



Interim Report
中期報告

2011



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)

Stock code 股份代號: 2330

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Corporate Information 公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. CHEN Xian (*Chairman*)
Mr. LAU Sai Chung (*Chief Executive Officer*)
Mr. XIONG Jianrui
Ms. XIA Dan

Independent non-executive Directors

Mr. POON Lai Yin, Michael
Mr. CHAN Chun Fai
Mr. NG Kwok Chu, Winfield

AUDIT COMMITTEE

Mr. POON Lai Yin, Michael (*Chairman*)
Mr. CHAN Chun Fai
Mr. NG Kwok Chu, Winfield

REMUNERATION COMMITTEE

Mr. NG Kwok Chu, Winfield (*Chairman*)
Mr. POON Lai Yin, Michael
Mr. CHAN Chun Fai

NOMINATION COMMITTEE

Mr. CHAN Chun Fai (*Chairman*)
Mr. POON Lai Yin, Michael
Mr. NG Kwok Chu, Winfield

COMPANY SECRETARY

Mr. FU Lui

AUDITORS

SHINWING (HK) CPA Limited

PRINCIPAL BANKERS

Citic Bank International Limited
The Industrial and Commercial Bank of China,
Zhuhai Branch

LEGAL ADVISORS

As to Hong Kong Law

Li & Partners

As to PRC Law

Guangdong Zhongsheng Law Office

董事

執行董事

陳賢先生 (主席)
劉世忠先生 (行政總裁)
熊劍瑞先生
XIA Dan女士

獨立非執行董事

潘禮賢先生
陳振輝先生
吳國柱先生

審核委員會

潘禮賢先生 (主席)
陳振輝先生
吳國柱先生

薪酬委員會

吳國柱先生 (主席)
潘禮賢先生
陳振輝先生

提名委員會

陳振輝先生 (主席)
潘禮賢先生
吳國柱先生

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
中國工商銀行 (珠海市分行)

法律顧問

有關香港法律

李偉斌律師行

有關中國法律

廣東中晟律師事務所

REGISTERED OFFICE

Cricket Square
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P.O. Box 2681
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HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Bank (Cayman) Limited
Butterfield House
68 Fort Street
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Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
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WEBSITE

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STOCK CODE

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Grand Cayman KY1-1111
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主要股份登記及過戶處

Butterfield Bank (Cayman) Limited
Butterfield House
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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
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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

The Group currently holds a property development project – Zhongzhu Uptown which is situated in Zhuhai, Guangdong Province, the People's Republic of China (the "PRC"). Zhongzhu Uptown was developed in two phases – Phase 1 and Phase 2. At 30 June 2011, approximately 99% of the residential units and 94% of the commercial units of Phase 1 were contracted for sales while 97% of the residential units and 82% of the commercial units were delivered to the customers and recognised as turnover of the Group.

For the six months ended 30 June 2011, total revenue attributable to the property development business amounted to approximately RMB46,981,000 (six months ended 30 June 2010: RMB95,845,000) which included sales of 20 units of residential properties and 6 units of commercial properties with 2,532 and 589 square metres and car parks. Phase 2 is still under construction and planned to be delivered with decorations starting from 2012. The pre-sales of Phase 2 began in November 2010. Up to 30 June 2011, approximately 428 residential units were contracted for sales. Due to the upsurge of properties prices in Zhuhai, the average selling prices was significantly higher than Phase 1. Pre-sales of the remaining properties of Phase 2 will continue in the second half of 2011 and 2012.

Property Investment

Property investment business represents rental income and capital appreciation from investment properties held in the PRC and in Hong Kong. During the period, rental income amounted to approximately RMB3,729,000 (six months ended 30 June 2010: RMB5,818,000) and net loss on change in fair value of investment properties amounted to approximately RMB1,112,000 (six months ended 30 June 2010: net gain of RMB4,011,000).

At 30 June 2011, the investment properties comprises of an office premise in Hong Kong with gross floor area of approximately 836 square feet and the research and development centre in Shenzhen, the PRC ("R&D Centre") with gross floor area of approximately 15,084 square metres.

During the period, the Group disposed certain investment properties in Hong Kong amounting to approximately RMB46,728,000 with a net gain on disposal of approximately RMB2,544,000 being recorded. The management are of the view that by focusing its resources in the PRC property development and other high growth business the Group's result could be improved.

業務回顧

本集團在期內之主要業務分部回顧如下：

物業發展

本集團目前持有一項物業發展項目 – 位於中華人民共和國（「中國」）廣東省珠海市之中珠上城。中珠上城共分兩期發展：一期及二期。於二零一一年六月三十日，第一期之住宅單位及商用單位分別約99%及94%已訂約售出。而97%住宅單位及82%商用單位已向客戶交付，且已確認為本集團的營業額。

截至二零一一年六月三十日止六個月，物業發展業務之總收入達約人民幣46,981,000元（截至二零一零年六月三十日止六個月：人民幣95,845,000元），包括有20個住宅物業單位及6個商用物業單位（分別為2,532平方米及589平方米）及車位。第二期仍在興建階段，並計劃於二零一二年開始帶裝修交付。第二期之預售已於二零一零年十一月開始。截至二零一一年六月三十日，約428個住宅單位已訂約出售。由於期間珠海樓價上升，平均銷售價顯著高於第一期。第二期餘下物業之預售將於二零一一年下半年及二零一二年繼續。

物業投資

物業投資業務即持有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3,729,000元（截至二零一零年六月三十日止六個月：人民幣5,818,000元），投資物業之公允值變動之淨虧損約人民幣1,112,000元（截至二零一零年六月三十日止六個月：淨收益為人民幣4,011,000元）。

於二零一一年六月三十日，投資物業中，包括位於香港的寫字樓物業單位（總樓宇面積約836平方呎）及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）。

期內，本集團出售位於香港的若干投資物業，達約人民幣46,728,000元，出售事項所錄得收益淨額約為人民幣2,544,000元。管理層認為，透過將資源集中於中國物業發展及其他高增長業務，本集團之業績將得到改善。

Management Discussion and Analysis

管理層討論及分析

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 RMB97,559,000 (six months ended 30 June 2010: RMB60,058,000) amid of the recovery of the electronic related components and mobile phone modules market during the period. Although the profit margin is relatively low from the trading business, the required financial and business resources are limited 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 further enhance 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.

MARKET OUTLOOK AND PROSPECTS

The management is of the view that market regulation and correction is a necessary stage in the course of healthy and continuous development in the property market, which also drives the Group in its adaptation to changes in the market and enhances its risk aversion ability. In the first half of 2011, the Group faced increasingly complicated economic and market conditions in its property development business amid the tightening property market measure imposed by the PRC government. To overcome the excessive liquidity and ease inflation, the People's Bank of China further raised the required capital reserve ratio and interest rate in 2011.

In the second half of 2011, easing inflation is still the PRC government's top priority. The real estate market in the PRC will be affected by the government's tightening measures. However, most of these measures and policies, including price restrictions order, purchase restrictions order and mortgage restrictions, generally affecting property prices in the tier one cities, for example in Shanghai, Beijing and Shenzhen. Although the PRC government has recently started to monitor the property market in tier two and three cities, the management believes significantly less policies and measures will be imposed since the property price in these cities, for example in Zhuhai, will be less affected as the price levels are substantially lower than tier one cities. Besides, Zhuhai is one of the fastest growing cities with pleasant living environment. After the completion of the Hong Kong-Zhuhai-Macau Bridge and the railway transportation connecting the major cities in the Guangdong Province and the China Railway High-speed network via Guangzhou, it will greatly enhance the local economies and the properties market. The Board is optimistic about the future prospects of the property market in Zhuhai.

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。隨着期內電子相關元件及手機組件市場逐漸回暖，期內貿易業務應佔之總收入達人民幣97,559,000元（截至二零一零年六月三十日止六個月：人民幣60,058,000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有限，而通過有效率運作程序及內部監控，相關風險就可減低。因此，本集團已採取多個措施，把產品組合多元化，務求進一步改善利潤率。

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時，公司將參與其中。

市場前景及展望

管理層認為，市場調控是物業市場趨於健康、持續發展的必經階段，亦有助於促使本集團適應市場變化及增強其風險規避能力。二零一一年上半年，本集團之物業發展業務面對日益複雜之經濟及市場狀況，而中國政府亦對物業市場施加緊縮政策。為克服流動性過剩及緩解通脹壓力，中國人民銀行於二零一一年進一步提高存款準備金率及利率。

二零一一年下半年，紓緩通脹壓力仍為中國政府之首要任務。中國的房地產市場將持續受到政府緊縮政策的影響。然而，大多數措施及政策，包括價格限制令、購房限制及按揭限制，主要影響一線城市如上海、北京及深圳之物業價格。儘管中國政府近期已開始關注二三線城市的物業市場，但管理層認為將會實施較少政策及措施。鑒於該等城市（如珠海）之價格水平相對較低，故物業價格將較少受此影響。此外，珠海是發展最快城市之一，居住環境優美。港珠澳大橋建成及鐵路運輸透過廣州銜接廣東省大部分城市及中國高速鐵路網絡完成後，預期將大大推動當地經濟及物業市場發展，管理層對珠海之物業市場未來前景持樂觀態度。

Management Discussion and Analysis

管理層討論及分析

Regarding the Zhongzhu Uptown Phase 2, its remaining properties will be launched for pre-sale in later half of 2011 and 2012. Due to the upsurge of property prices in Zhuhai in recent years, the selling price and the profit margin of Phase 2 are expected to be significantly higher than Phase 1. The pre-sale has generated a strong cash flow for our business, which greatly enable the Group to continue development in the existing tight monetary control environment in the PRC. The Group will continue to closely monitor future market trends and respond to market changes in a prudent and proactive manner by strengthening its corporate development and maintaining stringent financial discipline.

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 2011, the Group achieved a turnover of approximately RMB148,269,000 (six months ended 30 June 2010: RMB161,721,000) which represented a decrease of approximately 8% as compared to the last corresponding period. The decrease in turnover is mainly due to majority units of Zhongzhu Uptown Phase 1 were sold in previous periods while Phase 2 was still in pre-sale stage. The management believes upon the delivery of properties of Phase 2, the turnover will be boosted.

The profit attributable to owners of the Company was approximately RMB26,925,000 (six months ended 30 June 2010: loss of RMB15,829,000). The profit is mainly attributable to the gain arising from the change in fair value of convertible bonds amounted to approximately RMB37,397,000 (six months ended 30 June 2010: Nil). Excluding the effect of change in fair value of the convertible bonds, a loss for the period attributable to the owners of the Company of approximately RMB10,472,000 was recorded (six months ended 30 June 2010: RMB15,829,000) which was mainly caused by the advertisement and other related costs for the pre-sale of Phase II of Zhongzhu Uptown amounted to approximately RMB6,118,000.

The acquisition of additional 25% equity interests in Zhuhai Zhongzhu was completed at 1 March 2011. Please refer to the circular dated 22 December 2010 for details of the acquisition.

