

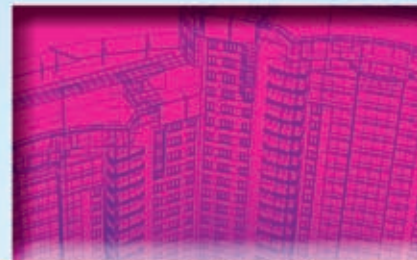


China Uptown Group Company Limited
中國上城集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)

股份代號 Stock code: 2330

Interim Report
中期報告 2010



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BOARD OF DIRECTORS

Executive Directors

Mr. CHEN Xian (*Chairman*)
Mr. LAU Sai Chung (*Chief Executive Officer*)
Mr. TSIM Sze Hon
Mr. XIONG Jianrui

Non-executive Director

Ms. XIA Dan

Independent non-executive Directors

Mr. POON Lai Yin, Michael
Mr. CHONG Yiu Chik
Mr. CHOI Kai Ming, Raymond

AUDIT COMMITTEE

Mr. POON Lai Yin, Michael (*Chairman*)
Mr. CHONG Yiu Chik
Mr. CHOI Kai Ming, Raymond

REMUNERATION COMMITTEE

Mr. CHOI Kai Ming, Raymond (*Chairman*)
Mr. POON Lai Yin, Michael
Mr. CHONG Yiu Chik

NOMINATION COMMITTEE

Mr. CHONG Yiu Chik (*Chairman*)
Mr. POON Lai Yin, Michael
Mr. CHOI Kai Ming, Raymond

COMPANY SECRETARY

Mr. FU Lui

AUDITORS

SHINEWING (HK) CPA Limited

PRINCIPAL BANKERS

Citic Bank International Limited
Bank of China (Hong Kong) Limited
Bank of China, Shenzhen Branch
The Industrial and Commercial Bank of China,
Zhuhai Branch

董事

執行董事

陳賢先生 (主席)
劉世忠先生 (行政總裁)
詹詩瀚先生
熊劍瑞先生

非執行董事

XIA Dan女士

獨立非執行董事

潘禮賢先生
莊耀植先生
蔡繼明先生

審核委員會

潘禮賢先生 (主席)
莊耀植先生
蔡繼明先生

薪酬委員會

蔡繼明先生 (主席)
潘禮賢先生
莊耀植先生

提名委員會

莊耀植先生 (主席)
潘禮賢先生
蔡繼明先生

公司秘書

府磊先生

核數師

信永中和 (香港) 會計師事務所有限公司

主要往來銀行

中信銀行國際有限公司
中國銀行 (香港) 有限公司
中國銀行 (深圳市分行)
中國工商銀行 (珠海市分行)

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suite 1501, 15/F
Tower 1, Silvercord
30 Canton Road
Tsimshatsui
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Bank (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 75
Grand Cayman KY1-1107
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
18th Floor
Fook Lee Commercial Centre
Town Place
33 Lockhart Road
Wanchai
Hong Kong

WEBSITE

www.chinauptown.com.hk

STOCK CODE

2330

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

總辦事處及主要營業地址

香港
九龍
尖沙咀
廣東道30號
新港中心第一期
15樓1501室

主要股份登記及過戶處

Butterfield Bank (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 75
Grand Cayman KY1-1107
Cayman Islands

香港之主要股份登記及過戶處

聯合證券登記有限公司
香港灣仔
駱克道33號
中央廣場
福利商業中心
18樓

網址

www.chinauptown.com.hk

證券代號

2330

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The review of the major business segments of the Group during the period is as follows:

Property Development

Property development represents sales of properties in the People's Republic of China (the "PRC").

The Group currently holds a property development project – Zhongzhu Uptown situated in Zhuhai, Guangdong Province, the PRC ("Zhongzhu Uptown"). Zhongzhu Uptown was developed in two phases. At 30 June 2010, approximately 90% of the residential units and 70% of the commercial units of the first phase of Zhongzhu Uptown ("Phase 1") were sold.

During the period, 47 units of residential properties and 21 units of commercial properties with approximately 5,931 square metres and 1,870 square metres were delivered to customers and recognised as sales by the Group. Total revenue (including sales of car parks) attributable to the property development business amounted to approximately RMB95,845,000 (for the six months ended 31 December 2009: approximately RMB27,516,000).

The second phase of Zhongzhu Uptown ("Phase 2") is still under construction and planned to be delivered with premier interior decorations. Due to the upsurge of property price in Zhuhai in recent years and with interior decorations, the selling price and profit margin of Phase 2 are expected to be higher as compared to Phase 1. The interior decorations require additional time for completion. As a result, Phase 2 is scheduled to be completed in the second half of 2012. The Board considers the increase in selling price and profit margin can outweigh the extended development time of Phase 2.

Property Investment

Property investment business represents rental income and capital appreciation from the investment properties situated in the PRC and in Hong Kong. During the period, rental income amounted to approximately RMB5,818,000 (for the six months ended 31 December 2009: approximately RMB5,246,000) and net increase in fair value of investment properties amounted to approximately RMB4,011,000 (for the six months ended 31 December 2009: approximately RMB6,826,000).

The investment properties comprises of six units of office premises in Hong Kong with a total saleable area of approximately 4,582 square feet, the research and development centre in Shenzhen, the PRC ("R&D Centre") with gross floor area of approximately 15,084 square metres and the activity centre in Zhongzhu Uptown with gross floor area of approximately 2,867 square metres.

業務回顧

期內本集團之主要業務分部回顧如下：

物業發展

物業發展即在中華人民共和國（「中國」）銷售物業。

本集團目前持有一項物業發展項目－位於中國廣東省珠海市之中珠上城（「中珠上城」），其共分兩期發展。於二零一零年六月三十日，中珠上城第一期（「第一期」）之住宅單位及商用單位已分別售出約90%及70%。

期內，本集團有47個住宅物業單位及21個商用物業單位（分別共約5,931平方米及1,870平方米）已經向客戶交付並確認為銷售。物業發展業務之總收入（包括車位之銷售）達約人民幣95,845,000元（截至二零零九年十二月三十一日止六個月：約人民幣27,516,000元）。

中珠上城第二期（「第二期」）仍在興建階段，並計劃附以高級室內裝修交付單位。由於近年珠海樓價飆升及附帶室內裝修，第二期之售價及溢利率將預期較第一期有所上升。室內裝修完成需時，因此第二期預計將於二零一二年下半年竣工。董事會認為所增加之售價及溢利率將可超越第二期所增加之竣工時間之損失。

物業投資

物業投資業務即位於中國及香港之投資物業之租金收入及資本增值。期內，租金收入達約人民幣5,818,000元（截至二零零九年十二月三十一日止六個月：約人民幣5,246,000元），投資物業之公允淨值增加約人民幣4,011,000元（截至二零零九年十二月三十一日止六個月：約人民幣6,826,000元）。

投資物業中，有六項是位於香港的寫字樓物業單位（可出售面積約4,582平方呎）、位於中國深圳之研發中心（「研發中心」，總樓宇面積約15,084平方米）及中珠上城之活動中心（總樓宇面積約2,867平方米）。

Trading

The Group's trading business represents distribution of electronic related components, mobile phone modules and imported automation products. The total revenue from the trading business during the period amounted to RMB60,058,000 (for the six months ended 31 December 2009: RMB107,358,000).

Although the profit margin is relatively low from the trading business, the required financial and business resources are low and the relevant risks can be mitigated by effective operation procedures and internal controls. The Group has taken various measures to diversify the product range with an objective to improve the profit margin.

Technology

The automation and mobile handset projects involve substantial capital investments and resources while market environment in the short-term to medium-term still remain uncertain and the competition is very keen. The management will continue to take a cautious and critical review on potential business opportunities, and will engage in projects only if the business risks can be certainly managed and controlled.

PROSPECTS

In 2010, the Group faced increasingly complicated economic and market conditions in its property development and investment business amid the tightening property market measures imposed by the PRC government. These measures caused short-term fluctuations and adjustments on the property markets. However, the expected GDP growth in the PRC and the urbanization will continue to generate massive housing demand. The Board is optimistic about the prospects of the PRC property market since the government's monetary and policy measures would further optimise the property market and thus establishing a long-term stable and healthy environment.

In the latter part of 2010, the pre-sale of the Group's major property development project – Zhongzhu Uptown Phase 2 is expected to commence. Zhongzhu Uptown is a composite residential and commercial project. The total gross floor area of Phase 2 is approximately 171,000 square metres, with approximately 80% of the area is dedicated for residential use. Phase 2 residential properties will include interior decoration which is expected to generate a much higher profit margin. Significantly higher selling price of the residential properties of Phase 2 are expected as compared to Phase 1 due to the upsurge of the properties prices in Zhuhai in recent years and the improved qualities and interior decoration of the properties.

貿易

本集團貿易業務包括電子相關元件、手機組件之分銷及進口自動化產品。期內貿易業務應佔之總收入達人民幣60,058,000元（截至二零零九年十二月三十一日止六個月：人民幣107,358,000元）。

縱使貿易業務之利潤率相對偏低，所需之財務與業務資源較低，而通過有效率運作程序及內部監控，相關風險就可減除。因此，本集團已採取多個措施，把產品組合多元化，務求改善利潤率。

科技

自動化和手機項目涉及大量資本投資和資源，但短期至中期之市況仍見不明朗及競爭劇烈，因此管理層將繼續採取謹慎的態度，並嚴格審視潛在的商機。當項目之商業風險可明確管理及控制，管理層將參與其中。

展望

於二零一零年，中國政府對物業市場實施緊縮控制措施，故本集團之物業發展及投資業務面對日益複雜之經濟及市場狀況。該等控制措施導致物業市場出現短期波動及調整，預期中國國內生產總值增長及都市化將繼續帶動大量房屋需求。政府之貨幣及政策措施將有利於物業市場發展，從而建立長遠穩定且健康之市場。因此董事會對中國物業市場之前景表示樂觀。

於二零一零年下半年，本集團大型物業發展項目「中珠上城第二期」之預售期將予展開。中珠上城為綜合住宅及商業項目，第二期總樓面面積約171,000平方米，其中約80%作住宅用途。第二期住宅物業將配備室內裝修，一般而言預期可獲得較高溢利率。由於珠海物業價格於近年飆升及物業質素與室內裝修獲得提升，故相比一期之平均售價，預期二期之住宅物業之預售價將大幅增加。

Management Discussion and Analysis

管理層討論及分析

Zhuhai is one of the fastest growing cities in the Guangdong province with pleasant living environment and convenient transportation network. Once the construction of Hong Kong-Zhuhai-Macau bridge is completed, it will greatly enhance the economy, including the property market, of Zhuhai. Therefore, the Board will retain its focus on property projects in Zhuhai in the coming years, particularly on the medium to large scale residential property projects. We will continue to recruit professionals to join our teams for managing property investments opportunities in Zhuhai.

SEGMENT INFORMATION

The details of segmental information are set out in Note 5 to the condensed consolidated financial statements.

FINANCIAL REVIEW

For the six months ended 30 June 2010, the Group achieved a turnover of approximately RMB161,721,000 (for the six months ended 31 December 2009: approximately RMB140,120,000) which represented an increase of approximately 15% as compared to the last corresponding period. The increase in turnover is mainly attributable to the sales of properties situated in the PRC.

For the six months ended 30 June 2010, the loss attributable to owners of the parent was approximately RMB15,829,000 (for the six months ended 31 December 2009: approximately RMB63,167,000). The loss was mainly caused by the short-term fluctuation and adjustments of property market in the PRC in light of the stringent control over the property market by the PRC government authorities.

For the debt-restructuring proposal of approximately RMB176,543,000 (31 December 2009: approximately RMB177,110,000), we are continuing our negotiations with Bank of China, Shenzhen with an aim to finalise a restructuring plan before the end of 2010.

For the first half of 2010, the Group's operating activities generated a net cash outflow of approximately RMB144,912,000 (for the six months ended 31 December 2009: approximately RMB24,290,000) which mainly represents construction expenses. At 30 June 2010, the total amount of bank balance and cash was approximately RMB28,198,000 (31 December 2009: approximately RMB161,514,000).

珠海為廣東省其中一個發展迅速之城市，擁有優美的生活環境及便利的交通網絡。港珠澳大橋一旦建成，將大大加強珠海市之經濟實力，其中包括物業市場。因此，董事會來年將繼續著重於珠海物業項目，尤其中型至大型規模住宅物業項目。我們亦會繼續羅致專業人士加入我們的團隊，以負責珠海物業投資。

分部資料

分部資料之詳情載於簡明綜合財務報表附註5。

財務回顧

截至二零一零年六月三十日止六個月，本集團之營業額約人民幣161,721,000元（截至二零零九年十二月三十一日止六個月：約人民幣140,120,000元），比去年同期增加約15%。營業額增加主要由於位於中國之物業之銷售增加所致。

截至二零一零年六月三十日止六個月，控股公司之擁有人應佔虧損約人民幣15,829,000元（截至二零零九年十二月三十一日止六個月：約人民幣63,167,000元）。虧損乃主要由於中國政府機關嚴格控制物業市場，導致中國物業市場出現短期波動及調整所致。

有關本公司約人民幣176,543,000元（二零零九年十二月三十一日：約人民幣177,110,000元）之債務，我們正在努力與中國銀行深圳分行磋商債務重組之方案，並希望於二零一零年年底前落實重組計劃。

於二零一零年上半年，本集團經營業務產生的現金流出淨額（主要指建築開支）約人民幣144,912,000元（截至二零零九年十二月三十一日止六個月：約人民幣24,290,000元）。於二零一零年六月三十日，本集團的銀行結存及現金總額約人民幣28,198,000元（二零零九年十二月三十一日：約人民幣161,514,000元）。

At 30 June 2010, the total assets of the Group were approximately RMB1,216,911,000 (31 December 2009: approximately RMB1,416,902,000), representing a decrease of approximately 14%. The decrease is mainly due to the recognition of sales of our Zhuhai properties. At 30 June 2010, the Group had total borrowings increased to approximately RMB242,632,000 (31 December 2009: approximately RMB116,873,000). The increase in borrowings is mainly due to construction loan for the development of Phase 2 of our Zhuhai project. Included in the total borrowings, approximately RMB68,734,000 (31 December 2009: approximately RMB71,734,000) of which is owed to Bank of China, Shenzhen branch (the "Bank"). The Bank has principally agreed not to demand immediate full repayment from the Group and we have had continuing negotiations with the Bank for the restructuring of the outstanding debts. However, the terms and repayment schedules have not yet been finalised.

