



FOREFRONT GROUP LIMITED
福方集團有限公司*

(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: 885)

2012
Interim Report
中期年報

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Yeung Ming Kwong^{# ^} (*Chairman*)
Ms. Lo Oi Kwok, Sheree
Mr. Lam Yick Sing
Mr. Wen Louis
Mr. Zhuang You Dao

Independent Non-executive Directors

Mr. Chung Yuk Lun^{*#}
Ms. Lam Yan Fong, Flora^{*# ^}
Mr. Pak William Eui Won^{*# ^}

* *Member of Audit Committee*

Member of Remuneration Committee

^ *Member of Nomination Committee*

COMPANY SECRETARY

Mr. Chui Kark Ming

REGISTERED OFFICE

P. O. Box 309, Ugland House,
South Church Street, George Town,
Grand Cayman, Cayman Islands,
British West Indies.

PRINCIPAL PLACE OF BUSINESS

Room 1103, 11/F., China United Centre,
28 Marble Road, North Point,
Hong Kong.

AUDITOR

Mazars CPA Limited
Certified Public Accountants
42nd Floor, Central Plaza,
18 Harbour Road, Wanchai,
Hong Kong.

董事會

執行董事

楊明光先生^{# ^} (*主席*)
羅愛過女士
林益勝先生
溫耒先生
莊友道先生

獨立非執行董事

鍾育麟先生^{*#}
林欣芳女士^{*# ^}
Pak William Eui Won先生^{*# ^}

* *審核委員會成員*

薪酬委員會成員

^ *提名委員會成員*

公司秘書

崔格鳴先生

註冊辦事處

P. O. Box 309, Ugland House,
South Church Street, George Town,
Grand Cayman, Cayman Islands,
British West Indies.

主要營業地點

香港
北角馬寶道28號
華滙中心11樓1103室

核數師

瑪澤會計師事務所有限公司
執業會計師
香港
灣仔港灣道18號
中環廣場42樓

PRINCIPAL BANKER

Standard Chartered Bank (Hong Kong) Limited

CAYMAN ISLANDS LEGAL ADVISERS

Maples and Calder Asia
53rd Floor, The Centre,
99 Queen's Road Central,
Hong Kong.

Conyers Dill & Pearman
2901 One Exchange Square
8 Connaught Place, Central,
Hong Kong.

**HONG KONG BRANCH SHARE REGISTRAR
AND TRANSFER OFFICE**

Tricor Tengis Limited
26/F., Tesbury Centre,
28 Queen's Road East, Wanchai,
Hong Kong.

STOCK CODE

885

COMPANY WEBSITE

www.forefront.com.hk

主要往來銀行

渣打銀行(香港)有限公司

開曼群島法律顧問

Maples and Calder Asia
香港
皇后大道中99號
中環中心53樓

Conyers Dill & Pearman
香港
中環康樂廣場8號
交易廣場第一座2901室

香港股份過戶登記分處

卓佳登捷時有限公司
香港
灣仔皇后大道東28號
金鐘匯中心26樓

股份代號

885

公司網址

www.forefront.com.hk

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

簡明綜合全面收入報表

FOR THE SIX MONTHS ENDED 30 JUNE 2012

截至二零一二年六月三十日止六個月

The board of directors (the "Board") of Forefront Group Limited (the "Company") reports the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2012 as follows:

福方集團有限公司(「本公司」)董事會(「董事會」)謹此匯報本公司及其附屬公司(統稱「本集團」)截至二零一二年六月三十日止六個月之未經審核簡明綜合財務報表如下:

		Unaudited 未經審核		
		Six months ended 30 June 截至六月三十日止六個月		
	Note 附註	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	
Turnover	營業額	2	4,073	(34,920)
Other revenue	其他收益	2	8,546	-
Other income	其他收入	3	2,538	2,853
Net (charge) release on provision for bad and doubtful debts	呆壞帳撥備(支出)撥回淨額		(1,017)	58,376
General and administrative expenses	一般及行政開支		(8,527)	(8,435)
Changes in fair value of financial assets at fair value through profit or loss	於損益帳按公平值處理之財務資產之公平值變動		(72,112)	(124,862)
Loss from operations	經營虧損		(66,499)	(106,988)
Impairment loss on assets classified as held for sale	分類為持作出售之資產之減值虧損		(16,937)	-
Share of result of an associate/associates	應佔一間聯營公司／聯營公司之業績		(3,072)	4,523
Loss before taxation	除稅前虧損	4	(86,508)	(102,465)
Taxation	稅項	5	-	-
Loss attributable to owners of the parent	母公司擁有人應佔虧損		(86,508)	(102,465)
Other comprehensive loss	其他全面虧損		-	-
Total comprehensive loss attributable to owners of the parent	母公司擁有人應佔全面虧損總額		(86,508)	(102,465)
			HK\$	HK\$
			港元	港元
Basic and diluted loss per share	每股基本及攤薄虧損	6	(0.02)	(0.06)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

