CHINA TYCOON BEVERAGE HOLDINGS LIMITED
中國大亨飲品控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 209)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2012

The Board of Directors (the "Board") of China Tycoon Beverage Holdings Limited (the "Company") hereby announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2012 together with comparative figures as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2012

		Six months ended 30 June	
		2012	2011
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited) (restated)
Revenue	*7*	**139,001**	206,940
Cost of sales		**(133,933)**	(162,907)
Gross profit		**5,068**	44,033
Other revenue and other net income	*7*	**2,788**	7,688
Selling and distribution costs		**(8,915)**	(24,796)
Administrative expenses		**(34,883)**	(38,290)
Net gain on trading securities at fair value through profit or loss	*8*	**2,561**	–
Other operating expenses		**(458)**	(2,568)
Loss from operations		**(33,839)**	(13,933)
Finance costs	*9*	**(2,485)**	(1,387)
Loss before taxation	*8*	**(36,324)**	(15,320)
Income tax	*10*	**(426)**	(4,882)
Loss for the period		**(36,750)**	(20,202)

	Notes	Six months ended 30 June **2012** ***HK$'000*** **(unaudited)**	 2011 *HK$'000* (unaudited) (restated)
Attributable to:			
Owners of the Company		**(33,822)**	(21,257)
Non-controlling interests		**(2,928)**	1,055
Loss for the period		**(36,750)**	(20,202)
Loss per share			
Basic	*11*	**(HK2.01 cents)**	(HK1.28 cents)
Diluted	*11*	**(HK2.01 cents)**	(HK1.28 cents)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2012

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
		(restated)
Loss for the period	**(36,750)**	(20,202)
Other comprehensive (loss)/income for the period		
Exchange differences on translation of financial statements of overseas subsidiaries	**(741)**	12,210
Other comprehensive (loss)/income for the period, net of tax	**(741)**	12,210
Total comprehensive loss for the period, net of tax	**(37,491)**	(7,992)
Attributable to:		
Owners of the Company	**(34,504)**	(9,383)
Non-controlling interests	**(2,987)**	1,391
	(37,491)	(7,992)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2012

	Notes	**As at 30 June 2012 HK$'000 (unaudited)**	As at 31 December 2011 HK$'000 (audited)
Non-current assets			
Property, plant and equipment		**138,423**	142,750
Deposits for acquisition of property, plant and equipment		**13,494**	25,904
Prepaid land premiums		**4,928**	5,003
Intangible assets		**2,676**	2,750
Goodwill		**834**	834
Interests in associates		**–**	–
		160,355	177,241
Current assets			
Trading securities		**151,026**	139,727
Inventories		**155,075**	104,744
Prepaid land premiums		**152**	152
Trade receivables	*13*	**43,838**	92,167
Prepayments, deposits and other receivables		**47,834**	57,268
Loan receivable		**–**	10,062
Derivative financial instruments		**–**	843
Pledged bank deposits		**1,416**	32,847
Cash and cash equivalents		**162,158**	69,113
		561,499	506,923
Current liabilities			
Trade payables	*14*	**67,751**	52,840
Other payables		**158,423**	93,611
Bank overdrafts		**25**	–
Derivative financial instruments		**770**	1,318
Interest-bearing bank borrowings		**92,892**	96,033
Tax payable		**4,379**	4,666
		324,240	248,468
Net current assets		**237,259**	258,455
Total assets less current liabilities		**397,614**	435,696
Non-current liabilities			
Deferred tax liabilities		**3,237**	3,828
		3,237	3,828
Net assets		**394,377**	431,868
Equity			
Equity attributable to owners of the Company			
Share capital		**168,641**	168,641
Reserves		**236,669**	271,173
		405,310	439,814
Non-controlling interests		**(10,933)**	(7,946)
Total equity		**394,377**	431,868

Notes:

1. **CORPORATE INFORMATION**

The Company is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is located at Suite 1004, 10th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are manufacturing and trading of hard and stuffed toys, manufacturing and sales of beverage products and securities investments. The Group's operations are based in Hong Kong and the People's Republic of China, excluding Hong Kong and Macau (the "PRC").