At 30 June 2010, the gearing ratio, expressed as a percentage of total borrowings over net assets was 42% (31 December 2009: 18%). The current ratio was 2.5 (31 December 2009: 1.8).

CAPITAL STRUCTURE

The issued ordinary share capital of the Company as at 31 December 2009 and 30 June 2010 was HK\$85,198,000 divided into 851,980,000 shares of HK\$0.10 each. At 31 December 2009 and 30 June 2010, the issued convertible redeemable preference share capital was HK\$35,000,000 divided into 350,000,000 shares of HK\$0.10 each and the convertible redeemable preference A share capital was HK\$11,000,000 divided into 110,000,000 shares of HK\$0.10 each. Up to 30 June 2010, none of the convertible redeemable preference shares and convertible redeemable preference A shares were converted into ordinary shares.

FOREIGN CURRENCY EXPOSURE

The Group mainly earns revenues and incurs costs in Renminbi, United States dollars and Hong Kong dollars. The Group's monetary assets and liabilities are denominated in Renminbi, United States dollars and Hong Kong dollars. The Group currently does not have a foreign currency hedging policy. However management will monitor foreign exchange exposure closely and consider the use of hedging instruments when the need arises.

於二零一零年六月三十日，本集團的總資產值為約人民幣1,216,911,000元（二零零九年十二月三十一日：約人民幣1,416,902,000元），減少約14%。減少主要由於我們珠海物業已確認之銷售額。於二零一零年六月三十日，本集團的總借貸增加至約人民幣242,632,000元（二零零九年十二月三十一日：約人民幣116,873,000元），借款增加主要為我們珠海項目第二期發展之建築貸款。在總借貸中，其中約人民幣68,734,000元（二零零九年十二月三十一日：約人民幣71,734,000元）為欠負中國銀行深圳分行（「該銀行」）款額。該銀行原則上已同意不會要求本集團即時償還全部欠款，我們一直努力與該銀行磋商尚未償還債務之重組。然而，重組條款及償還時間表尚未落實。

於二零一零年六月三十日，本集團的負債率（以借貸總額除以資產淨額計算）為42%（二零零九年十二月三十一日：18%）。流動比率為2.5（二零零九年十二月三十一日：1.8）。

資本結構

於二零零九年十二月三十一日及二零一零年六月三十日，本公司的已發行普通股為85,198,000港元，為851,980,000股每股0.10港元的股份。於二零零九年十二月三十一日及二零一零年六月三十日，已發行可轉換可贖回優先股為35,000,000港元，為350,000,000股每股0.10港元的股份及可轉換可贖回優先A股為11,000,000港元，為110,000,000股每股0.10港元的股份。直至二零一零年六月三十日，可轉換可贖回優先股及可轉換可贖回優先A股仍未轉換為普通股。

外匯風險

本集團賺取的收入及產生的費用主要以人民幣、美元及港元計算。本集團的貨幣資產及負債均以人民幣、美元及港元結算。目前本集團並無任何外匯對沖政策。然而，管理層會密切監察外匯風險，並在有需要時考慮使用對沖工具。

CHARGE ON ASSETS

At 30 June 2010, the Group's certain investment properties, properties under development and leasehold buildings with an aggregate net carrying value of approximately RMB589,931,000 (31 December 2009: approximately RMB454,408,000) were pledged to banks for securing revolving loans, general banking facilities and banking facilities of construction loan granted to certain subsidiaries of the Company. At 30 June 2010, facilities amounts of approximately RMB173,898,000 (31 December 2009: approximately RMB45,139,000) were utilised and approximately RMB327,405,000 (31 December 2009: approximately RMB10,560,000) were not utilised and available for the Group's future financing.

CAPITAL AND OTHER COMMITMENTS

The Group did not have any significant capital commitments as at 30 June 2010.

At the end of the reporting period, the Group had the following commitments for properties under development:

資產抵押

於二零一零年六月三十日，本集團將其總賬面淨值約為人民幣589,931,000元（二零零九年十二月三十一日：約人民幣454,408,000元）的若干投資物業、發展中物業及租賃物業抵押給銀行，以獲取銀行提供給本公司若干附屬公司之循環貸款，一般銀行信貸及建築工程貸款。於二零一零年六月三十日，約人民幣173,898,000元（二零零九年十二月三十一日：約人民幣45,139,000元）的融資額已動用及約人民幣327,405,000元（二零零九年十二月三十一日：約人民幣10,560,000元）的融資額尚未動用，可撥作本集團日後使用。

資本及其他承擔

於二零一零年六月三十日，本集團並無任何重大的資本承擔事項。

於期結日，本集團在建物業之承擔如下：

		30.6.2010 二零一零年 六月三十日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元
Contracted for but not provided	已簽約但未撥備	171,029	294,363
Authorised but not contracted for	已批准但未簽約	390,121	154,551

RESERVES

Details of movements in the reserves of the Group during the period are presented in the condensed consolidated statement of changes in equity on page 25 of this Report.

EMPLOYEE AND REMUNERATION POLICIES

At 30 June 2010, the Group employed 45 full time employees (31 December 2009: 40) in Hong Kong and the PRC. The Group's emolument policies are formulated on the basis of market trends, future plans and the performance of individuals, which will be reviewed periodically. Apart from provident fund scheme and state-managed social welfare scheme, share options will also be awarded to employees according to assessment of individuals' performance.

儲備

本集團於本期間之儲備變動詳情載於本報告第25頁之簡明綜合權益變動表中。

僱員及薪酬政策

於二零一零年六月三十日，本集團在香港及中國僱用45位（二零零九年十二月三十一日：40位）全職僱員。本集團的薪酬政策將定期依據市場趨勢、未來計劃及檢討僱員的個人表現而制訂。除提供公積金計劃及國家管理社會福利計劃外，購股權將根據對個別僱員表現的評估向僱員授出，以作獎勵。

LITIGATIONS AND CONTINGENT LIABILITIES

- i) Regarding the litigation as to the claims on Techwayson Industrial (Shenzhen) Limited ("TIL"), a subsidiary of the Company, raised by the main contractor of the R&D Centre as mentioned in our 2009 Annual Report, we are still waiting for the decision from the PRC court. Details can be found in our 2009 Annual Report and the relevant announcements of our Company.

In addition, the Company is in the best efforts to negotiate with the Bank of China, Shenzhen branch to finalise the terms of the debt-restructuring proposal on the RMB68,734,000 overdue bank loan and the RMB60,700,000 guaranteed provisions and RMB47,109,000 accrued interest.

- ii) On 14 June 2010, TIL received a civil judgment issued by Intermediate People's Court, Shenzhen, the PRC in respect of a claim of approximately HK\$24,500,000 made by an independent third party (as plaintiff) against TIL, for a guarantee alleged to have been given by TIL in favour of the plaintiff in November 2005. The other defendant, an individual who is also an independent third party was alleged to have breached the terms of two investment agreements entered into between the plaintiff and the other defendant in October and November 2005 respectively which stipulated that the plaintiff could get a fixed return of 15% above the investment amount.

It was stated in the judgment that the other defendant was required to pay approximately HK\$23,000,000, being the investment amount of HK\$20,000,000 invested by the plaintiff together with the fixed return of HK\$3,000,000 which the plaintiff should be entitled to under the investment agreements. For any shortfall amount that the other defendant is unable to pay, TIL was required to bear 50% of such balance.

The Group decided to vigorously defend the case and has appealed against the judgment. Based on the assessment from PRC counsel, there is still a possibility that TIL could win the appeal. Accordingly, the litigation was disclosed as a contingent liability and no provision in relation to the claim was provided as at 30 June 2010.

訴訟及或然負債

- i) 有關本公司二零零九年年報所載研發中心總辦商向本公司附屬公司德維森實業(深圳)有限公司(「德維森」)提出之訴訟，本公司正在等候中國法院之判決。有關詳情載於本公司之二零零九年年報及本公司之相關公告內。

此外，本公司仍努力就人民幣68,734,000元之逾期銀行貸款及人民幣60,700,000元之擔保撥備及人民幣47,109,000元之應計利息與中國銀行深圳分行商討債務重組之最後落實方案。

- ii) 於二零一零年六月十四日，德維森收到由中國深圳市中級人民法院發出之民事裁定，有關獨立第三方(為原告)聲稱就於二零零五年十一月由德維森為原告之利益而作出擔保，向德維森索償約24,500,000港元。個人兼獨立第三方的另一被告違反兩項由原告及另一被告分別於二零零五年十月及十一月訂立之投資協議之條款，條款規定原告可獲得上述投資額之15%固定回報。

裁定指，另一被告須支付約23,000,000港元，即原告所投資的投資金額20,000,000港元連同原告根據投資協議有權收取的定額回報3,000,000港元。另一被告未能支付的金額，須由德維森承擔一半餘額。

本集團擬就申索作出抗辯並已就裁定提出上訴。根據中國法律顧問之評估，德維森於有關上訴仍有勝算之可能。故此，訴訟披露為或然負債，而於二零一零年六月三十日並無就索償作出撥備。

Management Discussion and Analysis

管理層討論及分析

- iii) On 12 December 2009, the Company received a writ of summons from Global Tide Limited ("Global Tide"). Global Tide (as plaintiff) brought a claim (the "Claim") against the Company (as first defendant) and Mr. Siek Fui (also known as Andy Siek) (as second defendant), a former executive Director of the Company, for damages of approximately HK\$8,834,000 in respect of breach of warranties and representations given by the Company in the sale and purchase agreement dated 30 June 2008 entered into between the Company and Global Tide in connection with the sale of entire interest in Magic Gain Investments Limited, which held 25% shareholding in Orient Metro Limited and in turn owned 95% shareholding in PT Orient Metro Utama, which carried out the services of exploration, excavating, processing of minerals and mining operation and management etc in Indonesia.

The plaintiff, inter alia, alleged that the Company failed to disclose the expiry of the exploration licence and/or the actual amount of capital injection to Orient Metro Limited. As such, the plaintiff alleged that the Company was in breach the warranties and representations given by it in the agreement.

The Company has sought legal advice in respect of the merits of the Claim and will defend the Claim vigorously. On 16 March 2010, we have filed our Defence with the Court. On 23 March 2010, our solicitors have filed and served a Notice of Contribution on the Solicitors for the Plaintiff and the Solicitors for the 2nd Defendant. As to the progress of the proceedings, the pleadings stage has recently completed. Based on the legal advice, the Board considered it is difficult to predict the outcome or give an estimate of ultimate liability at this stage.

- iv) The Group had arranged for bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments during the period from 1 January 2010 to 30 June 2010. The outstanding amount of guarantees amounted to approximately RMB15,793,000 (31 December 2009: approximately RMB90,759,000).

INTERIM DIVIDEND

The Board does not recommend any payment of interim dividend for the six months period ended 30 June 2010 (for the six months ended 31 December 2009: Nil).

- iii) 於二零零九年十二月十二日本公司收到怡太有限公司(「怡太」)的訴訟狀。怡太(「原告」)就有關於二零零八年六月三十日本公司與怡太所簽署之買賣協議(有關出售Magic Gain Investments Limited全部權益，Magic Gain Investments Limited持有Orient Metro Limited之25%股權，其持有PT Orient Metro Utama之95%股權，PT Orient Metro Utama業務為於印尼勘探服務、探掘、礦物加工及營運及管理。)中，本公司違反提供之保證及聲明之有關損失約8,834,000港元，向本公司(為第一被告)及本公司前執行董事薛輝先生(為第二被告)(亦稱為Andy Siek)提出民事索償(「索償」)。

原告聲稱本公司未有披露勘探許可證的逾期及／或實際注資於Orient Metro Limited之金額。因此，原告聲稱本公司違反於買賣協議中所作出之保證及聲明。

本公司已為有關索償尋求法律意見並決定作出辯護。於二零一零年三月十六日，我們已經將辯護書提交法院。於二零一零年三月二十三日我們的律師已將分擔通知書交予原告律師及第二被告律師。就法律程序過程而言，最近已完成答辯階段。根據法律意見，在現階段董事會認為未能預計上訴結果或就最終須承擔之責任作出估計。

- iv) 本集團已就購買某些物業單位安排銀行融資及提供擔保，以確保於二零一零年一月一日至二零一零年六月三十日期內之還款。未付擔保金額約為人民幣15,793,000元(於二零零九年十二月三十一日：約人民幣90,759,000元)。

中期股息

董事會建議不派發截至二零一零年六月三十日止六個月之中期股息(截至二零零九年十二月三十一日止六個月：無)。

DIRECTORS' INTERESTS AND SHORT POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY

At 30 June 2010, the interests and short positions of the Directors or the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of the Part XV of the Securities and Futures Ordinance (the "SFO")) (1) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (2) which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (3) which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") to be notified to the Company and the Stock Exchange, were as follows:

本公司董事於股份及相關股份的權益及淡倉

於二零一零年六月三十日，本公司之董事或主要行政人員於本公司及其聯繫公司（定義見證券及期貨條例第XV部）的股份、相關股份及債券中擁有(1)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益及淡倉；或(2)須記入根據證券及期貨條例第352條須設立的登記冊的權益及淡倉；或(3)根據上市公司董事進行證券交易的標準守則而須通知本公司及聯交所之權益及淡倉如下：

Name of Director 董事姓名	Number of shares held 所持股份數目		Number of options held 所持購股權數目		Total 總數	Approximate percentage of shareholding 持股概約百分比
	Personal Interest 個人權益	Corporate Interest 公司權益	Personal Interest 個人權益	Personal Interest 個人權益		
Ms. XIA Dan (Note)	XIA Dan女士 (附註)	-	79,500,000	3,500,000	83,000,000	9.74
Mr. LAU Sai Chung	劉世忠先生	148,000	-	3,352,000	3,500,000	0.41
Mr. Chen Xian	陳賢先生	-	-	3,500,000	3,500,000	0.41
Mr. Tsim Sze Hon	詹詩瀚先生	-	-	2,000,000	2,000,000	0.23
Mr. Xong Jianrui	熊劍瑞先生	-	-	3,500,000	3,500,000	0.41
Mr. Poon Lai Yin, Michael	潘禮賢先生	-	-	200,000	200,000	0.02
Mr. Choi Kai Ming, Raymond	蔡繼明先生	-	-	348,000	348,000	0.04
Mr. Chong Yiu Chik	莊耀植先生	-	-	348,000	348,000	0.04

Note: Ms. Xia Dan ("Ms. Xia") is taken to be interested in 79,500,000 shares held by Mega Edge International Limited which is 100% owned by Ms. Xia. By virtue of the SFO, Ms. Xia is deemed to have interest of the shares held by Mega Edge International Limited.