For the first half of 2011, the Group's operating activities generated a net cash inflow of approximately RMB240,136,000 (six months ended 30 June 2010: outflow of RMB144,912,000) which mainly represents receipts from Phase 2 pre-sales. At 30 June 2011, the total amount of bank balance and cash was approximately RMB290,401,000 (31 December 2010: RMB155,804,000), including restricted bank deposits of RMB144,200,000 (31 December 2010: RMB32,776,000).

至於中珠上城第二期，其餘物業將於二零一一年下半年及二零一二年推出預售。由於近年珠海物業價格上升，故相比一期，二期之銷售價格及利潤率預計將會上升。預售將為我們的業務產生強勁的現金流，使本集團在中國目前的緊縮貨幣控制環境下得以持續發展。本集團將密切注意未來的市場發展趨勢及以審慎和積極的態度應對市場變化，加強其企業發展及維持嚴格的財政紀律。

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

截至二零一一年六月三十日止六個月，本集團之營業額約人民幣148,269,000元（截至二零一零年六月三十日止六個月：人民幣161,721,000元），比去年同期減少約8%。營業額減少主要由於中珠上城一期在前期已售出大部分單位而二期仍在預售階段。管理層深信在二期物業交付後，營業額將提高。

本公司之擁有人應佔溢利約人民幣26,925,000元（截至二零一零年六月三十日止六個月：虧損人民幣15,829,000元）。溢利主要來自可換股債券之公允值變動之收益，約人民幣37,397,000元（截至二零一零年六月三十日止六個月：無）。不包括可換股債券之公允值變動之影響所錄得期內本公司之擁有人應佔虧損約人民幣10,472,000元（截至二零一零年六月三十日止六個月：人民幣15,829,000元），主要由於廣告成本及其他有關預售中珠上城第二期的相關成本達約人民幣6,118,000元。

收購珠海中珠25%額外權益於二零一一年三月一日完成。有關收購之詳情請參閱日期為二零一零年十二月二十二日的通函。

於二零一一年上半年，本集團經營業務產生的現金流入淨額（主要指預售二期的收入）為約人民幣240,136,000元（截至二零一零年六月三十日止六個月：流出人民幣144,912,000元）。於二零一一年六月三十日，本集團的銀行結存及現金總額約人民幣290,401,000元（二零一零年十二月三十一日：人民幣155,804,000元），包括有限制銀行存款人民幣144,200,000元（二零一零年十二月三十一日：人民幣32,776,000元）。

Management Discussion and Analysis

管理層討論及分析

At 30 June 2011, the total assets of the Group was approximately RMB1,696,375,000 (31 December 2010: RMB1,491,124,000), representing an increase of approximately 14%. The increase is mainly due to the construction of Zhongzhu Uptown Phase II. At 30 June 2011, the Group's total borrowings decreased to approximately RMB255,419,000 (31 December 2010: RMB385,936,000).

At 30 June 2011, the gearing ratio, expressed as a percentage of total borrowings over net assets was 78% (31 December 2010: 79%). The current ratio was 1.7 (31 December 2010: 2.5).

CAPITAL STRUCTURE

The issued ordinary share capital of the Company at 31 December 2010 and 30 June 2011 was HK\$85,198,000 divided into 851,980,000 shares of HK\$0.10 each. At 31 December 2010 and 30 June 2011, the issued convertible redeemable preference shares was HK\$35,000,000 divided into 350,000,000 shares of HK\$0.10 each and the convertible redeemable preference A shares was HK\$11,000,000 divided into 110,000,000 shares of HK\$0.10 each. Up to 30 June 2011, 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.

CHARGE ON ASSETS

At 30 June 2011, certain of the Group's investment properties, properties under development and leasehold buildings with an aggregate net carrying value of approximately RMB876,746,000 (31 December 2010: RMB802,214,000) 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 2011, facilities amounts of approximately RMB255,419,000 (31 December 2010: RMB385,936,000) were utilised and approximately RMB215,810,000 (31 December 2010: RMB102,314,000) were unutilised and available for the Group's future financing.

於二零一一年六月三十日，本集團的總資產值為約人民幣1,696,375,000元（二零一零年十二月三十一日：人民幣1,491,124,000元），增加約14%。增加主要由於中珠上城第二期之建造。於二零一一年六月三十日，本集團的總借貸減少至約人民幣255,419,000元（二零一零年十二月三十一日：人民幣385,936,000元）。

於二零一一年六月三十日，本集團的負債率（以借貸總額除以資產淨額計算）為78%（二零一零年十二月三十一日：79%）。流動比率為1.7（二零一零年十二月三十一日：2.5）。

資本結構

於二零一零年十二月三十一日及二零一一年六月三十日，本公司的已發行普通股股本為港幣85,198,000元，分為851,980,000股每股港幣0.10元的股份。於二零一零年十二月三十一日及二零一一年六月三十日，已發行可轉換可贖回優先股為港幣35,000,000元，分為350,000,000股每股港幣0.10元的股份及可轉換可贖回優先A股為港幣11,000,000元，為110,000,000股每股港幣0.10元的股份。直至二零一一年六月三十日，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、美元及港幣計算。本集團的貨幣資產及負債均以人民幣、美元及港幣結算。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。

資產抵押

於二零一一年六月三十日，本集團將其總賬面淨值約為人民幣876,746,000元（二零一零年十二月三十一日：人民幣802,214,000元）的若干投資物業、在建物業及租賃樓宇抵押給銀行，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。於二零一一年六月三十日，約人民幣255,419,000元（二零一零年十二月三十一日：人民幣385,936,000元）的融資額已動用及約人民幣215,810,000元（二零一零年十二月三十一日：人民幣102,314,000元）的融資額尚未動用，可撥作本集團日後使用。

Management Discussion and Analysis

管理層討論及分析

CAPITAL COMMITMENTS

The Group did not have any significant capital commitments as at 30 June 2011.

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

資本承擔

於二零一一年六月三十日，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：

		30.6.2011 二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2010 二零一零年 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	246,107	190,969
Authorised but not contracted for	已批准但未簽約	180,558	336,831

EMPLOYEE AND REMUNERATION POLICIES

At 30 June 2011, the Group employed 54 full time employees (31 December 2010: 57) 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.

僱員及薪酬政策

於二零一一年六月三十日，本集團在香港及中國僱用54位（二零一零年十二月三十一日：57位）全職僱員。本集團的薪酬政策乃依據市場趨勢、未來計劃及僱員的個人表現而制訂，並定期進行檢討。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。

Management Discussion and Analysis 管理層討論及分析

LITIGATIONS AND CONTINGENT LIABILITIES

- (i) 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 material adverse financial effect on the earnings, net assets and liabilities of the Company and its subsidiaries.
- (ii) 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 six months ended 30 June 2011. At 30 June 2011, the outstanding amount of the guarantees amounted to approximately RMB192,142,000 (31 December 2010: RMB22,980,000).

INTERIM DIVIDEND

The Board does not recommend any payment of interim dividend for the six months ended 30 June 2011.

訴訟及或然負債

- (i) 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。怡太就本公司出售其前全資附屬公司Magic Gain Investments Limited所產生之損失賠償及賠償金約港幣8,834,000元向香港特別行政區高等法院提出對本公司的民事訴訟（「索償」）。索償詳情載於本公司日期為二零零九年十二月十六日之公告。本公司決定對索償進行抗辯，並將就索償之理據尋求法律意見。本公司董事預計此訴訟不會對本公司及其附屬公司的收益、淨資產及債務構成任何重大不利之財務影響。
- (ii) 截至二零一一年六月三十日止六個月，本集團已為若干物業單位買家安排銀行融資，並就該等買家還款之責任提供擔保。於二零一一年六月三十日未償還金額擔保約人民幣192,142,000元（二零一零年十二月三十一日：人民幣22,980,000元）。

中期股息

董事會建議不派發截至二零一一年六月三十日止六個月之中期股息。

Disclosure of Interests

權益披露

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

At 30 June 2011, 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

於二零一一年六月三十日，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（「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. 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 (resigned on 30 June 2011)	蔡繼明先生 (於二零一一年六月三十日辭任)	-	-	348,000	348,000	0.04
Mr. Chong Yiu Chik (resigned on 30 June 2011)	莊耀植先生 (於二零一一年六月三十日辭任)	-	-	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所持有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 2011, 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，於二零一一年六月三十日，本公司董事及主要行政人員及彼等的各自聯繫人士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。

SUBSTANTIAL SHAREHOLDERS

At 30 June 2011, 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

於二零一一年六月三十日，據董事所知，以下人士（本公司董事或主要行政人員除外）於本公司股份或相關股份擁有根據證券及期貨條例第XV部第2及3分部須知會本公司或須記入根據證券及期貨條例第336條須設立的登記冊的權益或淡倉：

(i) 普通股之權益

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

Disclosure of Interests

權益披露

(ii) Long position in underlying shares

(ii) 相關股份之權益

Name	Capacity and nature of interest	Number of underlying shares held	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
<i>Preference Share:</i>			
<i>優先股股份：</i>			
Best Contact Holdings Limited ("Best Contact") (Note 1)	Beneficial owner		
Best Contact Holdings Limited ("Best Contact") (附註1)	實益擁有人	357,894,737	42.01%
Mr. Xu Deliang (Note 2)	Interest of a controlled corporation		
Xu Deliang先生 (附註2)	受控制公司之權益	357,894,737	42.01%
<i>Convertible bonds:</i>			
<i>可換股債券：</i>			
Seaton Limited (Note 3)	Beneficial owner		
成登有限公司 (附註3)	實益擁有人	283,425,754	33.27%
Leading Front Limited (Note 3)	Interest of a controlled corporation		
Leading Front Limited (附註3)	受控制公司之權益	283,425,754	33.27%
Mr. Ho Man Hung (Note 3)	Interest of a controlled corporation		
何敏雄先生 (附註3)	受控制公司之權益	283,425,754	33.27%
Zilver Yuan Investment Partners Ltd. ("Zilver Yuan") (Note 4)	Beneficial owner		
銀元投資有限公司 ("銀元") (附註4)	實益擁有人	271,186,440	31.83%
Bank of China Group Investment Limited ("BOCGI") (Note 4)	Interest of a controlled corporation		
中銀集團投資有限公司 ("中銀集團投資") (附註4)	受控制公司之權益	271,186,440	31.83%
Bank of China Limited ("BOC") (Note 4)	Interest of a controlled corporation		
中國銀行股份有限公司 ("中國銀行") (附註4)	受控制公司之權益	271,186,440	31.83%
Central Huijin Investment Ltd. ("Huijin") (Note 4)	Interest of a controlled corporation		
中央匯金投資有限責任公司 ("匯金") (附註4)	受控制公司之權益	271,186,440	31.83%

Disclosure of Interests

權益披露

Notes:

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 the Company, 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. On 31 August 2010, Weina further transferred 50,000,000 convertible redeemable preference shares to certain individuals. On 17 March 2011, Weina further transferred 75,000,000 convertible redeemable preference shares to Best Contact.

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 Limited 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; 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. On 31 August 2010, Weina further transferred 70,000,000 convertible redeemable preference A shares to certain individuals. On 17 March 2011, Weina further transferred 35,000,000 convertible redeemable preference A shares to Best Contact.