2. **STATEMENT OF COMPLIANCE**

These unaudited condensed consolidated interim financial statements for the six months ended 30 June 2012 have been prepared in accordance with Hong Kong Accounting Standard No. 34, "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements set out in Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The preparation of the unaudited condensed consolidated financial statements in conformity with HKAS 34 requires the management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The unaudited condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 December 2011, except for the adoption of the new Hong Kong Financial Reporting Standards ("HKFRSs") and Hong Kong Accounting Standards ("HKASs"). The condensed consolidated financial statements do not include all the information and disclosures required for an annual financial statements, and should be read in conjunction with the financial statements of the Group for the year ended 31 December 2011.

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2012 comprise the Group and the Group's interests in associates.

The measurement basis used in the preparation of these financial statements is the historical cost basis except for leasehold buildings, derivative financial instruments and equity instruments at fair value through profit or loss, which have been measured at fair values. These financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company and all amounts are rounded to the nearest thousand except where otherwise indicated.

3. APPLICATION OF NEW AND REVISED HKFRSs

In the current period, the Group has adopted the following new and revised HKFRSs issued by the HKICPA that are first effective for the current accounting period.

Amendments to HKFRS 7	Financial Instruments: Disclosures – Transfer of Financial Assets; and
Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets

The application of the new and revised HKFRSs has had no material effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

4. RESTATEMENT OF PRIOR YEAR'S FIGURES

During the course of preparing the Group's financial statements for the six months ended 30 June 2012, it has come to the attention of the directors of the Company that the prior year financial statements of the Group required restatement.

The following tables disclose the adjustments that have been made in order to reconcile the adjustments stated in notes 4(a) and 4(b) to each of the line items in the condensed consolidated income statement and condensed consolidated statement of comprehensive income as previously reported for the six months ended 30 June 2011.

The Group

Condensed consolidated income statement

For the six months ended 30 June 2011

	Six months ended 30 June 2011		
	(As previously reported)	Adjustment	(Restated)
	HK$'000	*HK$'000*	*HK$'000*
Revenue	206,940	–	206,940
Cost of sales	(162,907)	–	(162,907)
Gross profit	44,033	–	44,033
Other revenue and other net income	7,688	–	7,688
Selling and distribution costs	(24,796)	–	(24,796)
Administrative expenses	(38,290)	–	(38,290)
Other operating expenses	(5,856)	3,288	(2,568)
Loss from operations	(17,221)	3,288	(13,933)
Finance costs	(1,387)	–	(1,387)
Loss before taxation	(18,608)	3,288	(15,320)
Income tax	(4,686)	(196)	(4,882)
Loss for the period	(23,294)	3,092	(20,202)
Attributable to:			
Owners of the Company	(23,905)	2,648	(21,257)
Non-controlling interests	611	444	1,055
Loss for the period	(23,294)	3,092	(20,202)
Loss per share			
Basic	(HK1.44 cents)	HK0.16 cent	(HK1.28 cents)
Diluted	(HK1.44 cents)	HK0.16 cent	(HK1.28 cents)

Condensed consolidated statement of comprehensive income
For the six months ended 30 June 2011

	Six months ended 30 June 2011		
	(As previously reported)	Adjustment	(Restated)
	HK$'000	*HK$'000*	*HK$'000*
Loss for the period	(23,294)	3,092	(20,202)
Other comprehensive income for the period			
Exchange differences on translation of financial statements of overseas subsidiaries	19,807	(7,597)	12,210
Other comprehensive income for the period, net of tax	19,807	(7,597)	12,210
Total comprehensive loss for the period, net of tax	(3,487)	(4,505)	(7,992)
Attributable to:			
Owners of the Company	(5,784)	(3,599)	(9,383)
Non-controlling interests	2,297	(906)	1,391
	(3,487)	(4,505)	(7,992)

(a) Restatements in relation to the goodwill and intangible assets as at acquisition date

During the year ended 31 December 2010, the Group acquired 82.3% of the share capital of Tycoon Beverage Group Co. Ltd. on 8 September 2010. The Group recognised the identifiable assets acquired and the liabilities assumed at fair value using the profit forecast prepared as at 30 June 2010 (the "June forecast") in the annual report 2010.