附註：Xia Dan女士（「Xia女士」）被視為擁有Mega Edge International Limited所持79,500,000股之100%權益。根據證券及期貨條例，Xia女士被視為擁有Mega Edge International Limited之實益控制權。

Save as disclosed above, at 30 June 2010, none of the Directors, chief executive of the Company nor their associates had any interest or short position in shares, underlying shares or debentures of the Company or its associated corporations which were recorded in the register required to be kept under Section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零一零年六月三十日，本公司董事及主要行政人員及彼等的各自聯繫人仕概無於本公司或其相聯法團的股份、相關股份或債券中擁有須記入根據證券及期貨條例第352條規定須存置之登記冊或根據標準守則須知會本公司及聯交所的任何淡倉。

Disclosure of Interests

權益披露

SUBSTANTIAL SHAREHOLDERS

At 30 June 2010, so far as was known to the Directors, the following persons (other than the Directors or the chief executive of the Company) has interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company under the provisions of division 2 and 3 of Part XV of the SFO, or which were recorded in the register of substantial shareholder required to be kept by the Company under section 336 of the SFO.

(i) Long position in ordinary shares

主要股東

除下文披露者外，於二零一零年六月三十日，董事並無獲悉有任何其他人士（除本公司董事或主要行政人員）於本公司股份或相關股份中擁有權益或淡倉而根據證券及期貨條例第XV第2及3分部或根據證券及期貨條例第336條之規定須向本公司披露：

(i) 普通股之權益

Substantial Shareholder	Capacity and nature of interest	Number of shares held	Approximate percentage of total issued shares
主要股東	身份及權益性質	所持股份數目	佔已發行股份合計之概約百分比
Mega Edge International Limited (Note)	Registered Shareholder		
Mega Edge International Limited (附註)	註冊股東	79,500,000	9.33%
Mr. Chak Joaquim Emilio Kin Man	Registered Shareholder		
翟健民先生	註冊股東	96,824,000	11.36%
Ms. Wong Sio Leng	Registered Shareholder		
黃少玲女士	註冊股東	115,000,000	13.50%
Mr. Ho Man Hung	Registered Shareholder		
何敏雄先生	註冊股東	226,800,000	26.62%

Note: Mega Edge International Limited, which is 100% owned by Ms. Xia Dan, non-executive director of the Company. By virtue of the SFO, Ms. Xia is deemed to have interest of the shares held by Mega Edge International Limited.

附註：本公司之非執行董事Xia女士於Mega Edge International Limited擁有100%實益控制權。根據證券及期貨條例，Xia女士被視為擁有Mega Edge International Limited持有之股份之實益控制權。

(ii) Long position in underlying shares

(ii) 相關股份之權益

Name	Capacity and nature of interest	Number of underlying shares	Approximate percentage of total issued ordinary shares
名稱	身份及權益性質	所持相關股份數目	佔已發行普通股合計之概約百分比
Weina (BVI) Limited ("Weina") (Note 1)	Beneficial owner	230,000,000	27.00%
Weina (BVI) Limited (「榮瀚」) (附註1)	實益擁有的者		
Weina Group Limited ("Weina Group") (Note 2)	Interest of a controlled corporation	230,000,000	27.00%
榮瀚集團有限公司 (「榮瀚集團」) (附註2)	受控制公司之權益		
Mr. TSIM Wing Kong ("Mr. Tsim") (Note 2)	Interest of a controlled corporation	230,000,000	27.00%
詹榮光先生 (「詹先生」) (附註2)	受控制公司之權益		
Best Contact Holdings Limited ("Best Contact") (Note 1)	Beneficial owner	230,000,000	27.00%
Best Contact Holdings Limited (「Best Contact」) (附註1)	實益擁有的者		
Mr. Xu Deliang (Note 3)	Interest of a controlled corporation	230,000,000	27.00%
Xu Deliang先生 (附註3)	受控制公司之權益		

Notes:

附註：

1. The Company entered into a subscription and option agreement on 26 May 2006 with Weina and through such agreement and the exercise of option by Weina, Weina is interested in 350,000,000 convertible redeemable preference shares of the Company and has the right to convert the aforesaid shares in 350,000,000 Shares (based on its initial conversion price). On 2 June 2009, the Company and Weina entered into a first supplemental agreement to extend the conversion period for the aforesaid shares for a further 12 months from the expiry date of the conversion period under the subscription and option agreement. By a second supplemental agreement dated 23 October 2009, the conversion period shall be extended automatically for a period of 12 months with effect from each expiry date of the said conversion period unless (i) Weina serves a written notice on the Company notifying its intention of not extending the said conversion period for a further 12 months not later than 7 days prior to the expiry date of the said conversion period, and (ii) the Company agrees not to extend the said conversion period for a further 12 months upon receiving such notice. It is also agreed that the convertible redeemable preference shares shall become transferable. On 25 May 2010, Weina transferred 225,000,000 convertible redeemable preference shares to Best Contact.

1. 本公司已於二零零六年五月二十六日與榮瀚簽訂一份認購及選擇認股權協議，而透過協議，榮瀚被視為擁有350,000,000股可轉換可購回優先股股份權益及有權將該等股份轉換為350,000,000普通股股份（根據初步換股價）。於二零零九年六月二日，本公司與榮瀚訂立首份補充協議，將上述股份之兌換期間由認購及選擇認股權協議項下兌換期間之屆滿日期延長另外12個月。根據日期為二零零九年十月二十三日之第二份補充協議，兌換期間將由上述兌換期間之屆滿日期起自動延長12個月，除非(i)榮瀚於上述兌換期間屆滿日期前7日向本公司發出書面通知，指出其無意將上述兌換期間延長另外12個月，及(ii)本公司於收到上述通知後同意不會將上述兌換期間延長另外12個月。亦協定可轉換可購回優先股股份將可轉讓他人。於二零一零年五月二十五日，榮瀚轉讓225,000,000股可轉換可購回優先股股份至Best Contact。

Disclosure of Interests

權益披露

Moreover, the Company entered into a sale and purchase agreement on 17 November 2006 with Weina Holdings Limited and through such agreement, Weina (as designated by Weina Holdings Limited) is interested in 110,000,000 convertible redeemable preference A shares of the Company and has the right to convert the aforesaid preference A shares into 110,000,000 Shares. Weina Group owns the entire issued share capital of Weina and is therefore deemed to have interests in the underlying Shares in which Weina is interested. By a supplemental agreement dated 23 October 2009, the conversion period for the aforesaid preference A shares is extended for a further 12 months from the expiry date of the conversion period and the said conversion period shall be extended automatically for a period of 12 months with effect from each expiry date of the said conversion period unless (i) Weina serves a written notice on the Company notifying its intention of not extending the said conversion period for a further 12 months not later than 7 days prior to the expiry date of the said conversion period, and (ii) the Company agrees not to extend the said conversion period for a further 12 months upon receiving such notice. It is also agreed that the convertible redeemable preference A shares shall become transferable. On 25 May 2010, Weina transferred 5,000,000 convertible redeemable preference A shares to Best Contact.

2. Weina Group owns entire issued capital of Weina and is therefore deemed to have interests in the underlying shares of the Company in which Weina is interested. Mr. Tsim is deemed to be interested in the underlying shares of the Company by virtue of his controlling interest in Weina Group. Mr. Tsim is the father of Mr. Tsim Sze Hon, an executive Director of the Company.
3. Best Contact is wholly owned by Mr. Xu Deliang. By virtue of the SFO, Mr. Xu is deemed to have interest of the shares held by Best Contact.

Save as disclosed above, no person had registered interest in the share capital of the Company that was required to be disclosed under Division 2 and 3 of the Part XV of the SFO and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Save for the shareholders as disclosed herein, the Directors are not aware of any persons, who, as at 30 June 2010, were entitled to exercise or control the exercise of 5% or more of the voting power at the general meeting of the Company and were also, a practicable matter, able to direct or influence the management of the Company.

同時，本公司已於二零零六年十一月十七日與榮瀚集團簽訂一份買賣協議，透過協議，榮瀚（由榮瀚集團指定）擁有110,000,000股可轉換可贖回優先A股股份權益及有權將該等優先A股股份轉換為110,000,000股股份。榮瀚集團持有榮瀚之全部已發行股本，因此被視為於榮瀚所持相關股份中擁有權益。根據日期為二零零九年十月二十三日之補充協議，上述優先A股股份之兌換期間由兌換期間之屆滿日期延長另外12個月；上述兌換期間將由上述兌換期間之屆滿日期起自動延長12個月，除非(i)榮瀚於上述兌換期間屆滿日期前7日向本公司發出書面通知，指出其無意將上述兌換期間延長另外12個月，及(ii)本公司於收到上述通知後同意不會將上述兌換期間延長另外12個月。亦協定可轉換可贖回優先股股份將可轉讓。於二零一零年五月二十五日，榮瀚轉讓5,000,000股可轉換可贖回優先A股股份予 Best Contact。

2. 榮瀚集團持有榮瀚之全部已發行股份權益，因此被視為擁有榮瀚所持本公司股份及相關股份之權益。詹先生於榮瀚集團擁有控制權，故被視為於該等相關股份中擁有權益。詹先生乃本公司執行董事詹詩瀚先生之父親。
3. Best Contact為Xu Deliang先生全資擁有。因此按證券及期貨條例，Xu先生被視為為Best Contact所有的股份中擁有權益。

除上文所披露者外，概無任何人士於本公司股本中擁登記權益而須根據證券及期貨條例第XV部第2及3分部及香港聯合交易所有限公司證券上市規則（「上市規則」）之規定作出披露。

除本文所披露之股東外，董事並不知悉有任何人士於二零一零年六月三十日，有權於本公司股東大會上行使或控制行使5%或以上表決權，及實際上可直接管理本公司或影響本公司之管理。

RIGHTS TO ACQUIRE COMPANY'S SECURITIES

Other than as disclosed under the sections "Share Option Scheme" below and "Directors' Interests and Short Position in Shares and Underlying Shares of the Company" above, at no time during the period was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

SHARE OPTION SCHEME

A share option scheme was adopted on 20 January 2003 and terminated on 30 November 2009, (the "Old Scheme"). A new share option scheme was adopted by the shareholders of the Company at the annual general meeting of the Company held on 30 November 2009 (the "New Scheme"). The purpose of the New Scheme is to enable the Company to grant share options to the participants who, in the sole discretion of the Board, have made or may make contribution to the Group or any invested entity as well as to provide incentives and help the Group in retaining its existing employees and recruiting additional employees and to provide them with a direct economics interest in attaining the long term business objectives of the Group.

購買公司股份的權利

除以下「購股權計劃」及上文「本公司董事於股份及相關股份的權益及淡倉」等節所披露者外，本公司或其任何附屬公司或其任何同系附屬公司於期內任何時間概無參與訂立任何安排，讓董事或本公司行政總裁或彼等各自之聯繫人士（定義見上市規則）擁有任何權利認購本公司或其任何相聯法團（定義見證券及期貨條例）之證券或藉購入本公司或任何其他法人團體之股份或債券而獲取利益。

購股權計劃

本公司採納於二零零三年一月二十日通過及於二零零九年十一月三十日終止購股權計劃（「舊計劃」）。新購股權計劃已於本公司二零零九年十一月三十日舉行之股東週年大會上經本公司股東批准採納（「新計劃」）。新計劃旨在令本公司可由董事會全權酌情決定下對本集團或任何被投資實體作出或可能作出貢獻之參與者授予購股權，以及給予獎勵並協助本集團保留現有僱員及招聘額外僱員，並向其提供直接經濟利益，為達致本集團之長遠業務目標而努力。

Disclosure of Interests

權益披露

Particulars of the movement of the options held by each of the Directors, the employees of the Company in aggregate granted under the Old Scheme and the New Scheme during the six months period ended 30 June 2010, were as follows:

截至二零一零年六月三十日止六個月內，根據舊計劃及新計劃授出予本公司董事及僱員之購股權變動，詳情載列如下：

Category of participants	Date of grant	Exercise period	Exercise price per share	Number of share options				
				Held at 31 December 2009	Granted during the period	Exercised during the period	Lapsed during the period	Held at 30 June 2010
持有人	授予日期	行使期	每股股份行使價 HK\$ 港元	於 二零零九年 十二月 三十一日 持有	於期內 授予	於期內 行使	於期內 已失效	於 二零一零年 六月三十日 持有
Share options granted under the Old Scheme								
於舊計劃下授出之購股權								
Mr. Chen Xian 陳賢先生	21.8.2009	21.8.2009-20.8.2012	1.18	3,500,000	-	-	-	3,500,000
Mr. Lau Sai Chung 劉世忠先生	21.8.2009	21.8.2009-20.8.2012	1.18	3,352,000	-	-	-	3,352,000
Mr. Tsim Sze Hon 詹詩瀚先生	21.8.2009	21.8.2009-20.8.2012	1.18	2,000,000	-	-	-	2,000,000
Mr. Xiong Jianrui 熊劍瑞先生	21.8.2009	21.8.2009-20.8.2012	1.18	3,500,000	-	-	-	3,500,000
Ms. Xia Dan Xia Dan女士	21.8.2009	21.8.2009-20.8.2012	1.18	3,500,000	-	-	-	3,500,000
Mr. Poon Lai Yin, Michael 潘禮賢先生	21.8.2009	21.8.2009-20.8.2012	1.18	200,000	-	-	-	200,000
Mr. Choi Kai Ming, Raymond 蔡繼明先生	21.8.2009	21.8.2009-20.8.2012	1.18	348,000	-	-	-	348,000
Mr. Chong Yiu Chik 莊耀植先生	21.8.2009	21.8.2009-20.8.2012	1.18	348,000	-	-	-	348,000
Employee 僱員	21.8.2009	21.8.2009-20.8.2012	1.18	1,200,000	-	-	-	1,200,000
Share options granted under the New Scheme								
於新計劃下授出之購股權								
Other eligible participants 其他合資格參與者	19.2.2010	19.2.2010-18.2.2013	0.88	-	10,000,000	-	-	10,000,000
Total 合共				17,948,000	10,000,000	-	-	27,948,000

On 19 February 2010, the Company granted 10,000,000 share option to the eligible participants at a subscription price of HK\$0.88.