附註：

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，而透過協議及本公司行使選擇認股權，榮瀚擁有本公司350,000,000股可轉換可贖回優先股股份權益及有權將該等股份轉換為350,000,000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。亦協定可轉換可贖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股可轉換可贖回優先股股份至Best Contact。於二零一零年八月三十一日，榮瀚進一步轉讓50,000,000股可轉換可贖回優先股股份至若干個別人士。於二零一一年三月十七日，榮瀚進一步轉讓75,000,000股可轉換可贖回優先股股份至Best Contact。

同時，本公司已於二零零六年十一月十七日與榮瀚集團有限公司簽訂一份買賣協議，透過協議，榮瀚（由榮瀚集團有限公司指定）擁有本公司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。榮瀚集團有限公司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A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。於二零一零年八月三十一日，榮瀚進一步轉讓70,000,000股可轉換可贖回優先A股股份至若干個別人士。於二零一一年三月十七日，榮瀚進一步轉讓35,000,000股可轉換可贖回優先A股股份至Best Contact。

Disclosure of Interests

權益披露

In accordance with the terms and conditions of the convertible redeemable preference shares and the convertible redeemable preference A shares, the conversion price of the convertible redeemable preference shares and the convertible redeemable preference A shares was adjusted as a result of the issue of the Convertible Bonds to HK\$0.38.

2. Best Contact is legally and beneficially owned by Mr. Xu Deliang. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Mr. Xu Deliang is an independent third party of the substantial Shareholders and Directors.
3. On 3 December 2010, the Company entered into an acquisition agreement with Seaton Limited and through such agreement and the exercise of the conversion right of the convertible bonds, Seaton Limited is interested in 283,425,754 shares of the company (based on its initial conversion price). The acquisition was completed and the convertible bonds were issued on 1 March 2011.

Seaton Limited is 100% owned by Leading Front Limited and Leading Front Limited is 100% owned by Mr. Ho Man Hung. Accordingly, Leading Front Limited and Mr. Ho Man Hung are deemed to be interested in the relevant convertible bonds issued by the Company to Seaton Limited.

4. On 19 September 2010, the Company entered into a subscription agreement with Zilver Yuan and through such agreement and the exercise of the conversion right of the convertible bonds, Zilver Yuan is interested in 271,186,440 shares of the company (based on its initial conversion price). The subscription was completed and the convertible bonds were issued on 1 December 2010.

Zilver Yuan is 100% owned by BOCGI and BOCGI is 100% owned by BOC. Huijin owned 67.53% capital of BOC. Accordingly, Huijin, BOC, BOCGI are deemed to be interested in the relevant convertible bonds issued by the Company to Zilver Yuan.

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 2011, 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.

根據可轉換可贖回優先股股份及可轉換可贖回優先A股股份之條款及條件，可轉換可贖回優先股股份及可轉換可贖回優先A股股份之換股價將會因發行可換股債券予以調整至0.38港元。

2. Best Contact由Xu Deliang先生合法及實益擁有。就董事所知，所得資料及所信並作出一切合理查詢，Xu Deliang先生為主要股東及董事之獨立第三方。
3. 於二零一零年十二月三日，本公司與成登有限公司訂立收購協議，而透過該協議及行使可換股債券的轉換權，成登有限公司於公司的283,425,754股股份中擁有權益（根據初步換股價）。認購已經完成，而可換股債券已於二零一一年三月一日發行。

成登有限公司由Leading Front Limited 全資擁有，而Leading Front Limited由何敏雄先生全資擁有。據此，Leading Front Limited及何敏雄先生被視為於本公司向Seaton Limited發行的可換股債券中擁有權益。

4. 於二零一零年九月十九日，本公司與銀元訂立認購協議，而透過該協議及行使可換股債券的轉換權，銀元於公司的271,186,440股股份中擁有權益（根據初步換股價）。認購已經完成，而可換股債券已於二零一零年十二月一日發行。

銀元由中銀集團投資全資擁有，而中銀集團投資則由中國銀行全資擁有。匯金則擁有中國銀行資本的67.53%。因此，匯金、中國銀行、中銀集團投資被視為於本公司向銀元發行的相關可換股債券中擁有權益。

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二零一一年六月三十日，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 2011, were as follows:

截至二零一一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各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 1 January 2011	Granted during the period	Exercised during the period	Lapsed during the period	Held at 30 June 2011
持有人	授予日期	行使期	每股股份行使價 HK\$ 港元	於二零一一年一月一日持有	於期內授予	於期內行使	於期內已失效	於二零一一年六月三十日持有
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. 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 (resigned on 30 June 2011)								
蔡繼明先生 (於二零一一年六月三十日辭任)	21.8.2009	21.8.2009-20.8.2012	1.18	348,000	-	-	-	348,000
Mr. Chong Yiu Chik (resigned on 30 June 2011)								
莊耀植先生 (於二零一一年六月三十日辭任)	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	3,200,000	-	-	-	3,200,000
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				27,948,000	-	-	-	27,948,000

During the period under review, no share options were granted, exercised or lapsed.

於回顧期間，無購股權獲授出、行使或失效。

At 30 June 2011, 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.

於二零一一年六月三十日，在舊計劃及新計劃下尚未行使購股權總數目分別為17,948,000份及10,000,000份。

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 2011.

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. CHAN Chun Fai (appointed on 30 June 2011)
Mr. NG Kwok Chu, Winfield (appointed on 30 June 2011)
Mr. CHONG Yiu Chik (resigned on 30 June 2011)
Mr. CHOI Kai Ming, Raymond (resigned on 30 June 2011)

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 2011, 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

於截至二零一一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，本公司確認全體董事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」），並遵照守則條文釐定其書面職權範圍。於本報告日期，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*）
陳振輝先生（於二零一一年六月三十日獲委任）
吳國柱先生（於二零一一年六月三十日獲委任）
莊耀植先生（於二零一一年六月三十日辭任）
蔡繼明先生（於二零一一年六月三十日辭任）

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二零一一年六月三十日止六個月之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. NG Kwok Chu, Winfield (*Chairman*)
(appointed on 30 June 2011)
Mr. POON Lai Yin, Michael
Mr. CHAN Chun Fai (appointed on 30 June 2011)
Mr. CHONG Yiu Chik (resigned on 30 June 2011)
Mr. CHOI Kai Ming, Raymond (*Chairman*)
(resigned on 30 June 2011)

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. CHAN Chun Fai (*Chairman*)
(appointed on 30 June 2011)
Mr. POON Lai Yin, Michael
Mr. NG Kwok Chu, Winfield
(appointed on 30 June 2011)
Mr. CHONG Yiu Chik (*Chairman*)
(resigned on 30 June 2011)
Mr. CHOI Kai Ming, Raymond
(resigned on 30 June 2011)

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 2011.

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。現有薪酬委員會包括以下成員：

獨立非執行董事

吳國柱先生（主席）
(於二零一一年六月三十日獲委任)
潘禮賢先生
陳振輝先生（於二零一一年六月三十日獲委任）
莊耀植先生（於二零一一年六月三十日辭任）
蔡繼明先生（主席）
(於二零一一年六月三十日辭任)

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。現有提名委員會包括以下成員：

獨立非執行董事

陳振輝先生（主席）
(於二零一一年六月三十日獲委任)
潘禮賢先生
吳國柱先生
(於二零一一年六月三十日獲委任)
莊耀植先生（主席）
(於二零一一年六月三十日辭任)
蔡繼明先生
(於二零一一年六月三十日辭任)

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

於截至二零一一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 reviewed the interim financial information set out on pages 21 to 52, which comprises the condensed consolidated statement of financial position of China Uptown Group Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2011 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, 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.

SCOPE OF REVIEW

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 HKICPA. A review of interim financial information 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

我們已審閱載列於第21至52頁所載的中期財務資料，此中期財務資料包括中國上城集團有限公司（「貴公司」）及其附屬公司（統稱「貴集團」）於二零一一年六月三十日的簡明綜合財務狀況表與截至該日止六個月期間的相關簡明綜合全面收益表、簡明綜合權益變動表及簡明綜合現金流量表及若干附註解釋。香港聯合交易所有限公司主板證券上市規則規定，就中期財務資料編製的報告必須符合以上規則的有關條文以及香港會計師公會（「香港會計師公會」）頒佈的香港會計準則第34號「中期財務報告」（「香港會計準則第34號」）。貴公司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。我們的責任是根據我們的審閱對該中期財務資料作出結論，並按照委聘所協定之條款僅向整體董事會報告該等結論，除此之外本報告別無其他目的。我們概不就本報告的內容，對任何其他人士負上或承擔任何責任。

審閱範圍

我們已按照香港會計師公會所頒佈的香港審閱工作準則第2410號「由實體的獨立核數師執行中期財務資料審閱」進行審閱工作。中期財務資料的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

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 2011

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
二零一一年八月三十日

Condensed Consolidated Statement of Comprehensive Income

簡明綜合全面收益表

For the six months ended 30 June 2011

截至二零一一年六月三十日止六個月

For the six months ended 30 June
截至六月三十日止六個月

		Notes 附註	2011 二零一一年 RMB'000 人民幣千元 (unaudited) (未經審核)	2010 二零一零年 RMB'000 人民幣千元 (unaudited) (未經審核)
Turnover	營業額	4, 5	148,269	161,721
Cost of sales	銷售成本		(142,843)	(201,677)
Gross profit (loss)	毛利 (損)		5,426	(39,956)
Other operating income	其他營運收入		6,107	2,985
Selling and distribution costs	出售及分銷成本		(7,223)	(2,397)
Administrative expenses	行政費用		(11,338)	(10,105)
Change in fair value of investment properties	投資物業公允值之變動		(1,112)	4,011
Change in fair value of convertible bonds	可換股債券公允值之變動		37,397	-
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)
Finance costs	財務成本		(6,082)	(20,312)
Profit (loss) before taxation	除稅前溢利 (虧損)		23,175	(70,089)
Income tax (expense) credit	所得稅 (支出) 收入	6	(2,142)	48,450
Profit (loss) for the period	期內溢利 (虧損)	7	21,033	(21,639)
Exchange differences arising on translation of financial statements of foreign operations and total other comprehensive income for the period	因換算外國業務財務報表產生的匯兌差額及期內其他全面收入總額		5,722	848
Total comprehensive income (expenses) for the period	期內全面收入 (支出) 總額		26,755	(20,791)
Profit (loss) for the period attributable to:	期內應佔溢利 (虧損):			
Owners of the Company	本公司之擁有人		26,925	(15,829)
Non-controlling interests	非控制性權益		(5,892)	(5,810)
			21,033	(21,639)
Total comprehensive income (expenses) for the period attributable to:	期內全面收入 (支出) 總額應佔:			
Owners of the Company	本公司之擁有人		32,647	(14,990)
Non-controlling interests	非控制性權益		(5,892)	(5,801)
			26,755	(20,791)
Earnings (loss) per share	每股盈利 (虧損)	9		
Basic	基本		RMB3.16 cents 人民幣3.16仙	RMB(1.86 cents) 人民幣(1.86仙)
Diluted	攤薄		RMB(0.48 cents) 人民幣(0.48仙)	RMB(1.86 cents) 人民幣(1.86仙)