When preparing the financial statements for the year ended 31 December 2011, the management updated and revised the profit forecast and re-assessed the fair value as at acquisition date (i.e. 8 September 2010) (the "September forecast") in accordance with HKFRS 3 (revised). The Company takes into account the actual performance of the subsidiaries for the period from 30 June 2010 to 8 September 2010 to update and revise the September forecast. As a result, management revised the profit forecast and re-assessed the fair value of assets and liabilities of Tycoon Beverage Group Co. Ltd. and its subsidiaries as at the acquisition date and 30 June 2011. Intangible assets were adjusted to approximately HK$93,163,000, goodwill to approximately HK$162,482,000, and deferred tax liabilities to approximately HK$25,778,000 as at 30 June 2011. The actual performance of the subsidiaries was different from the original forecast. In consideration of the actual performance of the subsidiaries, the Group recognised the excess of the carrying amounts of the cash generating unit ("CGU") (including goodwill) over the recoverable amount of the CGU, which was arrived at based on value in use calculations as mentioned in note 14 to the audited consolidated results of the Group as stated in the final results announcement of the Group for the year ended 31 December 2011 dated 31 March 2014, as impairment loss on goodwill amounting to approximately HK$162,179,000 for the year ended 31 December 2010.

(b) Adjustment in relation to the amortisation of intangible assets for the six months ended 30 June 2011

As a result of the restatements described in (a) above, due to the adjustment made to the intangible assets, the Group has also adjusted the related amount of the amortisation of the intangible assets amounting to approximately HK$3,288,000, and the related amount of profit shared by non-controlling interests amounting to approximately HK$444,000 for the six months ended 30 June 2011.

5. SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geographical location. In a manner consistent with the way in which information is reported internally to the Board (the chief operating decision maker) of the Company for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

1. Securities investments: this segment derives its revenue from dividend received from equity securities investments.

2. Manufacturing and trading of hard and stuffed toys: this segment derives its revenue from manufacturing and sales of hard and stuffed toys.

3. Manufacturing and sales of beverage products: this segment derives its revenue from manufacturing and sales of beverage products.

In accordance with HKFRS 8, segment information disclosed in these condensed consolidated financial statements has been prepared in a manner consistent with the information used by the Board for the purposes of assessing segment performance and allocating resources among segments. In this regard, the Board monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all non-current assets and current assets attributable to an individual reportable segment with the exception of certain unallocated corporate assets and loan receivable.

All liabilities are allocated to reportable segments other than unallocated corporate liabilities.

Segment profit or loss before taxation exclude unallocated interest income and unallocated corporate expenses which are not directly attributable to the business activities of any operating segment.

(a) Segment results, assets and liabilities

	Securities investments Six months ended 30 June		Manufacturing and trading of hard and stuffed toys Six months ended 30 June		Manufacturing and sales of beverage products Six months ended 30 June		Total Six months ended 30 June	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited) (restated)	**(unaudited)**	(unaudited) (restated)
Reportable segment revenue								
Revenue from external customers	**–**	–	**134,604**	133,210	**4,397**	73,730	**139,001**	206,940
Reportable segment profit/ (loss) before taxation	**2,560**	–	**(16,737)**	(15,807)	**(16,539)**	1,408	**(30,716)**	(14,399)
Other segment information:								
Depreciation	**–**	–	**(4,585)**	(4,890)	**(611)**	(3,059)	**(5,196)**	(7,949)
Amortisation of prepaid land premiums	**–**	–	**(76)**	(76)	**–**	–	**(76)**	(76)
Amortisation of intangible assets	**–**	–	**–**	–	**(62)**	(2,503)	**(62)**	(2,503)
Loss on disposal of property, plant and equipment	**–**	–	**(72)**	(64)	**–**	–	**(72)**	(64)
Gain on disposal of non-current assets held for sale	**–**	–	**–**	631	**–**	–	**–**	631
Write down of inventories, net	**–**	–	**(904)**	(3,973)	**–**	–	**(904)**	(3,973)
Impairment loss of trade receivables	**–**	–	**–**	–	**(88)**	–	**(88)**	–
Net gain on trading securities at fair value through profit or loss	**2,561**	–	**–**	–	**–**	–	**2,561**	–
Bank interest income	**–**	–	**32**	181	**29**	–	**61**	181
Interest income from customers	**–**	–	**–**	111	**–**	–	**–**	111
Interest expenses	**–**	–	**(2,485)**	(1,387)	**–**	–	**(2,485)**	(1,387)
Additions to non-current segment assets	**–**	–	**2,364**	2,651	**162**	4,031	**2,526**	6,682