於二零一零年二月十九日，本公司已授出10,000,000購股權予合資格參與者，每股行使價為港幣0.88元。

At 30 June 2010, the total number of outstanding share options under the Old Scheme and the New Scheme were 17,948,000 share options and 10,000,000 share options respectively.

於二零一零年六月三十日，在舊計劃及新計劃下分別授出17,948,000股購股權及10,000,000股購股權。

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and complied with the code provisions and, where applicable, the recommended practices of the Code on Corporate Governance Practices ("Code") as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2010.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors of the Company confirm that all Directors have complied with the required standard set out in the Model Code during the period under review.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") with written terms of reference in compliance with the code provisions of the code. As at the date of this report, the Audit Committee of the Company consists of the following members:

Independent non-executive Directors

Mr. POON Lai Yin, Michael (*Chairman*)
Mr. CHONG Yiu Chik
Mr. CHOI Kai Ming, Raymond

The chief responsibilities of the audit committee include making recommendations to the Board on the appointment, reappointment and removal of the external auditors and to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of such auditors; reviewing the quarterly, interim and annual reports and accounts of the Group; and supervising the financial reporting process and effectiveness of internal control system of the Group.

During the period under review, the Audit Committee reviewed and made recommendation to the Board for approval of the condensed consolidated financial statements of the Group for the six months ended 30 June 2010, discussed the accounting policies and practices which may affect the Group with the management and the Company's auditors and reviewed the fees charged by the external auditors.

遵照企業管治常規守則

於截至二零一零年六月三十日止六個月內，本公司一直應用及遵守上市規則附錄十四所載企業管治常規守則（「守則」）之原則及所有守則條文以及（在適用情況下）建議最佳常規。

董事進行證券交易之標準守則

本公司採納上市規則附錄十所載有關董事進行證券交易的標準守則，作為董事進行交易事宜的守則。於回顧期間，向全體董事作出明確查詢後，全體董事確認已遵守標準守則所載之標準規定。

審核委員會

本公司成立審核委員會（「審核委員會」）並遵守守則條文訂立書面職權範圍，審核委員會現共有以下成員：

獨立非執行董事

潘禮賢先生（*主席*）
莊耀植先生
蔡繼明先生

審核委員會主要負責就外聘核數師之委任、重聘及罷免向董事會作出建議，並審批外聘核數師之酬金及聘任條款，以及與該等核數師之辭任或罷免有關之任何事宜；審閱季度報告、中期報告、年報及本集團賬目；以及監察財務申報程序及本集團內部監控系統是否有效。

於回顧期內，審核委員會曾審閱並建議董事會批准本集團截至二零一零年六月三十日止六個月之未經審核簡明綜合財務報表與管理層及本公司之核數師討論對本集團有影響之會計政策及實務，及審閱外聘核數師支取之費用。

REMUNERATION COMMITTEE

The Company established a remuneration committee (the "Remuneration Committee") with written terms of reference in compliance with the Code. The existing Remuneration Committee consists of the following members:

Independent Non-executive Directors

Mr. CHOI Kai Ming, Raymond (*Chairman*)
Mr. POON Lai Yin, Michael
Mr. CHONG Yiu Chik

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for the remuneration of Directors and senior management, and reviewing the specific remuneration packages of all executive Directors and senior management by reference to the corporate goals and objectives resolved by the Board from time to time.

NOMINATION COMMITTEE

The Company established a nomination committee (the "Nomination Committee") with written terms of reference in compliance with the Code. The existing Nomination Committee consists of the following the members:

Independent Non-executive Directors

Mr. CHONG Yiu Chik (*Chairman*)
Mr. POON Lai Yin, Michael
Mr. CHOI Kai Ming, Raymond

The Nomination Committee has adopted a written nomination procedure specifying the process and criteria for the selection and recommendation of candidates for directorship of the Company. The Nomination Committee will be based on the criteria in the procedure (such as appropriate experience, personal skills and time commitment) to identify and recommend proposed candidates to the Board.

PURCHASES, SALE AND REDEMPTION OF SECURITY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months period ended 30 June 2010.

薪酬委員會

本公司成立薪酬委員會（「薪酬委員會」），並遵照企業管治守則釐定其書面職權範圍。薪酬委員會包括以下成員：

獨立非執行董事

蔡繼明先生（主席）
潘禮賢先生
莊耀植先生

薪酬委員會的主要職責包括就董事及高級管理層之酬金政策及架構，向董事會提出建議，並參考董事會不時決議之企業目標及目的，審閱全部執行董事及高級管理層之具體薪酬方案。

提名委員會

本公司成立提名委員會（「提名委員會」），並遵照企業管治守則釐定其書面職權範圍。提名委員會包括以下成員：

獨立非執行董事

莊耀植先生（主席）
潘禮賢先生
蔡繼明先生

提名委員會已採納書面提名程序，列明挑選及建議本公司董事候選人之過程及準則。提名委員會將按照過程之準則（如適當經驗、個人技能及承擔時間），物色及建議董事會之擬議候選人。

購買、出售或贖回證券

於截至二零一零年六月三十日止六個月期間，本公司及其附屬公司概無買賣或贖回本公司任何上市證券。



SHINEWING (HK) CPA Limited
43/F., The Lee Gardens
33 Hysan Avenue
Causeway Bay, Hong Kong

**TO THE BOARD OF DIRECTORS OF
CHINA UPTOWN GROUP COMPANY LIMITED**
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have been instructed by the Company to review the interim financial information set on pages 21 to 52.

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKAS 34") and the relevant provisions thereof. The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34.

It is our responsibility to form an independent conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

REVIEW WORK PERFORMED

We conducted our review 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. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

致中國上城集團有限公司董事會

(於開曼群島註冊成立之有限公司)

引言

我們已應 貴公司指示審閱第21至52頁所載的中期財務資料。

根據香港聯合交易所有限公司證券上市規則，中期財務報告的編製必須符合香港會計師公會頒布的香港會計準則第34號「中期財務報告」(「香港會計準則第34號」)及其相關條文之規定。董事須負責根據香港會計準則第34號編製及列報中期財務資料。

我們之責任是根據審閱之結果，對中期財務報告作出獨立結論，並按照雙方協定的應聘書條款，僅向全體董事會報告。除此之外，本報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔任何責任。

所履行之審閱工作

我們已按照香港會計師公會所頒布的香港審閱工作準則第2410號「公司獨立核數師對中期財務資料的審閱」進行審閱工作。審閱工作包括向專責財務及會計事宜的人員作出查詢，並就此進行分析及其他審閱程序。由於審閱的範圍遠較根據香港審核準則進行的審核為小，因此不能保證我們會知悉在審核中可能會發現的所有重大事宜。正因如此，我們不會表達審核意見。

Independent Review Report 獨立審閱報告

REVIEW CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Ip Yu Chak

Practising Certificate Number: P04798

Hong Kong
30 August 2010

審閱結論

根據我們的審閱結果，我們並無發現有任何事項致使我們相信中期財務資料在所有重大方面並無按照香港會計準則第34號編製。

信永中和（香港）會計師事務所有限公司

執業會計師

葉汝澤

執業證書號碼：P04798

香港
二零一零年八月三十日

Condensed Consolidated Statement of Comprehensive Income

簡明綜合全面收益表

For the six months ended 30 June 2010

截至二零一零年六月三十日止六個月

		Notes 附註	1.1.2010 to 30.6.2010 二零一零年 一月一日至 二零一零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	1.7.2009 to 31.12.2009 二零零九年 七月一日至 二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Turnover	營業額	4, 5	161,721	140,120
Cost of sales	銷售成本		(201,677)	(134,826)
Gross (loss) profit	毛(損)利		(39,956)	5,294
Other operating income	其他營運收入		2,985	7,684
Selling and distribution costs	出售及分銷成本		(2,397)	(194)
Reversal of impairment loss recognised in respect of trade receivables	貿易應收賬款 確認之減值 虧損撥回		-	10,629
Reversal of bad debts directly written off	壞賬直接 撇賬撥回		-	4,794
Administrative expenses	行政費用		(10,105)	(11,131)
Change in fair value of investment properties	投資物業公允值 之變動		4,011	6,826
Loss on disposal of available-for-sale investment	出售可供出售 投資之虧損		-	(67,699)
Equity-settled share-based payment expenses	以權益結算之以股份 為基礎的支付開支		(4,315)	(10,063)
Finance costs	財務成本		(20,312)	(7,918)
Loss before taxation	除稅前虧損		(70,089)	(61,778)
Income tax credit (expense)	所得稅計入(支出)	6	48,450	(2,070)
Loss for the period	期內虧損	7	(21,639)	(63,848)
Exchange differences arising on translation of financial statements of foreign operations and total other comprehensive income (expenses) for the period	期內因換算外國業務 財務報表產生的 匯兌差額及 其他全面 收入(支出)總額		848	(129)
Total comprehensive expenses for the period	期內全面支出總額		(20,791)	(63,977)

Condensed Consolidated Statement of Comprehensive Income

簡明綜合全面收益表

For the six months ended 30 June 2010
截至二零一零年六月三十日止六個月

		Notes 附註	1.1.2010 to 30.6.2010 二零一零年 一月一日至 二零一零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	1.7.2009 to 31.12.2009 二零零九年 七月一日至 二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Loss for the period attributable to:	應佔期內虧損權益：			
Owners of the parent	控股公司之擁有人		(15,829)	(63,167)
Non-controlling interests	非控制性權益		(5,810)	(681)
			(21,639)	(63,848)
Total comprehensive expenses for the period attributable to:	應佔期內全面 支出總額：			
Owners of the parent	控股公司之擁有人		(14,990)	(63,296)
Non-controlling interests	非控制性權益		(5,801)	(681)
			(20,791)	(63,977)
Loss per share	每股虧損		RMB1.86 cents	RMB10.30 cents
Basic and diluted	基本及攤薄	9	人民幣1.86仙	人民幣10.30仙

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 June 2010
於二零一零年六月三十日

		Notes 附註	30.6.2010 二零一零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核) (restated) (經重列)
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	10	35,731	36,985
Investment properties	投資物業	11	200,176	236,206
Prepaid lease payments	租賃預付款項	11	249	252
Goodwill	商譽	12	184,231	184,231
Available-for-sale investments	可供出售投資		-	-
			420,387	457,674
Current assets	流動資產			
Properties under development	在建物業	13	522,974	376,259
Properties held for sale	待售物業		196,428	281,626
Trade and other receivables	貿易及其他應收賬款	14	48,056	139,313
Prepaid lease payments	租賃預付款項	11	6	6
Income tax recoverable	可收回所得稅		418	-
Held-to-maturity investments	持有至到期日投資		-	-
Held-for-trading investments	持作交易用途投資		444	510
Bank balances and cash	銀行結存及現金			
- pledged	- 已抵押		-	12,609
- unpledged	- 無抵押		28,198	148,905
			796,524	959,228
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	15	165,939	333,757
Provision for claims	索償撥備		60,700	60,700
Income tax payable	應付所得稅		7,830	36,813
Bank borrowings – repayable within one year	銀行貸款 – 於一年內 償還	16	81,938	105,194
			316,407	536,464
Net current assets	流動資產淨額		480,117	422,764
			900,504	880,438

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 June 2010

於二零一零年六月三十日

		Notes 附註	30.6.2010 二零一零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核) (restated) (經重列)
Capital and reserves	股本及儲備			
Ordinary share capital	普通股股本	17	81,232	81,232
Convertible redeemable preference shares	可轉換可贖回優先股		184,653	184,653
Reserves	儲備		75,887	86,562
Equity attributable to owners of the parent	控股公司之擁有人應佔權益		341,772	352,447
Non-controlling interests	非控制性權益		243,773	299,574
Total equity	權益總額		585,545	652,021
Non-current liabilities	非流動負債			
Bank borrowings – due after one year	銀行貸款 – 一年後到期	16	160,694	11,679
Consideration payable	應付代價	18	109,288	143,097
Deferred taxation	遞延稅項		44,977	73,641
			314,959	228,417
			900,504	880,438

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2010
截至二零一零年六月三十日止六個月

		Attributable to owners of the parent 控股公司之擁有人應佔										
		Ordinary share capital	Share premium	Convertible redeemable preference shares	Capital reserve	Share options reserve	Exchange translation reserve	General reserve	Accumulated losses	Total	Non-controlling interests	Total
		普通股股本	股本溢價	可轉換可贖回優先股	資本儲備	購股權儲備	換算儲備	一般儲備	累計虧損	總額	非控制性權益	總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
					(Note (a)) (附註(a))			(Note (b)) (附註(b))				
At 1 January 2010 (audited)	於二零一零年一月一日 (經審核)	81,232	386,529	184,653	13,841	10,063	(5,996)	5,887	(323,762)	352,447	299,574	652,021
Loss for the period and total comprehensive income (expenses)	期內虧損及全面 收入(支出)總額	-	-	-	-	-	839	-	(15,829)	(14,990)	(5,801)	(20,791)
Recognition of equity-settled share based payments	以權益結算之以股份為基礎 的支付確認	-	-	-	-	4,315	-	-	-	4,315	-	4,315
Dividend paid to non-controlling interests of a subsidiary	向附屬公司非控制性權益 支付股息	-	-	-	-	-	-	-	-	-	(50,000)	(50,000)
At 30 June 2010 (unaudited)	於二零一零年六月三十日 (未經審核)	81,232	386,529	184,653	13,841	14,378	(5,157)	5,887	(339,591)	341,772	243,773	585,545
At 1 July 2009 (audited)	於二零零九年七月一日 (經審核)	44,031	29,414	184,653	13,841	362	(5,867)	5,309	(260,017)	11,726	-	11,726
Loss for the period and total comprehensive expenses	期內虧損及全面開支總額	-	-	-	-	-	(129)	-	(63,167)	(63,296)	(681)	(63,977)
Acquired on acquisition of subsidiaries	收購附屬公司	-	-	-	-	-	-	-	-	-	300,255	300,255
Issue of shares upon settlement of consideration in respect of acquisition of subsidiaries/available-for-sale investments	發行股份 — 交收有關收購附屬公司/ 可供出售投資之代價	37,113	356,478	-	-	-	-	-	-	393,591	-	393,591
- exercise of share options	- 行使購股權	88	925	-	-	(362)	-	-	-	651	-	651
- transactions costs attributable to issue of shares	- 發行股份之交易成本	-	(288)	-	-	-	-	-	-	(288)	-	(288)
Recognition of equity-settled share based payments	以權益結算之以股份為基礎 的支付確認	-	-	-	-	10,063	-	-	-	10,063	-	10,063
Transfers	轉讓	-	-	-	-	-	-	578	(578)	-	-	-
At 31 December 2009 (audited)	於二零零九年十二月三十一日 (經審核)	81,232	386,529	184,653	13,841	10,063	(5,996)	5,887	(323,762)	352,447	299,574	652,021