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 June 2011

於二零一一年六月三十日

		Notes 附註	30.6.2011 二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	10	32,892	34,315
Investment properties	投資物業	11	148,057	183,830
Prepaid lease payments	租賃預付款項	11	243	246
Goodwill	商譽	12	184,231	184,231
Available-for-sale investments	可供出售投資	13	-	-
			365,423	402,622
Current assets	流動資產			
Inventories	存貨		8,287	12,701
Properties under development	在建物業	14	856,371	737,095
Properties held for sale	待售物業		80,726	129,220
Trade and other receivables	貿易及其他應收賬款	15	78,681	42,265
Prepaid lease payments	租賃預付款項	11	6	6
Income tax recoverable	可收回所得稅		15,820	-
Held-to-maturity investments	持有至到期日投資	13	-	-
Held-for-trading investments	持有交易用途之投資		660	1,211
Restricted bank deposits	有限制銀行存款	16	144,200	32,776
Bank balances and cash	銀行結存及現金		146,201	123,028
			1,330,952	1,078,302
Assets classified as held for sale	分類為持作銷售之資產		-	10,200
			1,330,952	1,088,502
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	17	756,997	401,808
Income tax payable	應付所得稅		-	945
Bank borrowings	銀行貸款	18	15,419	35,936
			772,416	438,689
Net current assets	流動資產淨額		558,536	649,813
			923,959	1,052,435

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 June 2011
於二零一一年六月三十日

		Notes 附註	30.6.2011 二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Capital and reserves	股本及儲備			
Ordinary share capital	普通股股本	19	81,232	81,232
Convertible redeemable preference shares	可轉換可贖回優先股		184,653	184,653
Reserves	儲備		(12,306)	65,847
Equity attributable to owners of the Company	本公司之擁有人應佔權益		253,579	331,732
Non-controlling interests	非控制性權益		73,548	154,733
Total equity	權益總額		327,127	486,465
Non-current liabilities	非流動負債			
Bank borrowings	銀行貸款	18	240,000	350,000
Convertible bonds	可換股債券	20	326,979	184,391
Deferred taxation	遞延稅項		29,853	31,579
			596,832	565,970
			923,959	1,052,435

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2011

截至二零一一年六月三十日止六個月

		Attributable to owners of the Company 本公司之擁有人應佔											
		Ordinary share capital	Share premium	Convertible redeemable preference shares 可轉換可贖 回優先股	Capital reserve 資本儲備 (Note (a)) (附註(a))	Share options reserve 購股權儲備	Exchange translation reserve 換算儲備	General reserve 一般儲備 (Note (b)) (附註(b))	Other reserve 其他儲備 (Note (c)) (附註(c))	Accumulated losses 累計虧損	Total	Non- controlling interests 非控制性 權益	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
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
Total comprehensive income (expenses) for the period	期內全面收入 (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	支付予附屬公司 非控制性權益之股息	-	-	-	-	-	-	-	-	-	-	(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 January 2011 (audited)	於二零一一年一月一日 (經審核)	81,232	386,529	184,653	13,841	14,378	(173)	9,487	-	(358,215)	331,732	154,733	486,465
Total comprehensive income (expenses) for the period	期內全面收入 (支出) 總額	-	-	-	-	-	5,722	-	-	26,925	32,647	(5,892)	26,755
Acquisition of non-controlling interests	收購非控制性權益	-	-	-	-	-	-	-	(110,800)	-	(110,800)	(75,293)	(186,093)
At 30 June 2011 (unaudited)	於二零一一年六月三十日 (未經審核)	81,232	386,529	184,653	13,841	14,378	5,549	9,487	(110,800)	(331,290)	253,579	73,548	327,127

Notes:

- (a) The capital reserve represents the effect of the reorganisation of the Group through which the Company became the holding company of all group companies comprising the Group and capitalisation of shareholders' loans by a subsidiary.
- (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 their 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.
- (c) The other reserve represents the difference between the consideration paid and the carrying values of non-controlling interests acquired during the six months ended 30 June 2011 (Note 23).

附註：

- (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) 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,直至該儲備金餘額達至其註冊資本之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。
- (c) 其他儲備為截至二零一一年六月三十日止六個月已付代價及非控制性權益賬面值之差額。(附註23)

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2011

截至二零一一年六月三十日止六個月

For the six months ended 30 June

截至六月三十日止六個月

		2011 二零一一年 RMB'000 人民幣千元 (unaudited) (未經審核)	2010 二零一零年 RMB'000 人民幣千元 (unaudited) (未經審核)
Net cash from (used in) operating activities	經營活動所得(所用)現金淨額	240,136	(144,912)
Net cash used in investing activities	投資活動所用現金淨額	(83,900)	(41,139)
Net cash (used in) from financing activities	融資活動(所用)所得現金淨額	(132,719)	65,353
Net increase (decrease) in cash and cash equivalents	現金及現金等值項目之增加(減少)淨額	23,517	(120,698)
Effect on foreign exchange rate changes	匯率變動之影響	(344)	(9)
Cash and cash equivalents at the beginning of the period	於期初之現金及現金等值項目	123,028	148,905
Cash and cash equivalents at the end of the period	於期末之現金及現金等值項目	146,201	28,198

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2011

截至二零一一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 is principally engaged in property development, property investment, trading of electronic components, mobile phone modules and automation products, and the 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").

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 and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2011 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010, except as described below.

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獲豁免有限公司。其股份在香港聯合交易所有限公司(「聯交所」)主板上市。

本公司之註冊辦事處及主要營業地址已於本中報中的「公司資料」一節披露。

本公司及其附屬公司(統稱為「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、電子零件、手機組件及自動化產品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」)頒佈的香港會計準則(「香港會計準則」)第34號「中期財務報告」而編製。

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,截至二零一一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及計算方法與編製本集團截至二零一零年十二月三十一日止年度之年度財務報表所採納者貫徹一致。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2011

截至二零一一年六月三十日止六個月

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

In the current interim period, the Group has applied for the first time, the following new and revised standards and interpretations ("new or revised HKFRSs") issued by the HKICPA.

HKFRSs (Amendments)	Improvements to HKFRSs 2010
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosure for First-time Adopters
HKAS 24 (Revised)	Related Party Disclosures
HKAS 32 (Amendment)	Classification of Rights Issues
HK (IFRIC) – Interpretation ("Int") 14 (Amendments)	Prepayments of a Minimum Funding Requirement
HK (IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

The application of the above new or revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early applied the following new and revised standards, and interpretations that have been issued but are not yet effective. The following new or revised standards and interpretations have been issued after the date the consolidated financial statements for the year ended 31 December 2010 were authorised for issuance and are not yet effective:

HKFRS 10	Consolidated Financial Statements ²
HKFRS 11	Joint Arrangements ²
HKFRS 12	Disclosure of Interests in Other Entities ²
HKFRS 13	Fair Value Measurement ²
HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 19 (2011)	Employee Benefits ²
HKAS 27 (2011)	Separate Financial Statements ²
HKAS 28 (2011)	Investments in Associates and Joint Ventures ²

3. 主要會計政策 (續)

本中期間內，本集團首次採納以下香港會計師公會頒佈之新訂及經修訂準則與詮釋（「新訂或經修訂香港財務報告準則」）。

香港財務報告準則 (修訂本)	二零一零年頒佈之香港財務報告準則之改進
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號披露之比較資料所獲有限豁免
香港會計準則第24號 (經修訂)	關連人士披露事項
香港會計準則第32號 (修訂本)	供股之分類
香港 (國際財務報告詮釋委員會) – 詮釋第14號 (修訂本)	最低資本規定之預付款項
香港 (國際財務報告詮釋委員會) – 詮釋第19號	以股本工具抵銷財務負債

本中期間內，採納上述新訂或經修訂香港財務報告準則並無對簡明綜合財務報表所呈報金額及／或簡明綜合財務報表所披露造成任何重大影響。

本集團並無提早應用下列已頒佈但尚未生效之新訂或經修訂準則及詮釋。以下新訂或經修訂準則與詮釋於截至二零一零年十二月三十一日止年度之綜合財務報表獲授權刊發日期後頒佈，惟尚未生效：

香港財務報告準則第10號	綜合財務報表 ²
香港財務報告準則第11號	聯合安排 ²
香港財務報告準則第12號	其他實體權益之披露 ²
香港財務報告準則第13號	公允值計量 ²
香港會計準則第1號 (經修訂)	財務報表之呈報 ¹
香港會計準則第19號 (二零一一年)	僱員福利 ²
香港會計準則第27號 (二零一一年)	獨立財務報表 ²
香港會計準則第28號 (二零一一年)	投資聯營公司及合營企業 ²

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2011

截至二零一一年六月三十日止六個月

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

- ¹ Effective for annual periods beginning on or after 1 July 2012.
- ² Effective for annual periods beginning on or after 1 January 2013.

These five new or revised standards on consolidation, joint arrangement and disclosures were issued by the HKICPA in June 2011 and are effective for annual periods beginning on or after 1 January 2012. Earlier application is permitted provided that all five new or revised standards are applied early at the same time.

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. Under HKFRS 10, there is only one basis for consolidation, that is control. In addition, HKFRS 10 includes a new definition of control that contains three elements; (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios. Overall, the application of HKFRS 10 requires a lot of judgment. The application of HKFRS 10 might result in the Group no longer consolidating some of its investees, and consolidating investees that were not previously consolidated.

The amendments to HKAS 1 have been issued to improve the presentation of other comprehensive income. The amendments require entities to group together the items of other comprehensive income that may be reclassified to profit and loss in the future by presenting them separately from those that would never be reclassified to profit and loss. The application of the amendment to HKAS 1 might result in changes in presentation of the Group's statement of comprehensive income.

Other than disclosed above, the directors of the Company anticipate that the application of the new or revised standards will have no material impact on the results and the financial position of the Group.

3. 主要會計政策 (續)

- ¹ 於二零一二年七月一日或之後開始之年度期間生效。
- ² 於二零一三年一月一日或之後開始之年度期間生效。

與合併、聯合安排及披露有關之該五項新訂或經修訂準則，乃由香港會計師公會於二零一一年六月頒佈，於二零一二年一月一日或之後開始之年度期間生效。該等新訂或經修訂準則須同時提前採用，方可提前採用。

香港財務報告準則第10號取代處理綜合財務報表之部分香港會計準則第27號綜合及獨立財務報表。根據香港財務報告準則第10號，綜合賬目僅以控制權為基準。此外，香港財務報告準則第10號載有控制權之新定義，包括三項元素：(a)對接受投資實體之權力；(b)參與接受投資實體的業務所得可變回報之風險或權利；及(c)對接受投資實體行使其權力影響投資者回報金額之能力。香港財務報告準則第10號已新增多項指引以處理複雜情況。總體而言，採用香港財務報告準則第10號需要作出多項判斷。採用香港財務報告準則第10號可能導致本集團不再綜合計入部分接受投資實體，及綜合計入先前未綜合計算之接受投資實體。

已頒佈香港會計準則第1號之修訂本，以改善其他全面收入之呈報方式。有關修訂本要求實體將可能於日後重新分類至損益之其他全面收入項目彙集處理，並與永不會重新分類至損益之項目分開處理。應用香港會計準則第1號修訂本可能導致本集團之全面收益表呈列方式有所變動。

除上文所披露者外，本公司董事預期，應用新訂或經修訂準則將不會對本集團業績及財務狀況構成重大影響。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2011

截至二零一一年六月三十日止六個月

4. TURNOVER

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

5. SEGMENT INFORMATION

Information reported to the board of directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group's reportable segments under HKFRS 8 are as follows:

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 electronic components, mobile phone modules and automation products. |
| Technology | - | Provision of technical and consultancy services including the provision of automation products on a project basis. |

Information regarding the above segments is reported below.