	Securities investments		Manufacturing and trading of hard and stuffed toys		Manufacturing and sales of beverage products		Total	
	As at 30 June 2012	As at 31 December 2011	**As at 30 June 2012**	As at 31 December 2011	**As at 30 June 2012**	As at 31 December 2011	**As at 30 June 2012**	As at 31 December 2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(audited)	**(unaudited)**	(audited)	**(unaudited)**	(audited)	**(unaudited)**	(audited)
Reportable segment asset	**151,354**	139,727	**333,035**	316,102	**131,574**	185,338	**615,963**	641,167
Reportable segment liabilities	**–**	–	**(207,485)**	(177,032)	**(38,202)**	(72,060)	**(245,687)**	(249,092)

Note: There were no inter segment sales in both periods.

(b) Reconciliation of reportable segment profit or loss, assets and liabilities

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited) (restated)
(i) Loss before taxation		
Reportable segment loss	**(30,716)**	(14,399)
Unallocated interest income	**315**	1,244
Unallocated corporate expenses	**(5,923)**	(2,165)
Consolidated loss before taxation	**(36,324)**	(15,320)

	As at 30 June 2012	As at 31 December 2011
	HK$'000	*HK$'000*
	(unaudited)	(audited)
(ii) Assets		
Reportable segment assets	**615,963**	641,167
Loan receivable	**–**	10,062
Unallocated corporate assets	**105,891**	32,935
Consolidated total assets	**721,854**	684,164

	As at 30 June 2012 *HK$'000* (unaudited)	As at 31 December 2011 *HK$'000* (audited)
(iii) Liabilities		
Reportable segment liabilities	**245,687**	249,092
Unallocated corporate liabilities	**81,790**	3,204
Consolidated total liabilities	**327,477**	252,296

(c) Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

	Six months ended 30 June 2012 *HK$'000* (unaudited)	2011 *HK$'000* (unaudited)
Beverage products	**4,397**	73,730
Hard and stuffed toys	**134,604**	133,210
Securities investments	**–**	–
	139,001	206,940

(d) Geographical information

The following is an analysis of geographical location of (i) the Group's revenue from external customers and (ii) the Group's non-current assets as specified below. The geographical location of customers refers to the location at which the services were provided or the goods were delivered. The Group's non-current assets include property, plant and equipment, prepaid land premiums, intangible assets, goodwill and interests in associates. The geographical locations of property, plant and equipment and prepaid land premiums are based on the physical location of the asset under consideration. In the case of intangible assets and goodwill, it is based on the location of the operation to which these intangible assets specified are allocated. In the case of interests in associates, it is based on the location of operations of such associates.

	Revenue from external customers Six months ended 30 June		Non-current assets	
			As at 30 June	As at 31 December
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(audited)
Hong Kong (place of domicile)	**5,681**	8,347	**9,060**	11,600
The PRC	**4,397**	73,730	**137,801**	139,737
United States and Canada	**112,050**	103,977	**–**	–
Japan	**16,873**	20,886	**–**	–
	139,001	206,940	**146,861**	151,337

(e) Information about major customers

Revenue from customers contributing 10% or more of the total sales of the Group is as follows:

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
The largest customer – revenue from manufacturing and trading of hard and stuffed toys	**87,251**	84,976
Second largest customer – revenue from manufacturing and trading of hard and stuffed toys	**20,718**	27,767

6. SEASONALITY OF OPERATION

The Group's business in manufacturing and trading of hard and stuffed toys is subject to seasonal fluctuation during a year. Generally, higher sales are experienced during the third quarter of a year in order to meet the Christmas orders before the end of each year.

The manufacturing and sales of beverage products and securities investments business have no specific seasonality factor.