Notes:

附註：

- (a) The capital reserve represents the effect of the reorganisation of the Group through which the Company becomes the holding company of all group companies comprising the Group and capitalisation of shareholders' loans by a subsidiary.
- (a) 資本儲備包括本集團因重組(本公司因而成為組成本集團之所有集團公司之控股公司)及將一間附屬公司之股東貸款資本化所產生之影響。
- (b) As stipulated by regulations in the People's Republic of China (the "PRC"), certain subsidiaries in the PRC are required to appropriate 10% of the after-tax profit (after offsetting prior year losses) to a general reserve fund until the balance of the fund reaches 50% of its registered capital and thereafter any further appropriation is optional. The general reserve fund can be utilised to offset prior year losses, or for conversion into registered capital on the condition that the general reserve fund shall be maintained at a minimum of 25% of the registered capital after such utilisation.
- (b) 按中華人民共和國(「中國」)法規規定，某國內附屬公司須從其除稅後溢利(經抵銷過去年度之虧損)中撥出10%列入一般儲備金，直至該儲備金達至其註冊資本之50%，而其後之撥款則可隨意作出。一般儲備金可用作抵銷過去年度之虧損，或轉至註冊資本，惟需在作出該等使用後，一般儲備金最少仍維持於註冊資本25%之水平。

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2010
截至二零一零年六月三十日止六個月

		1.1.2010 to 30.6.2010 二零一零年 一月一日至 二零一零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	1.7.2009 to 31.12.2009 二零零九年 七月一日至 二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Net cash used in operating activities	經營活動之現金流出淨額	(144,912)	(24,290)
Net cash (used in) from investing activities	投資活動之現金(流出) 流入淨額	(41,139)	162,072
Net cash from (used in) financing activities	融資活動之現金流入 (流出)淨額	65,353	(2,174)
Net (decrease) increase in cash and cash equivalents	現金及現金等值項目之 (減少)增加淨額	(120,698)	135,608
Effect on foreign exchange rate changes	匯率變動之影響	(9)	8
Cash and cash equivalents at the beginning of the period	於期初之現金及 現金等值項目	148,905	13,289
Cash and cash equivalents at the end of the period	於期末之現金及 現金等值項目	28,198	148,905

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2010

截至二零一零年六月三十日止六個月

1. GENERAL

China Uptown Group Company Limited (the "Company") is incorporated in the Cayman Islands as an exempt company with limited liability. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section to the interim report.

The functional currency of the Company and its subsidiaries (collectively referred to as the "Group") established in Hong Kong is Hong Kong dollars ("HK\$"). The functional currency of the subsidiaries established in the People's Republic of China (the "PRC") is Renminbi ("RMB"). For the presentation of the condensed consolidated financial statements, the Group adopted RMB as its presentation currency.

The principal activity of the Company is investment holding and the Group are principally engaged in properties development, properties investment, trading of automation products and electronic components and provision of technical and consultancy services including the provision of automation products on a project basis.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure provisions of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The condensed consolidated financial statements for the current period cover the six months ended 30 June 2010. The corresponding comparative amounts shown for the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and related notes cover the six months ended 31 December 2009 and therefore may not be comparable with amounts shown for the current period. The period covered by the current period's condensed consolidated financial statements does not correspond to the period covered by the comparatives because the Company changed its financial reporting year end date to 31 December with effect from the year ended 31 December 2009 in order to bring in line with that of its subsidiaries which operate in the PRC following the acquisition of certain major subsidiaries in the PRC during the six months period ended 31 December 2009.

1. 一般資料

中國上城集團有限公司(「本公司」)乃於開曼群島註冊成立之受豁免有限公司。其股份在香港聯合交易所有限公司(「聯交所」)上市。

本公司之註冊辦事處及主要營業地址已於中期報告中的「公司資料」一節披露。

本公司及其附屬公司(統稱「本集團」)之功能貨幣為港元「(港元)」。在中華人民共和國(「中國」)成立之附屬公司之功能貨幣為人民幣(「人民幣」)。就簡明綜合財務報表之呈列而言,本集團採納人民幣為其呈列貨幣。

本公司之主要活動為投資控股,而本集團主要從事物業發展、物業投資、自動化產品及電子零件貿易及提供技術及顧問服務(其中包括工程項目所需提供的自動化產品)。

2. 編製基準

簡明綜合財務報表乃根據聯交所證券上市規則(「上市規則」)附錄十六之適用披露規定及香港會計師公會(「香港會計師公會」)頒布的《香港會計準則》(「《香港會計準則》」)第34號「中期財務報告」而編製。

本期之簡明綜合財務報表涵蓋二零一零年六月三十日止六個月。簡明綜合全面收益表、簡明綜合權益變動表、簡明綜合現金流量表及相關附註呈列之相應比較數字涵蓋截至二零零九年十二月三十一日止六個月,因此可能無法比擬本期金額。本公司之財務報告年結日已更改為十二月三十一日,由二零零九年十二月三十一日止年度起生效,因本公司於截至二零零九年十二月三十一日止六個月期間內在中國收購了一些主要附屬公司。因此本公司將本集團及其於中國經營之附屬公司之財務報告年結日使之致。故此本期之簡明綜合財務狀況表涵蓋之期間並非與可比較期間所涵蓋之期間相應。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2010
截至二零一零年六月三十日止六個月

3. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies used in the condensed consolidated financial statements for the six months ended 30 June 2010 are consistent with those followed in the preparation of the Group's annual financial statements for the six months ended 31 December 2009 except as described below.

In current period, the Group has applied the following new and revised standards, amendments to standards and interpretations ("new and revised HKFRSs") issued by the HKICPA.

HKFRSs (Amendments)	Amendment to HKFRSs as part of Improvements to HKFRSs 2009
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions

Except as described below, the adoption of the above new and revised HKFRSs had no material effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

HKAS 17 – Leases

As part of Improvements to HKFRSs issued in 2009, HKAS 17 "Leases" has been amended in relation to the classification of leasehold land. Before the amendment to HKAS 17, leasees were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendment has removed such a requirement. Instead, the amendment requires the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee.

In accordance with the transitional provisions of HKAS 17 "Lease", the Group reassessed the classification of land elements of unexpired leases at 1 January 2010 based on information which existed at the inception of these leases. The application of the amendments to HKAS 17 has resulted in a reclassification of the Group's interests in leasehold land held in Hong Kong under medium-term leases from operating leases to finance leases. The corresponding prior-period comparatives have been restated accordingly.

3. 主要會計政策

簡明綜合財務報表乃根據過往成本慣例編製，惟若干金融工具及投資物業按公允值計量（如適用）。

除下文所述者，截至二零一零年六月三十日止六個月之簡明綜合財務報表所採納之會計政策與編製本集團截至二零零九年十二月三十一日止六個月之年度財務報表所採納者貫徹一致。

本期內，本集團已採納以下香港會計師公會頒佈之新訂及經修訂準則、修訂與詮釋（「新訂及經修訂香港財務報告準則」）。

香港財務報告準則（修訂本）	香港財務報告準則之修訂，作為改進二零零九年香港財務報告準則之一部份
香港財務報告準則第1號（修訂本）	首次採納者之額外豁免
香港財務報告準則第2號（修訂本）	集團以現金結算以股份支付之交易

除下文所述外，採納新訂及經修訂香港財務報告準則並無對本集團當前或先前會計期間之簡明綜合財務報表造成任何重大影響。

香港會計準則第17號 – 租賃

作為二零零九年頒佈之《香港財務報告準則之改進》的一部分，對香港會計準則第17號「租賃」有關土地租賃的分類要求作出了修訂。香港會計準則第17號修訂前，承租人須將土地租賃歸類為經營租賃，在綜合財務狀況表內列為租賃預付款項。修訂已經刪除有關要求。修訂後，土地的租賃將按照香港會計準則第17號的一般原則被歸類，即根據與租賃資產所有權相關的風險和報酬歸於出租人或承租人的程度釐定。

根據香港會計準則第17號「租賃」之過渡性條文，本集團根據尚未屆滿之租約訂立時已存在之資料，於二零一零年一月一日重新評估該等租約之土地部分之分類。應用香港會計準則第17號之修訂導致本集團對於香港租賃土地（於經營租約至融資租約下之中期租約）之權益須重新分類。相應期間之比較數字因此而重列。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2010

截至二零一零年六月三十日止六個月

3. PRINCIPAL ACCOUNTING POLICY (Continued)

The major lines of the financial statements that have been affected are as follows:

		As reported 已匯報 RMB'000 人民幣千元	Reclassification 重新分類 RMB'000 人民幣千元	As restated 經重列 RMB'000 人民幣千元
At 31 December 2009	於二零零九年十二月三十一日			
Prepaid lease payments – Current	租賃預付款項 – 即期	395	(389)	6
Prepaid lease payments – Non-current	租賃預付款項 – 非即期	17,486	(17,234)	252
Property, plant and equipment	物業、機器及設備	19,362	17,623	36,985

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

HKFRSs Improvement of HKFRSs 2010¹
(Amendment)

HKAS 24 (Revised) Related Party Disclosures⁴

HKAS 32 Classification of Rights Issues²
(Amendment)

HKFRS 1 Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters³
(Amendment)

HKFRS 9 Financial Instruments⁵

HK (IFRIC) – Interpretation (“Int”) 14 Prepayments of a Minimum Funding Requirement⁴
(Amendment)

HK (IFRIC) – Int 19 Extinguishing Financial Liabilities with Equity Instruments³

3. 主要會計政策 (續)

財務報表主要受影響之事項如下：

		As reported 已匯報 RMB'000 人民幣千元	Reclassification 重新分類 RMB'000 人民幣千元	As restated 經重列 RMB'000 人民幣千元
At 31 December 2009	於二零零九年十二月三十一日			
Prepaid lease payments – Current	租賃預付款項 – 即期	395	(389)	6
Prepaid lease payments – Non-current	租賃預付款項 – 非即期	17,486	(17,234)	252
Property, plant and equipment	物業、機器及設備	19,362	17,623	36,985

本集團並無提早應用以下已頒佈但尚未生效之新訂或經修訂準則、修訂或詮釋。

香港財務報告準則 (修訂本) 二零一零年香港財務報告準則之改進¹

香港會計準則第24號 (經修訂) 關連人士披露事項⁴

香港會計準則第32號 (修訂本) 供股之分類²

香港財務報告準則第1號 (修訂本) 首次採納者就香港財務報告準則第7號披露的比較資料所獲有限豁免³

香港財務報告準則第9號 金融工具⁵

香港 (國際財務報告委員會) 一 詮釋 (「詮釋」) 第14號 最低資本規定之預付款項⁴

香港 (國際財務報告委員會) 一 詮釋 第19號 以股本工具抵銷金融負債³

¹ Amendments that are effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate.

² Effective for annual periods beginning on or after 1 January 2011.

³ Effective for annual periods beginning on or after 1 February 2010.

⁴ Effective for annual periods beginning on or after 1 July 2010.

⁵ Effective for annual periods beginning on or after 1 January 2013.

¹ 於二零一零年七月一日及二零一一年一月一日 (倘適用) 或之後開始之年度期間生效之修訂。

² 於二零一一年一月一日或之後開始之年度期間生效。

³ 於二零一零年二月一日或之後開始之年度期間生效。

⁴ 於二零一零年七月一日或之後開始之年度期間生效。

⁵ 於二零一三年一月一日或之後開始之年度期間生效。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2010
截至二零一零年六月三十日止六個月

3. PRINCIPAL ACCOUNTING POLICY *(Continued)*

HKFRS 9 “Financial Instruments” introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The standard requires all recognised financial assets that are within the scope of HKAS 39 “Financial Instruments: Recognition and Measurement” to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group’s financial assets.

The directors of the Company anticipate that the application of the other new and revised standards and amendments will have no material impact on the results and financial position of the Group.

4. TURNOVER

Turnover represents the net amounts received and receivable for goods sold by the Group to outside customers, less discounts and sales related taxes.

3. 主要會計政策 (續)

香港財務報告準則第9號「金融工具」引入對金融資產之分類及計量之新規定，並將於二零一三年一月一日起生效，並可提早應用。該準則規定所有符合香港會計準則第39號「金融工具：確認及計量」範疇之已確認金融資產將按攤銷成本或公允值計量。特別是，(i)根據業務模式以收取合約現金流量為目的所持有；(ii)僅為支付本金額及未償還本金額之利息而產生合約現金流量之債務投資一般按攤銷成本計量。所有其他債務投資及股本投資乃按公允值計量。應用香港財務報告準則第9號可能對本集團金融資產之分類及計量造成影響。

本公司董事預期應用其他新訂及經修訂準則及修訂將不會對本集團業績及財務狀況造成重大影響。

4. 營業額

營業額指本集團出售予外界客戶貨品並扣除折扣及銷售稅之已收及應收賬款淨額。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2010
截至二零一零年六月三十日止六個月

5. SEGMENT INFORMATION

Management has determined the operating segments based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the directors of the Company) for the purpose of allocating resources to segments and assessing their performance.

For management purposes, the Group is currently organised into four operating divisions – property development, property investment, trading and technology.

Principal activities are as follows:

- | | | |
|----------------------|---|--|
| Property development | – | Development of properties in the PRC. |
| Property investment | – | Rental income arising from investment properties situated in the PRC and in Hong Kong. |
| Trading | – | Trading of automation products and electronic components. |
| Technology | – | Provision of technical and consultancy services including the provision of automation products on a project basis. |

5. 分部資料

管理層根據主要經營決策者定期審閱有關本集團成員公司之內部報告，以釐定經營分部。主要經營決策者乃本公司董事，負責分配分部資源及評估分部表現。

就管理目的而言，本集團業務歸類為四部份：物業發展、物業投資、貿易及科技。

主要活動如下：

- | | | |
|------|---|-----------------------------|
| 物業發展 | – | 於中國之物業發展。 |
| 物業投資 | – | 於中國及香港之投資物業的租金收入。 |
| 貿易 | – | 自動化產品及電子零件貿易。 |
| 科技 | – | 提供技術及顧問服務及包括工程項目所需提供的自動化產品。 |

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5. SEGMENT INFORMATION (Continued)

Information regarding the above segments is reported below.