4. 營業額

營業額指本集團出售予外界客戶貨品並扣除銷售稅之已收及應收淨額。

5. 分部資料

就資源分配及分部表現評估向本公司董事會（即主要經營決策者）所呈報之資料，側重於交付或提供之產品或服務之類型。

根據香港財務報告準則第8號，本集團可報告分部如下所示：

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 | - | 電子零件、手機組件及自動化產品貿易。 |
| 科技 | - | 提供技術及顧問服務，包括工程項目所需提供的自動化產品。 |

有關上述分部之資料報告如下。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2011

截至二零一一年六月三十日止六個月

5. SEGMENT INFORMATION (Continued)

(a) Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment for the six months ended 30 June:

		Property development		Property investment		Trading		Technology		Consolidated	
		物業發展		物業投資		貿易		科技		合併	
		2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
		二零一一年	二零一零年	二零一一年	二零一零年	二零一一年	二零一零年	二零一一年	二零一零年	二零一一年	二零一零年
		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
		(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
Turnover	營業額	46,981	95,845	3,729	5,818	97,559	60,058	-	-	148,269	161,721
Segment results	分部業績	(9,609)	(58,684)	3,391	18,633	2,276	(3,798)	-	-	(3,942)	(43,849)
Interest income	利息收入									662	69
Change in fair value of convertible bonds	可換股債券公允值之變動									37,397	-
Change in fair value of held-for-trading investments	持作交易用途之投資公允值變動									(523)	61
Discount received for early settlement of consideration payable	就提早償還應付代價收取之折扣									993	2,250
Unallocated corporate income	未分配公司收入									18	-
Unallocated corporate expenses	未分配公司開支									(5,348)	(6,308)
Finance costs	財務成本									(6,082)	(20,312)
Profit (loss) before taxation	除稅前溢利(虧損)									23,175	(70,089)

Segment results represent the results of each segment without allocation of interest income, change in fair value of convertible bonds, change in fair value of held-for-trading investments, discount received for early settlement of consideration payable, central administration costs, directors' emoluments and finance costs. This is the measure reported to the chief operating decision maker (board of directors) of the Group for the purpose of resource allocation and performance assessment.

5. 分部資料 (續)

(a) 分部收入及業績

本集團截至六月三十日止六個月之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、可換股債券公允值之變動、持作交易用途之投資公允值變動、就提早償還應付代價收取之折扣、中央行政費用、董事薪酬及財務成本。此乃呈報本集團的主要經營決策者(董事會)用於資源分配及分部表現評估的措施。

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5. SEGMENT INFORMATION (Continued)

5. 分部資料 (續)

(b) Segment assets

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

(b) 分部資產

本集團資產之分析按可報告分部呈列如下：

	Property development 物業發展		Property investment 物業投資		Trading 貿易		Technology 科技		Consolidated 合併	
	At 30.6.2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31.12.2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)	At 30.6.2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31.12.2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)	At 30.6.2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31.12.2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)	At 30.6.2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31.12.2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)	At 30.6.2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31.12.2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Segment assets	1,185,554	1,079,479	148,419	194,438	23,034	26,009	-	-	1,357,007	1,299,926
Unallocated corporate assets										
- Held-for-trading investments									660	1,211
- Restricted bank deposits									144,200	32,776
- Bank balances and cash									146,201	123,028
- Income tax recoverable									15,820	-
- Others									32,487	34,183
Consolidated total assets									1,696,375	1,491,124

For the purpose of monitoring segment performance and allocating resources between segments, all assets are allocated to reportable segments other than held-for-trading investments, restricted bank deposits, bank balances and cash and income tax recoverable. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

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、有限制銀行存款、銀行結存及現金及可收回所得稅，所有資產要分配到可報告分部。可報告分部共用之資產乃按各可報告分部所得收入之基準作分配。

(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.

(c) 地理資料

由於本集團大部分之業務、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 EXPENSE (CREDIT)

6. 所得稅支出(收入)

		For the six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元 (unaudited) (未經審核)	2010 二零一零年 RMB'000 人民幣千元 (unaudited) (未經審核)
Current tax	當期稅項		
- Hong Kong Profits tax	- 香港利得稅	156	-
- PRC Enterprise Income Tax ("PRC EIT")	- 中國企業所得稅 (「中國企業所得稅」)	2,723	1,811
- PRC Land Appreciation Tax ("LAT")	- 中國土地增值稅 (「中國土地增值稅」)	989	-
		3,868	1,811
Overprovision for PRC LAT	中國土地增值稅超額撥備	-	(26,704)
		3,868	(24,893)
Deferred taxation	遞延稅項	(1,726)	(23,557)
		2,142	(48,450)

- (a) Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the six months ended 30 June 2011 and 2010.

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.

- (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 tax rate of certain subsidiaries of the Company, which previously ranged from 15% to 33%, was changed to 25% from 1 January 2008 onwards.

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 of income tax exemption commenced for the year ended 31 December 2008. For the six months ended 30 June 2010, the subsidiary enjoys a 50% relief from PRC EIT and is subject to tax at the rate of 11% on the estimate assessable profits for that period.

- (a) 香港利得稅按截至二零一一年及二零一零年六月三十日止六個月之估計應課稅利潤以稅率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並無錄得任何應課稅利潤，故並無於簡明綜合財務報表作出香港利得稅之撥備。

- (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，本公司若干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。

根據適用於外資企業之稅務法，一間附屬公司可於首個獲得營運盈利年度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。截至二零一零年六月三十日止六個月，該附屬公司由中國企業所得稅法中獲得50%之豁免，並按該期間之估計應課稅利潤之11%稅率繳稅。

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6. INCOME TAX EXPENSE (CREDIT)

(Continued)

- (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 2011, deferred taxation of approximately RMB106,000 (31 December 2010: RMB556,000) 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* (珠海中珠房地產開發有限公司) ("Zhuhai Zhongzhu").

* English name is for identification only.

6. 所得稅支出(收入)(續)

- (c) 土地增值稅撥備是按有關中國稅務法例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，於出售物業後應預先繳納土地增值稅，在完成物業發展之後再對有關增值數額作出最終核定。
- (d) 根據中國企業所得稅法，自二零零八年一月一日起，對於本集團的中國附屬公司已宣派與所賺取溢利相關的股息需要徵收預扣稅。

於二零一一年六月三十日，本集團已就由中國附屬公司預計分派之部分溢利為遞延稅項約人民幣106,000元(二零一零年十二月三十一日：人民幣556,000元)作出撥備。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。

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7. PROFIT (LOSS) FOR THE PERIOD

7. 期內溢利（虧損）

		For the six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元 (unaudited) (未經審核)	2010 二零一零年 RMB'000 人民幣千元 (unaudited) (未經審核)
Profit (loss) for the period has been arrived at after charging (crediting):	已扣除（計入）以下各項期內溢利（虧損）：		
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	523	61
Cost of inventories recognised as expenses	確認為支出的存貨成本	93,983	59,370
Depreciation	折舊	966	1,051
Impairment loss recognised in respect of trade receivables*	貿易應收賬款已確認之減值虧損*	-	1,811
Impairment loss recognised in respect of other receivables*	其他應收賬款已確認之減值虧損*	-	41
Impairment loss recognised in respect of properties held for sale**	持作出售物業已確認之減值虧損**	3,880	11,299
Bad debt recovered	已收回壞賬	(1,676)	-
Discount received for early settlement of consideration payables (Note 21)	就提早償還應付代價收取之折扣（附註21）	(993)	(2,250)
Gain on disposal of investment properties	出售投資物業之收益	(2,544)	-
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	(662)	(69)
Reversal of impairment loss recognised in respect of inventories	存貨已確認之減值虧損撥回	-	(198)

* 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 six months ended 30 June 2011. The directors of the Company do not recommend the payment of an interim dividend.

截至二零一一年六月三十日止六個月內，並無支付、宣派或擬派任何股息。本公司董事不建議派發中期股息。

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9. EARNINGS (LOSS) PER SHARE

9. 每股盈利（虧損）

		For the six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元 (unaudited) (未經審核)	2010 二零一零年 RMB'000 人民幣千元 (unaudited) (未經審核)
Profit (loss)	溢利（虧損）		
Profit (loss) for the purpose of basic earnings (loss) per share for the period attributable to the owners of the Company	就期間本公司擁有人應佔每股基本盈利（虧損）而言之溢利（虧損）	26,925	(15,829)
Effect of dilutive potential ordinary shares:	攤薄潛在普通股之影響：		
– Interest on convertible bonds	– 可換股債券之利息	2,688	–
– Change in fair value of convertible bonds	– 可換股債券公允值之變動	(37,397)	–
		(7,784)	(15,829)
Number of shares	股份數目	'000 千股	'000 千股
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	普通股加權平均數（就每股基本盈利（虧損）而言）	851,980	851,980
Effect of dilutive potential shares:	攤薄潛在股份之影響：		
– Conversion of convertible bonds	– 轉換可換股債券	271,186	N/A 不適用
– Conversion of convertible redeemable preference shares (Note (i))	– 轉換可轉換可贖回優先股（附註(i)）	484,211	–
		1,607,377	851,980

Notes:

- i) Diluted loss per share was the same as the basic loss per share for the six months ended 30 June 2010 since the conversion of the Company's convertible redeemable preference shares has an anti-dilutive effect to the loss per share.
- ii) The computation of diluted loss per share does not assume the exercise of the Company's outstanding share options as the exercise price of these options is higher than the average market price of the Company's shares for the six months ended 30 June 2011 and 2010.

附註：

- i) 截至二零一零年六月三十日止六個月的每股攤薄虧損與每股基本虧損相同，原因為轉換本公司可轉換可贖回優先股具反攤薄作用。
- ii) 由於截至二零一一年及二零一零年六月三十日止六個月，本公司未行使購股權的行使價高於本公司股份平均市價，故計算每股攤薄虧損時並無假設該等購股權獲行使。

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10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2010, the Group acquired assets with a cost of approximately RMB109,000 (2011: Nil).

Fully depreciated assets were disposed of by the Group during the six months ended 30 June 2010 resulting in a net gain on disposal of RMB58,000 (2011: 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 RMB12,117,000 (31 December 2010: RMB12,271,000) ("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 settled during the year ended 31 December 2010 but such frozen assets will not be released until the completion of the convertible bonds (Note 20a). As of the date of approval of these condensed consolidated financial statements, the assets were still frozen by the relevant authorities.

As of 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 of obtaining the building ownership certificates of the Frozen Buildings was deferred. A legal opinion provided by the Company's PRC legal advisors on 19 August 2011 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.