7. REVENUE, OTHER REVENUE AND OTHER NET INCOME

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of the Group's revenue, other revenue and other net income is as follows:

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Revenue		
Sale of goods	**139,001**	206,940
Other revenue and other net income		
Other revenue		
Bank interest income	**61**	181
Interest income from customers	**–**	111
Interest income from loan receivable	**315**	1,244
Total interest income on financial assets not at fair value through profit or loss	**376**	1,536
Other net income		
Fair value (loss)/gain on derivative financial instruments – transactions not qualifying as hedges	**(930)**	2,207
Loss on disposal of property, plant and equipment	**(72)**	–
Net foreign exchange gain	**679**	–
Recovery from bad debt written off	**1,614**	–
Mould income	**546**	346
Sublet rental income	**200**	–
Sundry income	**375**	3,599
	2,788	7,688

8. LOSS BEFORE TAXATION

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

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
		(restated)
a) Other items		
Cost of inventories	**132,518**	162,907
Depreciation of property, plant and equipment *	**5,240**	8,050
Amortisation of intangible assets **	**62**	2,503
Amortisation of prepaid land premiums	**76**	76
Impairment loss of trade receivables**	**88**	–
Loss on disposal of property, plant and equipment	**72**	64

* Depreciation of approximately HK$2,228,000 (2011: HK$4,384,000) was also included in "Cost of sales" on the face of the condensed consolidated income statement.

** These items are included in "Other operating expenses" on the face of the condensed consolidated income statement.

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
b) Net gain on trading securities at fair value through profit or loss:		
Realised loss on trading securities at fair value through profit or loss	**10,549**	–
Unrealised gain on trading securities at fair value through profit or loss	**(13,110)**	–
	(2,561)	–

9. FINANCE COSTS

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest on bank loans and overdrafts wholly repayable within five years	**2,485**	1,387
Total interest expenses on financial liabilities not at fair value through profit or loss	**2,485**	1,387

10. INCOME TAX EXPENSE

Income tax in the condensed consolidated income statement represents:

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
		(restated)
Current – Hong Kong	**32**	13
Current – The PRC	**409**	5,299
Deferred tax credit	**(15)**	(430)
Income tax expense	**426**	4,882

Hong Kong Profits Tax has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

Enterprise Income Tax in the PRC has been provided on the estimated assessable profits of subsidiaries operating in the PRC at 25% (2011: 25%), unless preferential rates are applicable in the cities where the subsidiaries are located.

Taxation arising in other jurisdictions is calculated at the rates of tax prevailing in the relevant jurisdictions.

11. LOSS PER SHARE

The calculation of basic loss per share amounts is based on the loss for the period attributable to owners of the Company of approximately HK$33,822,000 (2011: HK$21,257,000 (restated)) and the weighted average number of 1,686,408,729 (2011: 1,654,917,016) ordinary shares in issue during the period.

No adjustment has been made to the basic loss per share amounts presented for the periods ended 30 June 2012 and 2011 in respect of dilution as the Group had no potentially dilutive ordinary shares in issue during those periods.

12. DIVIDENDS

No dividends were declared during the six months ended 30 June 2012 (30 June 2011: nil).

13. TRADE RECEIVABLES

	As at 30 June 2012 ***HK$'000*** **(unaudited)**	As at 31 December 2011 *HK$'000* (audited)
Trade receivables	**45,938**	94,190
Less: allowance for impairment	**(2,100)**	(2,023)
	43,838	92,167

All of the trade receivables are expected to be recovered within one year.

Ageing analysis

The following is an analysis of the trade receivables by age, presented based on the invoice date and net of allowance:

	As at 30 June 2012 ***HK$'000*** **(unaudited)**	As at 31 December 2011 *HK$'000* (audited)
0 to 30 days	**23,501**	42,309
31 to 90 days	**11,119**	11,131
Over 90 days	**9,218**	38,727
	43,838	92,167

The Group's trading terms with its customers are mainly on credit with credit periods generally ranging from 30 to 180 days. The Group seeks to maintain strict control over its outstanding receivables, and overdue balances are reviewed regularly by management. Trade receivables are non-interest bearing.

Included in the Group's trade receivables was an amount due from an associate of approximately HK$14,381,000 (before deducting the impairment loss of approximately HK$14,381,000) (31 December 2011: HK$14,381,000 before deducting the impairment loss of approximately HK$14,381,000), which was repayable on similar credit terms to those offered to the major customers of the Group. As the associate was dissolved in the year 2012, the amount due from an associate was written off during the year 2011.

