the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 of the Listing Rules, except for certain deviations which are summarized below:

Code Provisions A.2.1 to A.2.9

Code Provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Code Provisions A.2.2 to A.2.9 further stipulate the roles and responsibilities of the chairman.

The Company does not have a Chairman of the Board at present. It is the Board's intention to appoint the Chairman of the Board as soon as the suitable and appropriate candidate is identified.

Code Provision E.1.2

Code Provision E.1.2 stipulates that the chairman of the board should attend the annual general meeting. He should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In their absence, he should invite another member of the committee or failing this his duly appointed delegate to attend. These persons should be available to answer questions at the annual general meeting.

The Company does not have a Chairman of the Board at present. It is the Board's intention to appoint the Chairman of the Board as soon as the suitable and appropriate candidate is identified. As such, no Chairman of the Board was able to attend the annual general meeting of the Company held on 8 April 2013. However, Mr. Chi Chi Hung, Kenneth, an Executive Director of the Company, took the chair of that meeting and Chairman of the Audit Committee, Remuneration Committee and Nomination Committee was present thereat to be available to answer any question to ensure effective communication with the Shareholders.

Code Provision F.1.1

Code Provision F.1.1 stipulates that the company secretary should be an employee of the issuer and have day-to-day knowledge of the issuer's affairs. Where an issuer engages an external service provider as its company secretary, it should disclose the identity of a person with sufficient seniority at the issuer whom the external provider can contact.

The Company does not have a Company Secretary for the period from 1 January to 4 February 2013.

The Company Secretary has been appointed on 5 February 2013. She is currently an employee of the Company and has day-to-day knowledge of the Company's affairs.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors of the Company. Having made specific enquiry to the Directors, all the Directors confirmed that they had complied with the required standards as set out in the Model Code during the period.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited interim financial statements of the six months ended 30 June 2013. The Audit Committee constituted three Independent Non-Executive Directors of the Company.

DISCLOSURE OF INFORMATION OF THE STOCK EXCHANGE'S WEBSITE

The interim report of the Group for the six months ended 30 June 2013 containing the relevant information required by the Listing Rules will subsequently be published on the Stock Exchange's website in due course.

By order of the Board
Ceneric (Holdings) Limited
CHI Chi Hung, Kenneth
Executive Director

Hong Kong, 28 August 2013

As at the date of this announcement, the Board comprises Mr CHI Chi Hung, Kenneth, Mr HO Tak Pong, Matthew, Mr YEUNG Kwok Leung, and Mr. LEE Kuang Yeu being the Executive Directors; and Ms CHAN Hoi Ling, Ms SO Wai Lam and Mr SUNG Yat Chun being the Independent Non-Executive Directors.