AS AT 30 JUNE 2012

於二零一二年六月三十日

		Note	At 30 June 2012 於二零一二年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2011 於二零一一年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	8	41	56
Interest in an associate/associates	於一間聯營公司／ 聯營公司之權益	9	29,176	32,248
Intangible assets	無形資產		–	67,592
Held-to-maturity investment	持有至到期投資	10	271,005	–
Available-for-sale financial assets	可供出售財務資產	11	108,000	108,000
			408,222	207,896
Current assets	流動資產			
Financial assets at fair value through profit or loss	於損益帳按公平值處理之 財務資產	12	409,462	445,338
Loans receivable	應收貸款	13	19,355	164,146
Other receivables	其他應收款項		4,773	2,677
Bank balances and cash	銀行結存及現金		17,695	138,183
			451,285	750,344
Assets classified as held for sale	分類為持作出售之資產	14	50,068	–
			501,353	750,344
Current liabilities	流動負債			
Other payables	其他應付款項		3,031	3,403
Liabilities directly associated with assets classified as held for sale	與分類為持作出售之 資產直接有關之負債	14	68	–
			3,099	3,403
Net current assets	流動資產淨值		498,254	746,941
NET ASSETS	資產淨值		906,476	954,837
Capital and reserves	股本及儲備			
Share capital	股本	15	40,202	36,547
Reserves	儲備		866,274	918,290
TOTAL EQUITY	股權總值		906,476	954,837

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合股東權益變動表

FOR THE SIX MONTHS ENDED 30 JUNE 2012

截至二零一二年六月三十日止六個月

		Share capital	Share premium	Share option reserve	Capital reserve	Capital redemption reserve	Accumulated deficit	Total equity
		股本	股份溢價	購股權儲備	資本儲備	贖回儲備	累計虧絀	股權總值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Six months ended 30 June 2012 (Unaudited)	截至二零一二年六月三十日止六個月(未經審核)							
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日及二零一二年一月一日	36,547	1,539,067	-	10,482	1,173	(632,432)	954,837
Comprehensive loss	全面虧損							
Loss for the period	期內虧損	-	-	-	-	-	(86,508)	(86,508)
Total comprehensive loss for the period	期內全面虧損總額	-	-	-	-	-	(86,508)	(86,508)
Transactions with owners	與擁有人進行之交易							
Share options granted	授出購股權	-	-	67	-	-	-	67
Exercise of share options	行使購股權	3,655	34,492	(67)	-	-	-	38,080
Total transaction with owners	與擁有人進行之交易總額	3,655	34,492	-	-	-	-	38,147
At 30 June 2012	於二零一二年六月三十日	<u>40,202</u>	<u>1,573,559</u>	<u>-</u>	<u>10,482</u>	<u>1,173</u>	<u>(718,940)</u>	<u>906,476</u>
Six months ended 30 June 2011 (Unaudited)	截至二零一一年六月三十日止六個月(未經審核)							
At 31 December 2010 and 1 January 2011	於二零一零年十二月三十一日及二零一一年一月一日	406,082	1,177,654	-	10,482	1,173	(705,146)	890,245
Comprehensive loss	全面虧損							
Loss for the period	期內虧損	-	-	-	-	-	(102,465)	(102,465)
Total comprehensive loss for the period	期內全面虧損總額	-	-	-	-	-	(102,465)	(102,465)
Transactions with owners	與擁有人進行之交易							
Issue of shares on rights issue, net of expenses	供股時發行股份(已扣除開支)	32,487	361,411	-	-	-	-	393,898
Capital reorganisation	股本重組	(402,022)	-	-	-	-	402,022	-
Total transaction with owners	與擁有人進行之交易總額	(369,535)	361,411	-	-	-	402,022	393,898
At 30 June 2011	於二零一一年六月三十日	<u>36,547</u>	<u>1,539,065</u>	<u>-</u>	<u>10,482</u>	<u>1,173</u>	<u>(405,589)</u>	<u>1,181,678</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

FOR THE SIX MONTHS ENDED 30 JUNE 2012

截至二零一二年六月三十日止六個月

Unaudited

未經審核

Six months ended 30 June

截至六月三十日止六個月

		2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Net cash generated from (used in) operating activities	經營業務所得(所用)現金淨額	105,754	(347,482)
Net cash used in investing activities	投資活動所用現金淨額	(264,324)	(125,206)
Net cash generated from financing activities	融資活動所得現金淨額	38,082	393,898
Decrease in cash and cash equivalents	現金及現金等價物減少	(120,488)	(78,790)
Cash and cash equivalents at beginning of period	期初之現金及現金等價物	138,183	131,342
Cash and cash equivalents at end of period, represented by bank balances and cash	期終之現金及現金等價物， 以銀行結存及現金代表	17,695	52,552