14. TRADE PAYABLES

The ageing analysis of the trade payables as at the end of the reporting period is as follows:

	As at 30 June 2012 *HK$'000* **(unaudited)**	As at 31 December 2011 *HK$'000* (audited)
0 to 30 days	**25,768**	21,472
31 to 90 days	**21,929**	20,962
Over 90 days	**20,054**	10,406
	67,751	52,840

The trade payables are expected to be settled within one year.

15. COMPARATIVE FIGURES

As a result of the restatement and change in classification of prior year's figures, certain comparative figures have been adjusted to conform to current period's presentation and to provide comparative amount in respect of items disclosed. Further details of the restatements are disclosed in note 4.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2012 (30 June 2011: nil).

BUSINESS REVIEW

For the six months ended 30 June 2012, the Group reported revenue of HK$139,001,000, representing a 33% decline from the previous period (30 June 2011: HK$206,940,000), and gross profit of HK$5,068,000, also showing a decrease of 88% compared with the prior period (30 June 2011: HK$44,033,000). The Group's loss for the period amounted to HK$36,750,000 (30 June 2011: HK$20,202,000 (restated)), increased by 82% that was mainly due to the unsatisfactory performance of the beverage division.

Toys Division

The revenue and segment loss of the Group's toys division for the review period was HK$134,604,000 (30 June 2011: HK$ 133,210,000) and HK$16,737,000 (30 June 2011: HK$15,807,000) respectively which both remained at a similar level as the previous period. Based on orders on hand, it was expected that the division's results would improve in the second half of 2012 as its peak season was usually in the third quarter of a year. Coupled with the fact that the price of resin, a major raw material consumed by the division, was forecasted to be stable, it was expected that the division would be able to better control its production costs and enhance its profitability for the remainder of the financial year.

Beverage Division

The financial performance of the beverage division continued to be unsatisfactory during the review period. The division reported revenue of HK$4,397,000, significantly reduced by 94% compared to the prior period (30 June 2011: HK$73,730,000), and incurred segment loss of HK$16,539,000 in contrast to the segment profit of HK$1,408,000 (restated) in the previous period. The facts that there were intense competitions from other beverage manufacturers, the classic hawthorn fruit tea series remained to be the division's only key sales driver, and substantial selling and distribution expenses were required to support sales activities had all continued to adversely affect the division and led to its disappointing results. In addition, owing to the unexpected departure of senior management members of the division, the management's plan in trimming down the division's sales force and concurrently improved its operating efficiency and maintained its sales level was not successfully accomplished. The revenue earned by the division was going downtrend and inevitably caused the management to continue downsizing the division to cut costs. As of 30 June 2012, the division had 5 sales offices, about 90 distributors and 95 staff compared to 7 sales offices, about 250 distributors and 450 staff as of 31 December 2011.

Securities Investments

The financial performance of the Group's securities investment division, which commenced operation in the second half of 2011, had improved by reporting a segment profit of HK$2,560,000 compared to segment loss of HK$28,404,000 reported for the year ended 31 December 2011. The profit recorded by the division comprised mainly unrealised gain of HK$13,110,000 derived from holdings of listed equity securities measured at fair values at the period end, after being offset by the realised loss on investment of HK$10,549,000. During the review period, the Hong Kong stock market was still clouded with uncertainties mainly resulting from the continuation of the European sovereign debt crisis, the slow recovery of the United States economy, and the slowdown of GDP growth of the Mainland economy. Investor confidence and market sentiments were weak for most time of the review period and by different extent placed downward pressure on prices of listed securities invested by the Group. At the period end, the Group's securities portfolio comprised listed equity securities in mining and resources company, industrial materials company, hotel and entertainment company and financial services company. The Group's securities portfolio was valued at fair values of HK$151,026,000 (31 December 2011: HK139,727,000) as at 30 June 2012.