(a) Segment revenues and results

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

	Property development 物業發展		Property investment 物業投資		Trading 貿易		Technology 科技		Consolidated 合併		
	1.1.2010 to 30.6.2010 二零一零年 一月一日至 二零一零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	1.7.2009 to 31.12.2009 二零零九年 七月一日至 二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)	1.1.2010 to 30.6.2010 二零一零年 一月一日至 二零一零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	1.7.2009 to 31.12.2009 二零零九年 七月一日至 二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)	1.1.2010 to 30.6.2010 二零一零年 一月一日至 二零一零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	1.7.2009 to 31.12.2009 二零零九年 七月一日至 二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)	1.1.2010 to 30.6.2010 二零一零年 一月一日至 二零一零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	1.7.2009 to 31.12.2009 二零零九年 七月一日至 二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)	1.1.2010 to 30.6.2010 二零一零年 一月一日至 二零一零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	1.7.2009 to 31.12.2009 二零零九年 七月一日至 二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)	
Turnover	營業額	95,845	27,516	5,818	5,246	60,058	107,358	-	-	161,721	140,120
Segment results	分部業績	(58,684)	350	18,633	11,342	(3,798)	3,849	-	14,794	(43,849)	30,335
Interest income	利息收入									69	420
Loss on disposal of available-for-sale investment	出售可供出售投資 之虧損									-	(67,699)
Unallocated corporate income	未分配企業收入									2,250	61
Unallocated corporate expenses	未分配企業開支									(8,247)	(16,977)
Finance costs	財務成本									(20,312)	(7,918)
Loss before taxation	除稅前虧損									(70,089)	(61,778)

Segment results represents the results of each segment without allocation of interest income, loss on disposal of available-for-sale investment, central administration costs, directors' emoluments and finance costs. This is the measure reported to the chief operating decision maker of the Group for the purposes of resource allocation and assessment of segment performance.

5. 分部資料 (續)

有關上述分部之資料報告如下。

(a) 分部收入及業績

本集團分部收入及業績之分析按可報告分部呈列如下：

分部業績指的是每項分部的業績，未計利息收入、出售可供出售投資之虧損、中央行政費用、董事薪酬及財務成本。此乃呈報本集團主要經營決策者用於資源分配及分部表現評估的基準。

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5. SEGMENT INFORMATION (Continued)

(b) Segment assets

The following is an analysis of the Group's assets by reportable segment:

	Property development 物業發展		Property investment 物業投資		Trading 貿易		Technology 科技		Consolidated 合併	
	At 30.6.2010 於二零一零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31.12.2009 於二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)	At 30.6.2010 於二零一零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31.12.2009 於二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)	At 30.6.2010 於二零一零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31.12.2009 於二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)	At 30.6.2010 於二零一零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31.12.2009 於二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)	At 30.6.2010 於二零一零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31.12.2009 於二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Segment assets	938,364	850,127	220,941	257,518	28,513	29,209	-	-	1,187,818	1,136,854
Held for trading investments									444	510
Unallocated corporate assets									28,198	161,514
- Bank balances and cash									-	110,880
- Consideration receivable									451	7,144
- Others										
Consolidated total assets									1,216,911	1,416,902

For the purposes of monitoring segment performance and allocating resources between segments, all assets are allocated to reportable segments other than held for trading investments, bank balances and cash and consideration receivable. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

(c) Geographical information

No geographical segments information of the Group is shown as the Group's operation, sales by geographical market, segment assets and capital expenditure are substantially located in the PRC including Hong Kong.

5. 分部資料 (續)

(b) 分部資產

本集團資產之分析按可報告分部呈列如下：

為監控分部之間的分部表現和分配資源的目的，除了持作交易用途之投資、銀行結存及現金及應收代價，所有資產要分配到報告分類。可呈報分部共用之資產乃按各可呈報分部所得收入之基準作分配。

(c) 地理資料

由於本集團大部份之業務、銷售（按地區市場劃分）、分部資產及資本開支均位於中國（包括香港），故並無呈列本集團之地區分部資料。

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6. INCOME TAX CREDIT (EXPENSE)

6. 所得稅計入(支出)

		1.1.2010 to 30.6.2010	1.7.2009 to 31.12.2009
		二零一零年 一月一日至 二零一零年 六月三十日	二零零九年 七月一日至 二零零九年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(audited)
		(未經審核)	(經審核)
Current tax	當期稅項		
– PRC Enterprise Income Tax (“PRC EIT”)	– 中國企業所得稅 (「中國企業所得稅」)	(1,811)	(1,090)
– PRC Land Appreciation Tax (“LAT”)	– 中國土地增值稅 (「中國土地增值稅」)	–	(5,938)
		(1,811)	(7,028)
Overprovision of LAT	中國土地增值稅超額撥備	26,704	–
Deferred taxation	遞延稅項	23,557	4,958
		48,450	(2,070)

- (a) Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the six months ended 30 June 2010 and the six months ended 31 December 2009.

Hong Kong Profits Tax has not been provided for in the condensed consolidated financial statements as the Group has no assessable profits for the six months ended 30 June 2010 and six months ended 31 December 2009.

- (b) Under the Law of the People's Republic of China on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the Enterprise Income Tax rate of certain subsidiaries of the Company, which previously ranged from 15% to 33%, was changed to 25% from 1 January 2008 onwards.

- (a) 香港所得稅按截至二零一零年六月三十日止六個月及截至二零零九年十二月三十一日止六個月之估計應課稅溢利以稅率16.5%計算。

由於本集團截至二零一零年六月三十日止六個月及截至二零零九年十二月三十一日止六個月並無錄得任何應課稅溢利，故並無於簡明綜合財務報表作出香港所得稅之撥備。

- (b) 根據中華人民共和國企業所得稅法(「企業所得稅法」)及企業所得稅法的執行規定，本集團的中國附屬公司自二零零八年一月一日起更改為按25%(之前為15%至33%)的稅率繳納企業所得稅。

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6. INCOME TAX CREDIT (EXPENSE)

(Continued)

In accordance with the tax legislations applicable to foreign investment enterprises, one subsidiary is entitled to exemptions from the PRC EIT for the first year commencing from the first profit-making year of operation and thereafter, entitled to a 50% relief from the PRC EIT for the following two years. According to the EIT Law, the first year income tax exemption commenced for the year ended 31 December 2008 and the subsidiary enjoys the first and second year income tax exemption for the period ended 30 June 2010 and 31 December 2009.

- (c) The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at progressive rates ranging from 30% to 60% on the appreciation value, with certain allowable deductions including land costs and the relevant property development expenditures. According to the State Administration of Taxation's official circulars, LAT shall be payable provisionally upon sales of the properties, followed by final ascertainment of the gain at the completion of the properties development.
- (d) Pursuant to the PRC EIT Law, withholding tax is imposed on dividends declared by PRC subsidiaries of the Group in respect of profits earned from 1 January 2008 onwards.

At 30 June 2010, deferred taxation of approximately RMB5,257,000 (31 December 2009: approximately RMB10,348,000) has been provided for the portion of profits that are expected to be distributed by the PRC subsidiaries and no deferred taxation has been provided for the remaining profits as the Group is able to control the timing of the distribution and it is probable that the amount will not be distributed in the foreseeable future. The withholding tax represents the deferred tax liability arising on undistributed profits to non-controlling interests in Zhuhai Zhongzhu Real Estate Development Co., Ltd.

During the six months period ended 30 June 2010, a PRC subsidiary declared dividends of RMB100,000,000 on the retained earnings for the year 2009 and distributed this to the immediate holding company and non-controlling interests, which were incorporated in the BVI and Hong Kong. The Group was subject to withholding tax at the rate of 10% and 5% on the distributions of profits accordingly.

6. 所得稅計入(支出)(續)

根據適用於外資企業之稅務法，一間附屬公司可於第一年獲得營運盈利開始豁免中國企業所得稅，其後兩年則可獲50%豁免中國企業所得稅。根據企業所得稅法，第一年獲得豁免之年度為截至二零零八年十二月三十一日止之年度，現時該附屬公司就截至二零一零年六月三十日止期間及截至二零零九年十二月三十一日止期間獲得豁免第一年及第二年之所得稅。

- (c) 土地增值稅撥備是按有關中國稅法及規例所載之規定作出估計。土地增值稅乃按增值額以30%至60%的遞增稅率之幅度作出撥備，當中有若干費用包括土地成本及相關物業發展支出已作扣減。根據國家稅務總局的官方通函，於出售物業後應暫時繳納土地增值稅，之後在完成物業發展時再對有關增值數額作出最終核定。
- (d) 根據中國的企業所得稅法，自二零零八年一月一日起，對於本集團的中國附屬公司所賺取盈利相關的已宣派股息需要徵收預扣稅。

於二零一零年六月三十日，本集團已就由中國附屬公司預期分派之部分盈利作出遞延稅項撥備約人民幣5,257,000元(二零零九年十二月三十一日：約人民幣10,348,000元)。由於本集團能夠控制分派的時間及有關金額可能在可見未來將不會被分派，故並無就本集團之剩餘溢利作出遞延稅項撥備。預扣稅指由未向珠海中珠房地產開發有限公司非控制性權益分派盈利引起之遞延稅項負債。

截至二零一零年六月三十日止六個月，中國附屬公司按二零零九年度之保留盈利宣派股息人民幣100,000,000元，並分派予直接控股公司及非控制性權益(分別於英屬處女群島及香港註冊成立)。本集團相應須分別按溢利分派之10%及5%繳納預扣稅。

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7. LOSS FOR THE PERIOD

7. 期內虧損

		1.1.2010 to 30.6.2010 二零一零年 一月一日至 二零一零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	1.7.2009 to 31.12.2009 二零零九年 七月一日至 二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核) (restated) (經重列)
Loss for the period has been arrived at after charging (crediting):	期內虧損已扣除 (計入) 以下各項:		
Amortisation of prepaid lease payments	租賃預付款項之攤銷	3	3
Change in fair value of held for trading investments	持作交易用途之投資公允值變動	61	55
Depreciation	折舊	1,051	1,066
Impairment loss recognised in respect of trade receivables*	貿易應收賬款已確認之減值虧損*	1,811	7
Impairment loss recognised in respect of other receivables*	其他應收賬款已確認之減值虧損*	41	1,052
Impairment loss recognised in respect of properties held for sale**	待售物業已確認之減值虧損**	11,299	-
Discount received for early settlement of consideration payable (Note 18)	就提早償還應付代價收取之折扣 (附註18)	(2,250)	-
Gain on disposal of property, plant and equipment	出售物業、機器及設備之收益	(58)	-
Interest income	利息收入	(69)	(420)
Reversal of impairment loss recognised in respect of inventories	存貨已確認之減值虧損撥回	(198)	(269)

* These amounts are included in administrative expenses.

* 該金額已包括在行政費用內。

** This amount is included in cost of sales.

** 該金額已包括在銷售成本內。

8. INTERIM DIVIDEND

8. 中期股息

No dividends were paid, declared or proposed during the reported period. The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2010 (for the six months ended 31 December 2009: Nil).

於報告期間，並無支付、宣派或擬派任何股息。董事不建議派發截至二零一零年六月三十日止六個月之中期股息 (截至二零零九年十二月三十一日止六個月：無)。

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9. LOSS PER SHARE

The calculation of basic loss per share for the six months ended 30 June 2010 is based on the consolidated loss attributable to owners of the parent of approximately RMB15,829,000 (for the six months ended 31 December 2009: RMB63,167,000) and weighted average number of 851,980,000 shares (for the six months ended 31 December 2009: the 613,080,000 shares) in issue during the period.

The basic and diluted loss per share are the same for the six months ended 30 June 2010 and the six months ended 31 December 2009 as the effect of the exercise of the Company's outstanding share options and convertible redeemable preference shares was anti-dilutive.

10. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired assets with a cost of approximately RMB32,000 (for the six months ended 31 December 2009: RMB89,000).

Fully depreciated assets (31 December 2009: Nil) were disposed of by the Group during the six months ended 30 June 2010 resulting in a net gain on disposal of RMB58,000 (for the six months ended 31 December 2009: Nil).

On 11 January 2006, the Group obtained a court order from the People's Intermediate Court of Shenzhen to freeze certain buildings of the Group with a carrying value of approximately RMB12,424,000 (31 December 2009: RMB12,577,000) ("Frozen Buildings") as a result of certain litigations against a subsidiary of the Group in relation to certain alleged guarantees and overdue bank borrowings. Such litigations were concluded and the Group is in the process of negotiations for the restructuring of the guarantee provisions and a short-term bank borrowing with the respective banks. Details of which are set out in Note 16. At the date of approval of these condensed consolidated financial statements, the assets were still frozen by the relevant authorities.

At the date of approval of these condensed consolidated financial statements, the Group has not obtained the building ownership certificates of the Frozen Buildings, due to the seizure, the application for obtaining the building ownership certificates of the Frozen Buildings was deferred. A legal opinion provided by the Company's PRC legal advisors on 12 August 2010 confirmed that although the subsidiary has not yet obtained the building ownership certificates of the Frozen Buildings, the ownership of the Frozen Buildings vested with the subsidiary.

9. 每股虧損

截至二零一零年六月三十日止六個月之每股基本虧損乃按期內控股公司擁有人應佔綜合虧損約人民幣15,829,000元(截至二零零九年十二月三十一日止六個月: 人民幣63,167,000元)及期內已發行股份加權平均數851,980,000股(截至二零零九年十二月三十一日止六個月: 613,080,000股)計算。

截至二零一零年六月三十日止六個月及截至二零零九年十二月三十一日止六個月內因本公司尚未行使之購股權及可轉換可贖回優先股具反攤薄影響, 因此每股基本及攤薄之虧損相同。

10. 物業、機器及設備

期內, 本集團收購資產成本約人民幣32,000元(截至二零零九年十二月三十一日止六個月: 人民幣89,000元)。

截至二零一零年六月三十日止六個月, 本集團已出售已悉數折舊之資產(二零零九年十二月三十一日: 無), 因此錄得出售收益淨額人民幣58,000元(截至二零零九年十二月三十一日止六個月: 無)。

於二零零六年一月十一日, 由於本集團一間附屬公司就若干擔保及銀行透支借貸面臨訴訟, 本集團收到由深圳中級人民法院發出之法院命令要求凍結本集團賬面值約人民幣12,424,000元(二零零九年十二月三十一日: 人民幣12,577,000元)之若干樓宇(「凍結樓宇」), 該訴訟已經完結及本集團正就有關擔保撥備及短期銀行借款之重組事宜與有關銀行進行磋商。有關詳情列載於附註16。於批准本簡明綜合財務報表日期, 該資產仍被有關當局凍結。

於批准本簡明綜合財務報表日期, 本集團因凍結樓宇仍在封查中, 因此仍未取得凍結樓宇之房屋所有權證, 房屋所有權證之申請已押後。本公司之中國法律顧問於二零一零年八月十二日發出法律意見書確認即使該附屬公司仍未獲得凍結樓宇之房產證, 但凍結樓宇之擁有權仍屬於該附屬公司。

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11. INVESTMENT PROPERTIES/ PREPAID LEASE PAYMENTS

During the period, there was a change of intention for certain investment properties which were transferred at fair value of approximately RMB39,500,000 to properties held for sale.