11. INVESTMENT PROPERTIES/ PREPAID LEASE PAYMENTS

During the six months ended 30 June 2011, the Group disposed of certain investment properties with an aggregate carrying amount of RMB44,184,000, resulting in a gain on disposal of RMB2,544,000 (2010: Nil).

10. 物業、機器及設備

截至二零一零年六月三十日止六個月，本集團收購資產成本約人民幣109,000元（二零一一年：無）。

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，因此錄得出售收益淨額人民幣58,000元（二零一一年：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12,117,000元（二零一零年十二月三十一日：人民幣12,271,000元）之若干樓宇（「凍結樓宇」）。於截至二零一零年十二月三十一日止年度，該等訴訟已經完結及結案但有關被凍結資產不會被解除直至有關可換股債券到期（附註20a）。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產證，房產證之申請已押後。本公司之中國法律顧問於二零一一年八月十九日發出法律意見書確認儘管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。

11. 投資物業／租賃預付款項

於截至二零一一年六月三十日止六個月，本集團出售若干總賬面值為人民幣44,184,000元的投資物業，因而錄得出售收益人民幣2,544,000元（二零一零年：無）。

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11. INVESTMENT PROPERTIES/ PREPAID LEASE PAYMENTS

(Continued)

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 which are included in investments properties with a carrying value of approximately RMB141,500,000 (31 December 2010: RMB143,200,000) ("Frozen Investment Properties") and prepaid lease payments with a carrying value of approximately RMB249,000 (31 December 2010: RMB252,000) 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 settled during the year ended 31 December 2010 but such frozen assets will not be released until the completion of the convertible bonds (Note 20a). As of the date of approval of these condensed consolidated financial statements, the assets were still frozen by the relevant authorities.

As of 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 19 August 2011 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 (續)

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141,500,000元(二零一零年十二月三十一日：人民幣143,200,000元)之若干樓宇(「凍結投資物業」)及賬面值約人民幣249,000元(二零一零年十二月三十一日：人民幣252,000元)之租賃預付款項。於截至二零一零年十二月三十一日止年度，該等訴訟已經完結及結案但有關被凍結資產不會被解除直至有關可換股債券到期(附註20a)。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產證，房產證之申請已押後。本公司之中國法律顧問於二零一一年八月十九日發出法律意見書確認儘管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。

12. GOODWILL AND IMPAIRMENT TESTING ON GOODWILL

(a) Goodwill

		RMB'000 人民幣千元
COST		
	成本	
At 1 January 2010,	於二零一零年一月一日、	
31 December 2010 and 30 June 2011	二零一零年十二月三十一日及 二零一一年六月三十日	184,231
CARRYING VALUE		
	賬面值	
At 30 June 2011 and 31 December 2010	於二零一一年六月三十日及 二零一零年十二月三十一日	184,231

12. 商譽及商譽之減值測試

(a) 商譽

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12. GOODWILL AND IMPAIRMENT TESTING ON GOODWILL (Continued)

(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 as at 30 June 2011 issued by Norton Appraisals Limited, an independent valuer not connected with the Group ("Norton"), the recoverable amount of the property development segment exceeds its carrying amount in the condensed consolidated statement of financial position and therefore, no impairment loss is necessary.

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 2011. 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 18.95% (31 December 2010: 18.65%).
- Future selling prices were estimated with reference to existing and past selling prices in the real estate industry in the PRC.

13. AVAILABLE-FOR-SALE INVESTMENTS/HELD-TO-MATURITY INVESTMENTS

Available-for-sale investments and held-to-maturity investments represent investments in unlisted equity interests in a PRC company and funds placed with an independent trust company in the PRC which were fully impaired in previous years.

12. 商譽及商譽之減值測試 (續)

(b) 商譽之減值測試

就減值測試而言，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，根據於二零一一年六月三十日由普敦國際評估有限公司（「普敦」，為與本集團並無關連之獨立估值師）所發出之物業發展分部商業評估報告，物業發展分部之可回收金額高於其於簡明綜合財務狀況表之賬面值，故無須作出減值虧損。

現金產生單位之可回收金額乃摘錄自普敦就截至二零一一年六月三十日之可回收金額所作估值報告以收入法計算釐訂。本集團之現金流預測乃根據最近獲管理層批准及根據過往兩年推斷之財政預算編製。於編製預測時，管理層曾考慮房地產發展項目之項目地區。計算使用價值之主要假設為如下所列有關折扣率及未來銷售價格預計轉變之假設：

- 已預計的現金流預測乃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）所衍生的折扣率及已指定折扣為18.95%（二零一零年十二月三十一日：18.65%）。
- 未來銷售價格根據中國房地產市場現時及過往的銷售價格估算。

13. 可供出售投資／持有至到期日投資

可供出售投資及持有至到期日投資指於中國公司非上市權益的投資及存放於獨立信託公司的資金，均於以往年度全數減值。

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14. PROPERTIES UNDER DEVELOPMENT

14. 在建物業

		30.6.2011 二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
At the beginning of the period/year	於期／年初	737,095	376,259
Additions	添置	107,309	351,314
Interest capitalised	資本化利息	11,967	9,522
At the end of the period/year	於期／年結	856,371	737,095

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.

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

15. TRADE AND OTHER RECEIVABLES

15. 貿易及其他應收賬款

		30.6.2011 二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2010 二零一零年 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	44,698	33,112
Less: Impairment loss recognised	減：已確認之減值虧損	(5,239)	(5,678)
		39,459	27,434
Prepayment, deposits and other receivables	預付款項、按金及其他應收賬款	40,764	16,392
Less: Impairment loss recognised	減：已確認之減值虧損	(1,542)	(1,561)
		78,681	42,265

Customers from the trading segment 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.

來自貿易分部之客戶收到賬單後，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。

Trade receivables from the sale of properties are received in accordance with the terms of the related sales and purchase agreement.

來自出售物業之貿易應收賬款乃按相關買賣協議之條款收取。

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15. TRADE AND OTHER RECEIVABLES (Continued)

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

		30.6.2011 二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
0-60 days	0-60天	39,459	27,434

Included in the trade receivables is an amount of approximately RMB31,900,000 (31 December 2010: approximately RMB21,500,000) derived from the sales of properties. In accordance with the terms of the sales and purchase agreement, this receivable is repayable by installment and contains a repayable on demand clause. The Group does not hold any collateral over these balances.

15. 貿易及其他應收賬款 (續)

貿易應收賬款按發票日期，經扣除確認減值虧損之賬齡分析如下：

	30.6.2011 二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
0-60 days	39,459	27,434

已包括於貿易應收賬款的約人民幣31,900,000元(於二零一零年十二月三十一日：約人民幣21,500,000元)源自銷售物業。根據買賣協議條款，該應收款項應分期支付，並包含按要求償還條款。本集團對這些款項並沒有持有任何抵押品。

16. RESTRICTED BANK DEPOSITS

The restricted bank deposits are represented by the guarantee deposit for construction of projects. In accordance with relevant documents issued by the PRC local State-Owned Land and Resource Bureau, the Group is required to place the proceeds received from pre-sale of properties as guarantee deposits for the construction of its properties. The deposits can only be used to pay for construction fees and purchase of the relevant projects when approvals are obtained from the PRC local State-Owned Land and Resource Bureau. The restriction will be released after the construction is completed or estate ownership certificate of the pre-sold properties is issued, whichever is earlier.

16. 有限制銀行存款

有限制銀行存款指建築工程之保證按金。根據中國地方國有土地資源管理局頒佈之相關文件，本集團須將預售物業所得款項用作興建房地產的保證按金。取得中國地方國有土地資源管理局的批准後，該按金始可用作支付有關項目的建造費用及購置建築材料。此項限制將於建築工程完成或發出預售物業房地產權證(以較早者為準)後解除。

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17. TRADE AND OTHER PAYABLES

17. 貿易及其他應付賬款

		30.6.2011 二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Trade payables	貿易應付賬款	23,738	28,564
Receipt in advance (Note (ii))	預收款(附註(ii))	682,242	282,672
Consideration payable (Note 21)	應付代價(附註21)	36,237	55,133
Accrued expenses and other payables	應付開支及 其他應付賬款	14,780	35,439
		756,997	401,808

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賬期為30天到90天。

Notes:

附註：

- (i) An aged analysis of the trade payables at the end of the reporting period based on invoice date is as follows:

- (i) 於期結日之貿易應付賬款按發票日期賬齡分析如下：

		30.6.2011 二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
0 – 60 days	0 – 60天	23,738	28,564

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

- (ii) 預收款指本集團於期結日之物業預售，向買家收取之預售所得款項。

18. BANK BORROWINGS

18. 銀行貸款

During the six months ended 30 June 2010, the Group obtained new bank loans amounting to RMB150,000,000 (2011: Nil). The Group's variable rate borrowings carry interest at 120% of The People's Bank of China Base Lending Rate during the six months ended 30 June 2011 and 2010 and are repayable in 36 months from the date of withdrawal. The proceeds were used to finance Phase II of the Group's construction project.

於截至二零一零年六月三十日止六個月，本集團進一步獲得人民幣150,000,000元(二零一一年：無)的銀行貸款。於截至二零一一年及二零一零年六月三十日止六個月，本集團之可變利率借貸按中國人民銀行基本借貸利率的120%計息，並須於提款當日起36個月內償還。所得款項用於為本集團的建設工程二期提供資金。

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19. ORDINARY SHARE CAPITAL

Ordinary share of HK\$0.10 each

		Number of shares 股份數目 '000 千股	HK\$'000 港幣千元	Equivalent to 相等於 RMB'000 人民幣千元
Authorised:	法定：			
At 1 January 2010,	於二零一零年一月一日、			
31 December 2010	二零一零年十二月三十一日及			
and 30 June 2011	二零一一年六月三十日	3,000,000	300,000	281,070
Issued and fully paid:	已發行及已繳足：			
At 1 January 2010,	於二零一零年一月一日、			
31 December 2010	二零一零年十二月三十一日及			
and 30 June 2011	二零一一年六月三十日	851,980	85,198	81,232

19. 普通股股本

每股港幣0.10元之普通股

20. CONVERTIBLE BONDS

		30.6.2011 二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Convertible bonds issued by the Company:	本公司發行之可換股 債券：		
At beginning of the period/year	於期／年初	184,391	-
Exchange realignment	匯兌差額	(6,109)	342
Issue of convertible bonds during the period/year	於期／年內發行可換股 債券	186,094	198,909
Change in fair value of convertible bonds	可換股債券公允值之變動	(37,397)	(14,860)
At end of the period/year	於期／年結	326,979	184,391

Convertible bonds are designated at fair value through profit or loss.

可換股債券按公允值通過溢利或虧損指定。

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20. CONVERTIBLE BONDS (Continued)

- (a) On 1 December 2010 ("Issue Date I"), the Company issued convertible bonds ("CB I") in the principal amount of HK\$160,000,000 (equivalent to approximately RMB136,000,000) to Zilver Yuan Investment Partners Limited, a wholly owned subsidiary of Bank of China Group Limited. The net proceeds from the issue of the CB I was used for the settlement of the entire outstanding amount due to the Bank of China, Shenzhen Branch. CB I is secured by a guarantee and share charge over Usualink Development Limited ("Usualink"), a wholly-owned subsidiary of the Company.