As a whole, the Group reported a loss attributable to owners of the Company of HK$33,822,000 (30 June 2011: HK$21,257,000 (restated)) and loss per share of HK2.01 cents (30 June 2011: HK1.28 cents (restated)). The Group reported total comprehensive loss, net of tax, of HK$37,491,000 (30 June 2011: HK$7,992,000 (restated)) which included an exchange loss on translation of financial statements of overseas subsidiaries of HK$741,000 (30 June 2011: gain of HK$12,210,000 (restated)). The total comprehensive loss for the period, net of tax, attributable to owners of the Company amounted to HK$34,504,000 (30 June 2011: HK$9,383,000 (restated)).

FINANCIAL REVIEW

Liquidity, Financial Resources and Capital Structure

At 30 June 2012, the Group had current assets of HK$561,499,000 (31 December 2011: HK$506,923,000) comprising cash and cash equivalents of HK$162,158,000 (31 December 2011: HK$69,113,000) (excluding pledged bank deposits). The Group's current ratio, calculated as current assets divided by current liabilities of HK$324,240,000 (31 December 2011: HK$248,468,000), remained at a healthy ratio of 1.73 (31 December 2011: 2.04). The Group's bank loans as at 30 June 2012 were mainly denominated in Hong Kong dollars, United States dollars and Renminbi in the proportion of 92%, 3% and 5% (31 December 2011: 65%, 35% and nil) respectively. All bank loans totalling HK$92,892,000 (31 December 2011: HK$96,033,000) would be matured within one year, out of which 95% bore fixed interest rate (31 December 2011: 65%) and the remaining 5% bore floating interest rate (31 December 2011: 35%).

The use of derivative financial instruments was strictly monitored and controlled. The majority of the derivative financial instruments entered into by the Group were primarily used for management of the Group's interest rate and currency exposures.

During the period, the equity attributable to owners of the Company decreased by 8% to HK$405,310,000 (31 December 2011: HK$439,814,000) mainly resulted from the loss incurred by the Group during the review period. The Group financed its operations through a combination of bank financing and shareholder's equity. The Group's gearing ratio was determined as its net debt divided by total equity plus net debt where net debt included interest-bearing bank borrowings and overdrafts, trade payables and other payables less pledged bank deposits and cash and cash equivalents. The Group's policy was to maintain its gearing ratio below 75% to ensure a healthy financial position. The gearing ratio of the Group as at 30 June 2012 was about 28% (31 December 2011: 25%).

Despite the loss incurred by the Group, the financial position of the Group remained solid with sufficient cash and undrawn committed credit facilities to support the Group's ongoing business operations.

PROSPECTS

For the six months ended 30 June 2012, the results of the securities investment division had improved amid the unsatisfactory performance of the beverage division. The management would make every effort to improve the results of the toys and beverage divisions through conducting review and analysis on different aspects of the divisions' operations including procurement and inventory control, production and logistics, sales and marketing, product research and development and human resources management. The management was aiming to, through the above measures, improve the operating efficiency and financial performance of the toy and beverage divisions in the near term.

CORPORATE GOVERNANCE

During the six months ended 30 June 2012, the Company had complied with all the applicable code provisions of the Code on Corporate Governance Practices (effective until 31 March 2012) and Corporate Governance Code (effective from 1 April 2012) as set out in Appendix 14 to the Listing Rules.

AUDIT COMMITTEE

The condensed consolidated financial statements of the Company for the six months ended 30 June 2012 have not been audited, but have been reviewed by the Audit Committee of the Company before they are duly approved by the Board under the recommendation of the Audit Committee.

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

During the six months ended 30 June 2012, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended since 8 March 2012 and will remain suspended until further notice.

By Order of the Board
Lo Ming Chi, Charles
Deputy Chairman and Chief Executive Officer

Hong Kong, 31 March 2014

As at the date of this announcement, the Board comprises one Non-executive Director, namely Mr. Sue Ka Lok (Chairman); four Executive Directors, namely Mr. Lo Ming Chi, Charles (Deputy Chairman and Chief Executive Officer), Ms. Danita On (Chief Operating Officer), Ms. Chan Yuk Yee and Ms. Wang Jingyu; and three Independent Non-executive Directors, namely Mr. Kwok Ming Fai, Mr. Wong Kwok Tai and Ms. Leung Pik Har, Christine.

* *For identification purpose only*