On 11 January 2006, the Group obtained a court order from the People's Intermediate Court of Shenzhen to freeze certain land and buildings of the Group which are included in investments properties with a carrying value of approximately RMB140,500,000 (31 December 2009: RMB129,400,000) ("Frozen Investment Properties") and prepaid lease payments with a carrying value of approximately RMB255,000 (31 December 2009: RMB258,000) as a result of certain litigations against a subsidiary of the Group in relation to certain alleged guarantees and overdue bank borrowings. Such litigations were concluded and the Group is in the process of negotiations for the restructuring of the guarantee provisions and a short-term bank borrowing with the respective banks. Details of which are set out in Note 16. At the date of approval of these condensed consolidated financial statements, the assets were still frozen by the relevant authorities.

At the date of approval of these condensed consolidated financial statements, the Group has not obtained the building ownership certificates of the Frozen Investment Properties, due to the seizure, the application for obtaining the building ownership certificates of the Frozen Investment Properties was deferred. A legal opinion provided by the Company's PRC legal advisors on 12 August 2010 confirmed that although the subsidiary has not yet obtained the building ownership certificates of the Frozen Investment Properties, the ownership of the Frozen Investment Properties vested with the subsidiary.

11. 投資物業／租賃預付款項

期內，本集團改變若干投資物業之用途，按公允價值約人民幣39,500,000元轉換為待售物業。

於二零零六年一月十一日，由於本集團一間附屬公司就若干擔保及銀行透支借貸面臨訴訟，本集團收到由深圳中級人民法院發出之法院命令要求凍結本集團投資物業項下賬面值約人民幣140,500,000元（二零零九年十二月三十一日：人民幣129,400,000元）之若干土地及樓宇（「凍結投資物業」）及賬面值約人民幣255,000元（二零零九年十二月三十一日：人民幣258,000元）之租賃預付款項。該等訴訟已經完結及本集團正就有關擔保撥備及短期銀行借款之重組事宜與有關銀行進行磋商。有關詳情列載於附註16。於批准本簡明綜合財務報表日期，該等資產仍被有關當局凍結。

於批准本簡明綜合財務報表日期，本集團因凍結投資物業仍在封查中，因此仍未取得凍結投資物業之房屋所有權證，房屋所有權證之申請已押後。本公司之中國法律顧問於二零一零年八月十二日發出法律意見書確認即使該附屬公司仍未獲得凍結投資物業之房產證，但凍結投資物業之擁有權仍屬於該附屬公司。

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截至二零一零年六月三十日止六個月

12. GOODWILL AND IMPAIRMENT TESTING ON GOODWILL

(a) Goodwill

		30.6.2010 二零一零年 六月三十日 RMB'000 人民幣千元	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元
COST	成本		
At the beginning of the period	期初結餘	184,231	–
Arising on acquisition of subsidiaries	因收購附屬公司	–	184,231
At the end of the period	期末結餘	184,231	184,231
			RMB'000 人民幣千元
CARRYING VALUE	賬面值		
At 30 June 2010	於二零一零年 六月三十日		184,231
At 31 December 2009	於二零零九年 十二月三十一日		184,231

12. 商譽及商譽之減值測試

(a) 商譽

(b) Impairment testing on goodwill

For the purpose of impairment testing, goodwill set out above has been allocated to one individual cash generating unit, the property development segment.

The directors of the Company are of the opinion that, based on the business valuation report of the property development segment at 30 June 2010 issued by Norton Appraisals Limited, an independent valuer not connected with the Group ("Norton"), the business value of the property development segment exceeds its carrying amount in the condensed consolidated statement of financial position and therefore, no impairment loss is necessary.

(b) 商譽之減值測試

就減值測試為目的而言，以上所列的商譽已分配到一個個別現金產生單位－物業發展分部。

本公司董事認為，根據於二零一零年六月三十日由普敦國際評估有限公司（為與本集團並無關連之獨立估值師，「普敦」）所發出之物業發展分部商業評估報告，物業發展分部之商業價值高於其於簡明綜合財務狀況表之賬面值，因此無須作出減值虧損。

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12. GOODWILL AND IMPAIRMENT TESTING ON GOODWILL (Continued)

(b) Impairment testing on goodwill (Continued)

The recoverable amount of the cash generating unit is determined from the income-based approach calculation as extracted from Norton's valuation report for the recoverable amount at 30 June 2010. The Group prepared cash flow forecast derived from the most recent available financial budgets approved by management and extrapolated over two years. In preparing the forecasts, management made references to the project area for the real estate development project. The key assumptions for the value-in-use calculation were those regarding discount rates and anticipated changes to future selling prices, as follows:

- Projected cashflow forecasts are based on development plans of real estate projects.
- Management used a discount rate which is derived as the Company's cost of capital, representing the expected return on the Company's capital, and assigned a discount of 18.39%.
- Future selling prices were estimated with reference to existing and past selling prices in the real estate industry in the PRC.

13. PROPERTIES UNDER DEVELOPMENT

At the beginning of the period	於期初		
Acquired on acquisition of subsidiaries	收購附屬公司所獲得		
Additions	添置		
At the end of the period	於期末		

Properties under development are classified as current assets as the construction period of the relevant property development project is expected to be completed in the normal operating cycle.

12. 商譽及商譽之減值測試 (續)

(b) 商譽之減值測試 (續)

現金產生單位之可回收金額乃摘錄普敦之估值報告於二零一零年六月三十日之可回收金額以現金基準方式計算釐訂。本集團之現金流預測乃根據最近獲管理層批准及根據過以兩年之財政預算準備及編製。於準備預測時，管理層曾考慮房地產發展項目之地區。使用價值計算之主要假設為以下項目的折扣率及未來銷售價格的預計轉變：

- 已計劃的現金流預測基於房地產項目的發展計劃。
- 管理層已使用一個由本公司資本成本（等於本公司資本的預計回報）衍生的折扣率及已指定折扣為18.39%。
- 未來銷售價格根據中國房地產市場現時及過去的銷售價格估算。

13. 在建物業

		30.6.2010 二零一零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
At the beginning of the period	於期初	376,259	-
Acquired on acquisition of subsidiaries	收購附屬公司所獲得	-	374,400
Additions	添置	146,715	1,859
At the end of the period	於期末	522,974	376,259

相關物業發展項目之建築期預計在一般營運週期內完成，因此在建物業獲分類為流動資產。

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截至二零一零年六月三十日止六個月

14. TRADE AND OTHER RECEIVABLES

14. 貿易及其他應收賬款

		30.6.2010 二零一零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Trade receivables	貿易應收賬款	18,411	17,333
Less: Impairment loss recognised	減：已確認之減值虧損	(5,840)	(4,086)
		12,571	13,247
Prepayment, deposits and other receivables	預付款項、按金及其他應收賬款	37,086	16,752
Consideration receivable (Note (ii))	應收代價(附註(ii))	-	110,880
Less: Impairment loss recognised	減：已確認之減值虧損	(1,601)	(1,566)
		48,056	139,313

Customers are normally required to settle the debts within one to two months upon issue of invoices, except for certain well established customers where the terms are extended to two to three months.

客戶收到賬單後，一般需要一至兩個月清還債務，惟若干已建立良好關係之客戶可延長至兩至三個月。

Notes:

附註：

(i) An aged analysis of trade receivables, net of impairment loss recognised based on invoice date is as follow:

(i) 貿易應收賬款按賬單日期經扣除確認減值虧損之賬齡分析如下：

		30.6.2010 二零一零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
0 – 60 days	0-60天	10,210	7,569
61 – 90 days	61-90天	284	-
91 – 365 days	91-365天	2,077	124
Over 365 days	超過365天	-	5,554
		12,571	13,247

(ii) The amount represented the consideration receivable in relation to the disposal of an available-for-sale investment during the period ended 31 December 2009. The amount was unsecured, non-interest bearing and fully settled during the period. Details of the settlement are disclosed in Note 18.

(ii) 該金額即截至二零零九年十二月三十一日期間內有關出售一項可供出售投資之應收代價。該金額乃無抵押、不計息及須於期內悉數償還。償還之詳情於附註18披露。

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15. TRADE AND OTHER PAYABLES

15. 貿易及其他應付賬款

		30.6.2010 二零一零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核) (restated) (經重列)
Trade payables	貿易應付賬款	13,705	31,883
Accrued interest	應計利息	50,109	44,676
Receipt in advance (Note (ii))	預收款 (附註(ii))	82,808	128,078
Consideration payable (Note 18)	應付代價 (附註18)	-	119,680
Accrued expenses and other payables	應計開支及其他應付賬款	19,317	9,440
		165,939	333,757

The Group normally receives credit periods from suppliers ranging from 30 days to 90 days.

本集團一般收到供應商的除帳期為30天至90天。

Notes:

附註：

(i) An aged analysis of trade payables is as follows:

(i) 貿易應付賬款之賬齡分析如下：

		30.6.2010 二零一零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
0 – 60 days	0-60天	7,262	31,729
61 – 90 days	61-90天	6,292	-
91 – 365 days	91-365天	-	92
Over 365 days	超過365天	151	62
		13,705	31,883

(ii) Receipt in advance represents sales proceeds received from buyers in connection with the Group's pre-sale of properties.

(ii) 預收款指就本集團之物業預售向買家收取之銷售所得款項。

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截至二零一零年六月三十日止六個月

16. BANK BORROWINGS

16. 銀行貸款

		30.6.2010 二零一零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Bank loans, secured	有抵押銀行貸款	173,898	45,139
Overdue bank loan, unsecured (Note (i))	逾期無抵押銀行貸款 (附註(i))	68,734	71,734
		242,632	116,873
Analysed for reporting purposes as:			
Current liabilities	按呈報目的之分析： 流動負債	81,938	105,194
Non-current liabilities	非流動負債	160,694	11,679
		242,632	116,873

Notes:

- (i) The unsecured bank loan was borrowed from a bank by a PRC subsidiary of the Company which was overdue as at 31 December 2009 and 30 June 2010. In December 2006, the Shenzhen Arbitration Committee made a decision in favour of the bank which has however subsequently agreed not to enforce its right to demand immediate repayment from the Group in order to allow the bank to restructure the outstanding debt into a loan secured against the Group's leasehold land and buildings, investment properties and prepaid lease payments in the PRC with carrying values at 30 June 2010 of approximately RMB12,424,000, RMB140,500,000 and RMB255,000 respectively (31 December 2009: RMB12,577,000, RMB129,400,000 and RMB258,000 respectively). Up to the date of approval of the condensed consolidated financial statements, the restructure of debt and the formal execution of the security have not yet been finalised.
- (ii) During the period, the Group obtained a new banking facility of RMB450,000,000. At 30 June 2010, RMB300,000,000 was not utilised and available for the Group's future financing of the Phase 2 of the Group's construction project. The new banking facility is not to be used for any other purpose.

附註：

- (i) 無抵押銀行貸款由一間銀行授予本公司之一間國內附屬公司，於二零零九年十二月三十一日及二零一零年六月三十日已逾期。於二零零六年十二月，深圳仲裁委員會裁定該銀行勝訴，惟隨後該銀行同意不會行使其可要求本集團即時償還款項之權利，以待該銀行將該未償付的貸款重組為一項以本集團之中國境內之租賃土地及樓宇、投資物業及租賃預付款項作抵押的貸款（截至二零一零年六月三十日之賬面值分別為約為人民幣12,424,000元、人民幣140,500,000元及人民幣255,000元（二零零九年十二月三十一日：分別為人民幣12,577,000元、人民幣129,400,000元及人民幣258,000元））。於本簡明綜合財務報表批准日期，債務重組及證券之正式行使仍未完成。
- (ii) 期內，本集團取得新銀行融資人民幣450,000,000元。於二零一零年六月三十日，人民幣300,000,000元尚未動用，可撥作為本集團日後建築項目第二期之資金。新銀行融資不得用作任何其他用途。

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17. ORDINARY SHARE CAPITAL

Ordinary share of HK\$0.10 each

17. 普通股股本

每股港幣0.10元之普通股

	Notes 附註	Number of shares '000 千股	HK\$'000 港幣千元	Equivalent to 相等於 RMB'000 人民幣千元
Authorised: At 1 July 2009, 31 December 2009 and 30 June 2010	法定： 於二零零九年 七月一日、 二零零九年 十二月三十一日 及二零一零年 六月三十日	3,000,000	300,000	281,070
Issued and fully paid: At 1 July 2009	發行及已繳足： 於二零零九年 七月一日	429,180	42,918	44,031
Issue of shares upon – settlement of consideration in respect of acquisition of subsidiaries/ available-for-sale investments	發行股份因 – 支付有關 收購附屬 公司/ 可供出售 投資之代價	(a) 421,800	42,180	37,113
– exercise of share options	– 行使購股權	(b) 1,000	100	88
At 31 December 2009 and 30 June 2010	於二零零九年 十二月三十一日 及二零一零年 六月三十日	851,980	85,198	81,232

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17. ORDINARY SHARE CAPITAL

(Continued)

Notes:

- (a) On 13 August 2009, the Group completed the investment of the unlisted equity security in Ocean Vast Corporation Limited and the total consideration was entirely settled by way of issue and allotment of 175,000,000 new ordinary shares of HK\$0.10 each at a quoted market price of HK\$1.16 at the date of completion of the acquisition as consideration shares.

On 20 November 2009, the Group completed another acquisition of the entire equity interest in Boom Lotus Holdings Limited and the total consideration was partly settled by way of issue and allotment of 246,800,000 new ordinary shares of HK\$0.10 each at a quoted market price of HK\$0.99 at the date of completion of the acquisition as consideration shares.