CB I holders are entitled to convert the CB I into ordinary shares of the Company at any time on or after three months from Issue Date I up to ten business days prior to 30 November 2013 (the "Settlement Date I") in multiples of HK\$5,000,000 (equivalent to approximately RMB4,150,000) at an initial conversion price of HK\$0.59 (equivalent to approximately RMB0.49) (subject to adjustments) per conversion share. If CB I has not been converted, they will be redeemed on Settlement Date I at par. Interest of 4% per annum will be paid semi-annually up until the Settlement Date I.

Pursuant to the CB I subscription agreement, the conversion price of the CB I shall be adjusted on each of the first and second anniversaries of the Issue Date I if the volume weighted average price of the shares over the preceding calendar month is less than 85% of the applicable conversion price. The new conversion price will then be adjusted to a price equal to 85% of the conversion price immediately before the adjustment.

The fair value of the CB I at 30 June 2011 and at 31 December 2010 is approximately RMB154,073,000 and approximately RMB184,391,000 respectively, which is determined taking into account a valuation carried out by Vigers Appraisal & Consulting Limited ("Vigers"), an independent valuer not connected with the Group, using the binomial model.

20. 可換股債券 (續)

- (a) 於二零一零年十二月一日(「發行日期」)，本公司發行本金額港幣160,000,000元(相等於約人民幣136,000,000元)之可換股債券(「可換股債券」)予銀元投資有限公司(Bank of China Group Limited之全資附屬公司)。發行可換股債券之所得款項淨額用於支付應付中國銀行深圳分行之全部未償還款項。可換股債券乃以擔保及本公司全資附屬公司通聯發展有限公司(「通聯」)的股份押記作抵押。

可換股債券持有人有權於發行日期起計三個月或之後至二零一三年十一月三十日(「支付日期」)前十個營業日期間隨時將可換股債券按港幣5,000,000元(相等於約人民幣4,150,000元)之倍數轉換為本公司普通股，初始換股價為每股轉換股份港幣0.59元(相等於約人民幣0.49元)(可予調整)。倘可換股債券尚未獲轉換，則將於支付日期按面值贖回。每年4厘之利息將每半年派付一次至支付日期止。

根據可換股債券認購協議，倘股份於發行日期之首個及第二個週年日期之前曆月內的數量加權平均價少於適用換股價之85%，則可換股債券的換股價須於上述週年日期調整。新換股價將被調整至相等於緊隨調整前換股價85%之價格。

於二零一一年六月三十日及二零一零年十二月三十一日，可換股債券之公允值分別約為人民幣154,073,000元及人民幣184,391,000元，其乃經考慮威格斯資產評估顧問有限公司(「威格斯」，為與本集團並無關連之獨立估值師)利用二項模式進行估值而釐定。

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20. CONVERTIBLE BONDS (Continued)

(a) (Continued)

The fair value of CB I at the end of the reporting period was calculated using the market value basis. Major parameters adopted in the calculation of the fair value are summarised below:

		30 June 2011 二零一一年 六月三十日	31 December 2010 二零一零年 十二月三十一日
Share price	股份價格	HK\$0.53 港幣0.53元	HK\$0.72 港幣0.72元
Conversion price	換股價	HK\$0.59 港幣0.59元	HK\$0.59 港幣0.59元
Expected volatility (Note i)	預期波幅 (附註i)	64%	61%
Expected life (Note ii)	預期有效期 (附註ii)	29 months 29個月	35 months 35個月
Risk free rate (Note iii)	無風險比率 (附註iii)	0.421%	1.25%
Expected dividend yield (Note iv)	預期股息收益率 (附註iv)	0%	0%

Notes:

- i. Expected volatility was determined by calculating the historical volatility of the Company's share price.
- ii. Expected life was the expected remaining life of the option.
- iii. The risk free rate is determined by reference to the yield of the Hong Kong Exchange Fund Notes with duration similar to the life of the CB I.
- iv. The expected dividend yield was based on the historical dividend payment record of the Company.

20. 可換股債券 (續)

(a) (續)

於期結日，可換股債券I之公允值乃按市值基準計算。計算公允值所採用的主要參數概括如下：

	30 June 2011 二零一一年 六月三十日	31 December 2010 二零一零年 十二月三十一日
Share price	HK\$0.53 港幣0.53元	HK\$0.72 港幣0.72元
Conversion price	HK\$0.59 港幣0.59元	HK\$0.59 港幣0.59元
Expected volatility (Note i)	64%	61%
Expected life (Note ii)	29 months 29個月	35 months 35個月
Risk free rate (Note iii)	0.421%	1.25%
Expected dividend yield (Note iv)	0%	0%

附註：

- i. 預期波幅通過計算本公司股份價格之歷史波幅釐定。
- ii. 預期有效期為換股權之預期餘下有效期。
- iii. 無風險利率乃參考與可換股債券I具有相近有效年期之香港外匯基金票據收益率釐定。
- iv. 預期股息收益率根據本公司過往派息記錄釐定。

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20. CONVERTIBLE BONDS (Continued)

- (b) On 1 March 2011 ("Issue Date II"), the Company issued convertible bonds ("CB II") in the principal amount of HK\$230,000,000 (equivalent to approximately RMB193,200,000) at zero coupon rate to Seaton Limited ("Seaton"), a connected party of the Group, for the settlement of the consideration payable to Seaton in relation to the acquisition of the entire issued share capital of Armando Investments Limited ("Armando") (Note 23) during the six months ended 30 June 2011.

CB II holders are entitled to convert CB II into ordinary shares of the Company at any time on or after three months from the Issue Date II up to ten business days prior to 28 February 2014 (the "Settlement Date II") in multiples of HK\$5,000,000 (equivalent to approximately RMB4,150,000) at an initial conversion price of HK\$0.8115 (equivalent to approximately RMB0.674) (subject to adjustments) per conversion share. If CB II has not been converted, they will be redeemed on Settlement Date II at par.

Pursuant to the CB II subscription agreement, 90% of the applicable conversion price of the CB II shall be adjusted on each of the first and second anniversaries of the Issue Date II if the volume weighted average price of the shares over the preceding 30 days is less than 85% of the applicable conversion price.

The Company may at any time after 12 months of the Issue Date II and before the Settlement Date II with prior notice to the bondholder(s) redeem all, but not some only, of the CB II at 110% of the outstanding principal amount of the CB II.

The fair value of the CB II at the date of inception and at 30 June 2011 is approximately RMB186,094,000 and approximately RMB172,906,000 respectively, which is determined taking into account a valuation carried out by Vigers, using the binomial model.

20. 可換股債券 (續)

- (b) 於二零一一年三月一日(「發行日期II」)，本公司發行本金額港幣230,000,000元(相等於約人民幣193,200,000元)之零票息可換股債券(「可換股債券II」)予成登有限公司(「成登」，本集團關連人士)，以就其於截至二零一一年六月三十日止六個月內收購Armando Investments Limited(「Armando」)的全部已發行股本(附註23)向成登支付應付代價。

可換股債券II持有人有權於發行日期II起計三個月或之後至二零一四年二月二十八日(「支付日期II」)前十個營業日期間隨時將可換股債券II按港幣5,000,000元(相等於約人民幣4,150,000元)之倍數轉換為本公司普通股，初始換股價為每股轉換股份港幣0.8115元(相等於約人民幣0.674元)(可予調整)。倘可換股債券II尚未獲轉換，則將於支付日期II按面值贖回。

根據可換股債券II認購協議，倘股份於發行日期II之首個及第二個週年日期前30天內的數量加權平均價少於適用換股價之85%，則可換股債券II適用換股價的90%須於上述週年日期調整。

本公司可於發行日期II起計12個月後至支付日期II前隨時向債券持有人發出書面通知，按相當於可換股債券II尚未償還本金額110%之價格贖回全部(惟不可僅贖回部份)可換股債券II。

於發行日及二零一一年六月三十日，可換股債券II之公允值分別約為人民幣186,094,000元及人民幣172,906,000元，其乃經考慮威格斯利用二項模式進行估值而釐定。

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20. CONVERTIBLE BONDS (Continued)

(b) (Continued)

The fair value of CB II at the inception date and at the end of the reporting period was calculated using the market value basis. Major parameters adopted in the calculation of the fair value are summarised below:

		30 June 2011 二零一一年 六月三十日	1 March 2011 二零一一年 三月一日
Share price	股份價格	HK\$0.53 港幣0.53元	HK\$0.70 港幣0.70元
Conversion price	換股價	HK\$0.8115 港幣0.8115元	HK\$0.8115 港幣0.8115元
Expected volatility (Note i)	預期波幅 (附註i)	70%	79%
Expected life (Note ii)	預期有效期 (附註ii)	32 months 32個月	36 months 36個月
Risk free rate (Note iii)	無風險比率 (附註iii)	0.505%	1.068%
Expected dividend yield (Note iv)	預期股息收益率 (附註iv)	0%	0%

Notes:

- i. Expected volatility was determined by calculating the historical volatility of the Company's share price.
- ii. Expected life was the expected remaining life of the option.
- iii. The risk free rate is determined by reference to the yield of the Hong Kong Exchange Fund Notes with duration similar to the life of the CB II.
- iv. The expected dividend yield was based on the historical dividend payment record of the Company.

20. 可換股債券 (續)

(b) (續)

於發行日及期結日，可換股債券II之公允值乃按市值基準計算。計算公允值所採用的主要參數概括如下：

		30 June 2011 二零一一年 六月三十日	1 March 2011 二零一一年 三月一日
Share price	股份價格	HK\$0.53 港幣0.53元	HK\$0.70 港幣0.70元
Conversion price	換股價	HK\$0.8115 港幣0.8115元	HK\$0.8115 港幣0.8115元
Expected volatility (Note i)	預期波幅 (附註i)	70%	79%
Expected life (Note ii)	預期有效期 (附註ii)	32 months 32個月	36 months 36個月
Risk free rate (Note iii)	無風險比率 (附註iii)	0.505%	1.068%
Expected dividend yield (Note iv)	預期股息收益率 (附註iv)	0%	0%

附註：

- i. 預期波幅通過計算本公司股份價格之歷史波幅釐定。
- ii. 預期有效期為換股權之預期餘下有效期。
- iii. 無風險利率乃參考與可換股債券II具有相近有效年期之香港外匯基金票據收益率釐定。
- iv. 預期股息收益率根據本公司過往派息記錄釐定。

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21. CONSIDERATION PAYABLE

21. 應付代價

		30.06.2011 二零一一年 六月三十日 RMB'000 人民幣千元	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元
At the beginning of the period/year	於期／年初	55,133	262,777
Exchange realignment	匯兌差額	(1,085)	(2,923)
Early settlement I	提早償還I	-	(119,680)
Early settlement II	提早償還II	-	(94,079)
Early settlement III	提早償還III	(19,866)	-
Discount received on early settlement	就提早償還收取之折扣	(993)	(4,704)
Imputed interest expense charged during the period/year	期／年內算定利息支出	3,048	13,742
At the end of the period/year	於期／年結	36,237	55,133

At the end of the reporting period, all amounts are included in other payables (Note 17).