- (b) On 14 August 2009 and 15 September 2009 respectively, in aggregate of 1,000,000 share options were exercised.
- (c) All the shares issued rank pari passu in all respect with the existing shares of the Company.

17. 普通股股本 (續)

附註：

- (a) 於二零零九年八月十三日，本集團完成一項於廣海集團有限公司之非上市證券投資，總代價以發行及配發175,000,000股每股港幣0.10元之新普通股（作為代價股份）全數支付，價格為於收購完成當日之所報市價港幣1.16元。

於二零零九年十一月二十日，本集團完成另一項收購蓮盛控股有限公司所有股權之收購，部份總代價以發行及配發246,800,000股每股港幣0.10元之新普通股（作為代價股份）支付，價格為於收購完成當日之所報市價港幣0.99元。

- (b) 合共1,000,000份購股權已分別於二零零九年八月十四日及二零零九年九月十五日獲行使。
- (c) 所有已發行股份在各方面與本公司現有股份享有同等權益。

18. CONSIDERATION PAYABLE

18. 應付代價

		30.6.2010 二零一零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Analysed for reporting purposes as:	以報告為目的分析：		
Current liabilities (Note 15)	流動負債 (附註15)	-	119,680
Non-current liabilities	非流動負債	109,288	143,097
		109,288	262,777

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18. CONSIDERATION PAYABLE

(Continued)

On 4 January 2010, the Group and the vendor of Boom Lotus Holdings Limited (the "Vendor"), a subsidiary acquired by the Group during the period ended 31 December 2009, entered into an agreement, in which the purchaser of Hill Light Investments Limited agreed to settle the consideration receivable of HK\$126,000,000 (equivalent to RMB110,880,000) (Note 14(ii)) directly to the Vendor. The settlement was completed on 14 January 2010.

In addition, on 4 January 2010, the Group agreed to early settle HK\$10,000,000 (equivalent to RMB8,800,000) of the cash consideration to the Vendor.

On the same day (4 January 2010), the Group and the Vendor entered into a supplementary agreement. Pursuant to which the Vendor agreed to provide a cash discount of approximately HK\$7,158,000 (equivalent to approximately RMB6,299,000) to the Group for the early settlement of HK\$136,000,000 (equivalent to approximately RMB119,680,000) of the cash consideration.

On 24 June 2010, the Group and the Vendor entered into a second supplementary agreement. Pursuant to which the Vendor agreed to provide a cash discount of approximately HK\$2,557,000 (equivalent to approximately RMB2,250,000) to the Group for the early settlement of HK\$51,136,000 (equivalent to approximately RMB45,000,000) of the cash consideration.

18. 應付代價 (續)

於二零一零年一月四日，本集團與蓮盛控股有限公司（本集團於截至二零零九年十二月三十一日止期間內所收購之附屬公司）之賣方（「賣方」）訂立協議。據此，曉光投資有限公司之買方同意向賣方直接償還應收代價港幣126,000,000元（相等於人民幣110,880,000元）（附註14(ii)）。有關款項已於二零一零年一月十四日清繳。

此外，於二零一零年一月四日，本集團同意以現金向賣方提早償還代價港幣10,000,000元（相等於人民幣8,800,000元）。

同日（二零一零年一月四日），本集團與賣方訂立補充協議。據此，賣方同意向本集團就提早償還港幣136,000,000元（相等於約人民幣119,680,000元）之現金代價提供現金折扣約港幣7,158,000元（相等於約人民幣6,299,000元）。

於二零一零年六月二十四日，本集團與賣方訂立第二份補充協議。據此，賣方同意向本集團就提早償還港幣51,136,000元（相等於約人民幣45,000,000元）之現金代價提供現金折扣約港幣2,557,000元（相等於約人民幣2,250,000元）。

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19.SHARE-BASED PAYMENT TRANSACTIONS

The Company has a share option scheme adopted on 30 November 2009 for eligible participants of the Group. Details of the share options outstanding during the current period are as follows:

		Number of share options 購股權數目 '000 千份
Outstanding at 1 January 2010	於二零一零年一月一日尚未行使	17,948
Granted during the period	於期內授出	10,000
Outstanding at 30 June 2010	於二零一零年六月三十日尚未行使	27,948

The closing price of the Company's shares immediately before 19 February 2010, the date of grant, was HK\$0.88.

The fair values of the share options granted on 19 February 2010 were calculated using the Binomial option pricing model. The inputs into the model were as follows:

		19 February 2010 二零一零年 二月十九日
Weighted average share price	加權平均股價	HK\$港幣0.88元
Weighted average exercise price	加權平均行使價	HK\$港幣0.88元
Expected volatility	預期波幅	109%
Expected life	預期有效期	2 years年
Risk-free rate	無風險比率	1.028%
Expected dividend yield	預期股息率	N/A不適用

Expected volatility was determined by using the historical volatility of the Company's share price over one year and reference to the companies in the similar industry. The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transfer ability, exercise restrictions and behavioral considerations.

The Group recognised the total expenses of approximately RMB4,315,000 for the six months ended 30 June 2010 (for the six months ended 31 December 2009: approximately RMB10,063,000) in relation to the share options granted by the Company.

19.以股份為基礎之支付交易

本公司已於二零零九年十一月三十日採納購股權計劃，供本集團合資格參與者參加。於本期尚未行使之購股權詳情如下：

本公司股份於緊接授出日期（二零一零年二月十九日）前之收市價為港幣0.88元。

於二零一零年二月十九日授出之購股權是以二項式計算購股權之公允值。模式之輸入參數如下：

預期波幅乃利用本公司股價過去一年之歷史波幅及參照其他近似行業之公司而釐定。在模式中預期有效期之調整是基於管理層之最佳估量、不可轉讓之影響、行使之規限及行為考量。

本集團確認截至二零一零年六月三十日止六個月有關本公司授出之購股權之總開支約人民幣4,315,000元（截至二零零九年十二月三十一日止六個月：約人民幣10,063,000元）。

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20.COMMITMENTS

(a) Commitments under operating leases

The Group as lessor

Property rental income earned during the six months period was approximately RMB5,497,000 (for the six months ended 31 December 2009: RMB4,905,000). The investment properties generated rental yields of 2.37% (31 December 2009: 2.08%) on an ongoing basis. The investment properties held have committed tenants for the next two to five years (31 December 2009: two to five years).

At the end of the reporting period, the Group had contracted with tenants for the following minimum lease payments:

20.承擔

(a) 經營租約承擔

本集團作為出租人

於六個月期間內物業租金收入約人民幣5,497,000元（截至二零零九年十二月三十一日止六個月：人民幣4,905,000元）。以持續經營基礎之投資物業產生之租金收益率2.37%（二零零九年十二月三十一日：2.08%）。持有投資物業之租戶承諾在未來二至五年（二零零九年十二月三十一日：二至五年）繼續租賃。

於期結日，本集團與租戶訂約之最低租約付款如下：

		30.6.2010 二零一零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Within one year	一年內	7,155	5,362
In the second to fifth years inclusive	兩年至五年內 (包括首尾兩年)	5,646	5,322
		12,801	10,684

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20.COMMITMENTS (Continued)

(a) Commitments under operating leases (Continued)

The Group as lessee

The Group leases certain of its equipment under operating leases arrangements. Leases are negotiated for a term ranging from two to five years (31 December 2009: two to five years) and rentals are fixed. None of the leases includes contingent rentals and terms of renewal were established in the leases.

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which are payable as follows:

		30.6.2010 二零一零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Within one year	一年內	14	15
In the second to fifth years inclusive	兩年至五年內 (包括首尾兩年)	-	6
		14	21

(b) Commitments

At the end of the reporting period, the Group had the following commitments for properties under development:

		30.6.2010 二零一零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Contracted for but not provided	已簽約但未撥備	171,029	294,363
Authorised but not contracted for	已批准但未簽約	390,121	154,551

20.承擔 (續)

(a) 經營租約承擔 (續)

本集團作為承租人

本集團以經營租約安排承租若干機器。洽談之租賃期介乎兩年至五年(二零零九年十二月三十一日:兩年至五年)而租金已固定。概無為租賃訂立或然租金及續租條款。

於期結日,本集團根據不可取消之經營租約之未來應付最低租約付款承擔如下:

(b) 承擔

於期結日,本集團在建物業之承擔如下:

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21. PLEDGE OF ASSETS

At the end of the reporting period, certain assets of the Group were pledged to secure banking facilities granted to the Group as follows:

		30.6.2010 二零一零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2009 二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核) (restated) (經重列)
Leasehold buildings	租賃樓宇	19,881	20,334
Investment properties	投資物業	47,076	45,206
Properties under development	在建物業	522,974	376,259
Pledged bank balances	已抵押銀行結存	-	12,609
		589,931	454,408

22. CONTINGENT LIABILITIES

- (a) On 12 December 2009, the Company received a writ of summons from Global Tide Limited ("Global Tide"). Global Tide brought civil action in the High Court of the Hong Kong Special Administrative Region against the Company for compensation and damages of approximately HK\$8,834,000 (the "Claim") in relation to the disposal of its former wholly-owned subsidiary, Magic Gain Investments Limited. Details of the Claim are set out in the announcement of the Company dated 16 December 2009.

The Company decided to defend against the Claim and obtained legal advice in respect of the merits of the Claim. The directors of the Company expect that there will not be any adverse financial effect on the earnings, net assets and liabilities of the Company and its subsidiaries.

21. 已抵押資產

於期結日，本集團已將其若干資產抵押以獲得銀行授予本集團信貸如下：

22. 或然負債

- (a) 於二零零九年十二月十二日，本公司收到怡太有限公司（「怡太」）之訴訟狀。怡太於香港特別行政區高等法院向本公司就出售其前全資附屬公司Magic Gain Investments Limited而提出補償及損害約港幣8,834,000元之民事索償（「索償」）。有關索償之詳情列載於本公司日期為二零零九年十二月十六日之公告。

本公司決定為此訴訟索償作出辯護及尋找法律意見。本公司董事預計此訴訟不會對本公司及其附屬公司之收益、淨資產及債務構成任何不利之財務影響。

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22. CONTINGENT LIABILITIES

(Continued)

(b) The Group had arranged for bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments during the period from 1 January 2010 to 30 June 2010. At 30 June 2010, the outstanding amount guarantees amounted to approximately RMB15,793,000 (31 December 2009: approximately RMB90,759,000).

(c) On 25 April 2008, a PRC subsidiary of the Company had been served with a writ of summons in the PRC and was being claimed for a total amount of approximately HK\$23,000,000 (equivalent to approximately RMB20,010,000) under a guarantee being allegedly issued by the PRC subsidiary. The PRC subsidiary has appointed a firm of legal counsel to represent the PRC subsidiary to defend the claim and legal proceedings.

First court hearing was held on 20 October 2008 and after a series of legal proceedings, the Company received a civil judgment (the "Judgment") issued by Intermediate People's Court in Shenzhen, the PRC on 14 June 2010. The PRC subsidiary was liable to bear 50% of any shortfall that the first defendant is unable to settle in respect of claims amount of approximately HK\$23,000,000 (equivalent to approximately RMB20,010,000).

The directors of the Company having consulted their lawyers believe that they have a strong case for an appeal. Therefore, no provision has been made in respect of the above Judgment.

Details of the Judgment are set out in the announcement of the Company dated 15 June 2010.

22. 或然負債 (續)

(b) 本集團已就若干物業單位之買家安排銀行融資及提供擔保，以確保有關買家於二零一零年一月一日至二零一零年六月三十日期內還款之責任。於二零一零年六月三十日，欠款擔保金額為約人民幣15,793,000元(二零零九年十二月三十一日：約人民幣90,759,000元)。

(c) 於二零零八年四月二十五日，本公司之中國附屬公司在國內收到傳訊令狀，就據稱由該中國附屬公司發出之擔保被追討總額約港幣23,000,000元(相等於約人民幣20,010,000元)。中國附屬公司已委任一間律師事務所代表其抗辯。

第一次開庭已於二零零八年十月二十日舉行，而經過一連串法律程序後，於二零一零年六月十四日，本公司收到中國深圳中級人民法院之民事判決書(「判決書」)。中國附屬公司須承擔因第一被告未能結算的索償金額約港幣23,000,000元(相等於約人民幣20,010,000元)的任何餘額的一半。

本公司董事已諮詢彼等律師，相信有充分理據提出上訴。因此，概無就上述判決書作出撥備。

判決書詳情載於本公司日期為二零一零年六月十五日之公告。

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23. RELATED PARTY TRANSACTIONS

- (a) Other than disclosed elsewhere in the condensed consolidated financial statements, the Group did not enter into any material transactions with related parties.
- (b) Key management compensation

The remuneration of directors and other members of key management during the six months ended 30 June 2010 are as follows:

23. 關連人士交易

- (a) 除於簡明綜合財務報表其他部分披露者外，本集團並無與關連人士訂立任何重大交易。
- (b) 主要管理人員補償

董事及其他主要管理人員於截至二零一零年六月三十日止六個月之酬金如下：

	1.1.2010 to 30.6.2010 二零一零年 一月一日至 二零一零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	1.7.2009 to 31.12.2009 二零零九年 七月一日至 二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Salaries, other short-term employee benefits and equity-settled share-based payment expenses	1,800	10,553
薪金、其他短期僱員福利以及以權益結算之以股份為基礎之支付開支		

24. COMPARATIVE INFORMATION

The comparative figures of the consolidated statement of financial position as at 31 December 2009 were restated due to the reclassification of the LAT payable included in trade and other payables of approximately RMB35,207,000 which by nature is a form of income tax. The amounts of the reclassification for each condensed consolidated financial statements line affected are presented below.

Effect of the reclassification on the Group's consolidated statement of financial position at 31 December 2009:

24. 比較數字

由於所得稅項性質，包括在貿易及其他應付賬款之應付中國土地增值稅約人民幣35,207,000元須重新分類，於二零零九年十二月三十一日之綜合財務狀況表內之比較數字已予重列。各簡明綜合財務報表內受影響事項之金額重新分類如下。

重新分類對本集團於二零零九年十二月三十一日之綜合財務狀況表之影響：

	As previously reported 先前所申報 RMB'000 人民幣千元	Reclassification 重新分類 RMB'000 人民幣千元	As restated 經重列 RMB'000 人民幣千元
Trade and other payables	368,964	(35,207)	333,757
Income tax payable	1,606	35,207	36,813
貿易及其他應付賬款			
應付所得稅			



China Uptown Group Company Limited
中國上城集團有限公司