於期結日，所有金額均已計入其他應收賬款（附註17）。

Notes:

附註：

i) The consideration payables represented the deferred payment in relation to the acquisition of Boom Lotus Holdings Limited ("Boom Lotus") during the period from 1 July 2009 to 31 December 2009. Pursuant to the sales and purchase agreement dated 11 August 2009, the consideration ("Consideration") was unsecured, non-interest bearing and will be payable by the Group on or after 19 November 2011.

i) 應付代價指有關於二零零九年七月一日至二零零九年十二月三十一日期間收購蓮盛控股有限公司（「蓮盛」）之遞延付款。根據日期為二零零九年八月十一日之買賣協議，代價（「代價」）屬非擔保、零利息及須由本集團於二零一一年十一月十九日或之後支付。

ii) On 4 January 2010, the Group and the vendor of Boom Lotus (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) (which was classified as an adjusting event and included as an adjustment to goodwill for the six months ended 31 December 2009) to the Group for the early settlement of HK\$136,000,000 (equivalent to approximately RMB119,680,000) of the Consideration ("Early Settlement I").

ii) 於二零一零年一月四日，本集團與蓮盛之賣家（「賣家」）簽署一份補充協議。據此賣家同意提供一筆約港幣7,158,000元（相等於約人民幣6,299,000元）之現金折扣（列為調整事件及計入截至二零零九年十二月三十一日止六個月的商譽調整）予本集團以作為本集團提早償還代價港幣136,000,000元（相等於約人民幣119,680,000元）之折扣（「提早償還I」）。

The Early Settlement I was settled by way of the following:

提早償還I以下列方式償還：

a) On 4 January 2010, as requested by the Vendor, the Group, the Vendor and the buyer (the "Buyer") of Hill Light Investment Limited, which was a wholly owned subsidiary of the Group and was disposed to the Buyer on 30 December 2009 for a consideration of HK\$126,000,000 (equivalent to approximately RMB110,880,000) ("Consideration Receivables"), entered into an agreement, in which the Buyer agreed to settle the Consideration Receivables directly to the Vendor, the settlement was completed on 14 January 2010.

a) 於二零一零年一月四日，根據賣家之要求，本集團、賣家及曉光投資有限公司（曾為本集團全資附屬公司，於二零零九年十二月三十日以代價港幣126,000,000元（「應收代價」，相等於約人民幣110,880,000元）出售予買家）之買家（「買家」）簽署一份協議，據此買家同意直接向賣家償還應收代價，該款項之支付已於二零一零年一月十四日完成。

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21. CONSIDERATION PAYABLE

(Continued)

Notes:

ii) (Continued)

- b) On 4 January 2010, the Group settled HK\$10,000,000 (equivalent to approximately RMB8,800,000) of the Consideration to the Vendor.
- iii) Besides the arrangement of Early Settlement I, the Group and the Vendor entered into several supplementary agreements during the year ended 31 December 2010, pursuant to which the Vendor agreed to provide a further total cash discount of approximately HK\$5,407,000 (equivalent to approximately RMB4,704,000) to the Group for the early settlement of HK\$108,136,000 (equivalent to approximately RMB94,079,000) of the remaining Consideration ("Early Settlement II").
- iv) Besides the arrangement of Early Settlement I and II, the Group and the Vendor entered into a supplementary agreement during the six months ended 30 June 2011, pursuant to which the Vendor agreed to provide a further cash discount of approximately HK\$1,182,500 (equivalent to approximately RMB993,000) to the Group for the early settlement of HK\$23,650,000 (equivalent to approximately RMB19,866,000) of the remaining Consideration ("Early Settlement III").
- v) The effective interest rate of the consideration payable is 11.6% per annum.

22. SHARE-BASED PAYMENT TRANSACTIONS

The Company has a share option scheme adopted on 30 November 2009 for eligible participants of the Group. The Company has outstanding share options of 27,948,000 at 31 December 2010 and no movement was noted during the six months ended 30 June 2011.

21. 應付代價 (續)

附註：

ii) (續)

- b) 於二零一零年一月四日，本集團償還港幣10,000,000元（相等於約人民幣8,800,000元）之代價予賣家。
- iii) 除提早償還I之安排外，於截至二零一零年十二月三十一日止年度，本集團與賣家訂立數份補充協議。據此，賣家同意就提前償還餘下之代價港幣108,136,000元（相等於約人民幣94,079,000元）（「提前支付II」），而進一步向本集團提供總現金折扣約港幣5,407,000元（相等於約人民幣4,704,000元）。
- iv) 除提早償還I及II之安排外，於截至二零一一年六月三十日止六個月，本集團與賣家訂立一份補充協議。據此，賣家同意就提前償還餘下之代價港幣23,650,000元（相等於約人民幣19,866,000元）（「提前支付III」），而進一步向本集團提供現金折扣約港幣1,182,500元（相等於約人民幣993,000元）。
- v) 應付代價之實際年利率為11.6%。

22. 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一項購股權計劃，供本集團合資格參與者參加。於二零一零年十二月三十一日，本公司尚未行使之購股權為27,948,000份，而於截至二零一一年六月三十日止六個月內並無任何變動。

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23. ACQUISITION OF ADDITIONAL EQUITY INTERESTS IN A SUBSIDIARY

On 3 December 2010, the Company entered into a sales and purchase agreement with Seaton for the acquisition of the entire issued share capital of Armando Investments Limited for a consideration of HK\$230,000,000. The Acquisition was completed on 1 March 2011 and the consideration was settled by way of the issuance of unsecured zero-coupon convertible bonds of the same amount (Note 20b). The fair value of the consideration was approximately HK\$221,540,000 (equivalent to approximately RMB186,093,000) (the "Acquisition"). Armando is a company incorporated in the British Virgin Islands whose major asset is its 25% equity interests in Zhuhai Zhongzhu. Following the Acquisition, the Group is interested in as to 75% of the equity interests in Zhuhai Zhongzhu.

24. COMMITMENTS

a) Commitments under operating leases

The Group as lessor

Property rental income earned for the six months ended 30 June 2011 was approximately RMB3,362,000 (for the six months ended 30 June 2010: RMB5,497,000). The investment properties generated rental yields of 4.54% per annum (31 December 2010: 5.91% per annum) on an ongoing basis. The investment properties held have committed tenants for the next two to five years (31 December 2010: two to five years).

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

		30.6.2011 二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2010 二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Within one year	一年內	5,342	3,462
In the second to fifth years inclusive	二年至五年 (包括首尾兩年)	4,309	3,134
		9,651	6,596

23. 進一步收購附屬公司股權

於二零一零年十二月三日，本公司與成登簽訂買賣協議，以收購Armando Investments Limited的全部已發行股本，代價為港幣230,000,000元。收購事項已於二零一一年三月一日完成，有關代價以發行同等金額之無抵押零票息可換股債券之方式支付(附註20b)。當時代價之公允值約為港幣221,540,000元(相等於約人民幣186,093,000元)(「收購事項」)。Armando為一家於英屬處女群島註冊成立之公司，其主要資產為於珠海中珠之25%股權。於收購事項後，本集團擁有珠海中珠75%股權之權益。

24. 承擔

a) 經營租約承擔

本集團作為出租人

於截至二零一一年六月三十日止六個月，所賺取之物業租金收入約人民幣3,362,000元(截至二零一零年六月三十日止六個月：人民幣5,497,000元)。投資物業按年收益率4.54%(二零一零年十二月三十一日：每年5.91%)持續產生租金收益。持有投資物業之租戶承諾在未來二年至五年(二零一零年十二月三十一日：二年至五年)繼續租賃。

於期結日，本集團與租戶訂立最低租約付款如下之合約：

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24. 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 of one to five years (30 June 2010: one to five years) and rentals are fixed. None of the leases include 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 within one year of approximately RMB136,000 (unaudited) (31 December 2010: RMB64,000 (audited)).

(b) Commitments

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

24. 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租賃其若干設備。洽談的租賃期介乎一年至五年(二零一零年六月三十日：一年至五年)，而租金已固定。概無租賃包括或然租金，續約條款則於租賃中訂明。

於期結日，本集團於不可撤銷經營租約項下之未來最低租約付款承擔約為人民幣136,000元(未經審核)(二零一零年十二月三十一日：人民幣64,000元(經審核))，須於一年內支付。

b) 承擔

於期結日，本集團在建物業之承擔如下：

		30.6.2011 二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31.12.2010 二零一零年 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	246,107	190,969
Authorised but not contracted for	已批准但未簽約	180,558	336,831

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25. 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:

		30.6.2011	31.12.2010
		二零一一年	二零一零年
		六月三十日	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)
Leasehold buildings	租賃樓宇	13,818	14,835
Investment properties	投資物業	6,557	40,084
Properties under development	在建物業	856,371	737,095
Assets classified as held for sale	分類為持作銷售之資產	-	10,200
		876,746	802,214

25. 已抵押資產

於期結日，本集團若干資產已抵押予銀行，以獲得銀行借貸如下：

26. 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.

- (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 six months ended 30 June 2011. At 30 June 2011, the outstanding amount of the guarantees amounted to approximately RMB192,142,000 (31 December 2010: RMB22,980,000).

26. 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。怡太就本公司出售其前全資附屬公司Magic Gain Investments Limited所產生之損失賠償及賠償金約港幣8,834,000元向香港特別行政區高等法院提出對本公司的民事訴訟（「索償」）。索償詳情載於本公司日期為二零零九年十二月十六日之公告。

本公司決定對索償進行抗辯，並就索償之理據尋求法律意見。本公司董事預計此訴訟不會對本公司及其附屬公司的收益、淨資產及債務構成任何重大不利之財務影響。

- (b) 截至二零一一年六月三十日止六個月，本集團已為若干物業單位買家安排銀行融資，並就該等買家還款之責任提供擔保。於二零一一年六月三十日未償還金額擔保約人民幣192,142,000元（二零一零年十二月三十一日：人民幣22,980,000元）。

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27. RELATED PARTY AND CONNECTED PARTY TRANSACTIONS

- (a) The balances with related parties at the end of the reporting period are disclosed elsewhere in the condensed consolidated financial statements.
- (b) On 1 March 2011, the Group completed the acquisition of the entire issued share capital of Armando from Seaton, a connected party of the Group (Note 23).
- (c) Key management compensation

The remuneration of directors and other members of key management during the six months ended 30 June 2011 and 2010 are as follows:

27. 關連人士交易及關連交易

- (a) 於期結日，關連人士交易的餘額已在簡明綜合財務報表其他部分披露。
- (b) 於二零一一年三月一日，本集團完成向其關連人士成登收購Armando全部已發行股本（附註23）。
- (c) 主要管理人員補償

董事及其他主要管理人員於截至二零一一年及二零一零年六月三十日止六個月之酬金如下：

For the six months ended 30 June 截至六月三十日止六個月

		2011 二零一一年 RMB'000 人民幣千元 (unaudited) (未經審核)	2010 二零一零年 RMB'000 人民幣千元 (audited) (經審核)
Salaries, other short-term employee benefits and equity-settled share-based payment expenses	薪金、其他短期僱員福利以及以權益結算之以股份為基礎的支付開支	2,243	1,800



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