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

簡明中期財務報表附註

SIX MONTHS ENDED 30 JUNE 2012

截至二零一二年六月三十日止六個月

1. STATEMENT OF COMPLIANCE AND ACCOUNTING POLICIES

These unaudited interim condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”, other relevant HKASs and Interpretations and Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The accounting policies used in preparing these unaudited interim condensed consolidated financial statements are consistent with those used in the Group’s audited financial statements for the year ended 31 December 2011. The adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current period did not have any significant effect on the financial position or performance of the Group.

At the date of authorisation of these condensed consolidated financial statements, the HKICPA has issued a number of new/revised HKFRSs that are not yet effective for the current period. The Group is in the process of assessing the possible impact on the future adoption of these new/revised HKFRSs, but it is not yet in a position to reasonably estimate the impact on the Group’s consolidated financial statements.

1. 遵例聲明及會計政策

此等未經審核中期簡明綜合財務報表乃根據香港聯合交易所有限公司證券上市規則附錄十六之適用披露規定、香港會計師公會（「香港會計師公會」）頒佈之香港會計準則（「香港會計準則」）第34號「中期財務報告」及其他相關香港會計準則及詮釋以及香港財務報告準則（「香港財務報告準則」）編製。

編製此等未經審核中期簡明綜合財務報表所採用之會計政策與本集團截至二零一一年十二月三十一日止年度經審核財務報表所採用者貫徹一致。採納與本集團有關並由本期間起生效之新訂／經修訂香港財務報告準則對本集團之財務狀況或表現並無任何重大影響。

於授權刊發此等簡明綜合財務報表當日，香港會計師公會已頒佈多項於本期間尚未生效之新訂／經修訂香港財務報告準則。本集團現正評估未來採納該等新訂／經修訂香港財務報告準則可能產生之影響，惟目前尚未能夠合理估計對本集團綜合財務報表之影響。

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

簡明中期財務報表附註

SIX MONTHS ENDED 30 JUNE 2012

截至二零一二年六月三十日止六個月

2. SEGMENT INFORMATION

The chief decision maker has evaluated the performance of operating segments and to allocate resources to those segments based on the Group's internal reporting in respect of these segments. The executive directors consider investing and provision of financing services are the Group's major operating segments in which the investing segment consists of securities trading and other investing activities. Segment results represent the result from each segment without share of result of an associate/associates. The following analysis is the measure reported to executive directors, being the chief operating decision maker, for the purposes of resources allocation and assessment of segment performance.

2. 分類資料

主要決策人已根據本集團各經營分類之內部報告，評估該等分類之表現以及將資源分配至各分類。執行董事認為投資及提供融資服務為本集團之主要經營分類，當中，投資分類包括證券買賣及其他投資活動。分類業績指各分類之業績，當中並無應佔一間聯營公司／聯營公司之業績。以下分析為向執行董事（即主要營運決策人）作出報告之方法，以供進行資源分配及評估分類表現。

Six months ended 30 June 2012 (Unaudited) 截至二零一二年六月三十日止六個月（未經審核）

		Investing 投資 HK\$'000 千港元	Financing 融資 HK\$'000 千港元	Unallocated 未經分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Turnover	營業額				
Net realised gain on disposal of financial assets at fair value through profit or loss	出售於損益帳按公平值處理之財務資產之已變現收益淨額	481	-	-	481
Dividend income	股息收入	1,300	-	-	1,300
Interest income from provision of financial services	提供融資服務之利息收入	-	2,292	-	2,292
Total turnover	總營業額	1,781	2,292	-	4,073
Other revenue	其他收益				
Interest income from held-to-maturity investment	持有至到期投資之利息收入	8,546	-	-	8,546
Total turnover and revenue	總營業額及收益	10,327	2,292	-	12,619
Operating results	經營業績				
Segment results	分類業績	(76,960)	1,153	(7,629)	(83,436)
Share of result of an associate	應佔一間聯營公司之業績				(3,072)
Loss attributable to owners of the parent	母公司擁有人應佔虧損				(86,508)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

簡明中期財務報表附註

SIX MONTHS ENDED 30 JUNE 2012

截至二零一二年六月三十日止六個月

2. SEGMENT INFORMATION (continued)

2. 分類資料 (續)

Six months ended 30 June 2011 (Unaudited)
截至二零一一年六月三十日止六個月 (未經審核)

		Investing 投資 HK\$'000 千港元	Financing 融資 HK\$'000 千港元	Unallocated 未經分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Turnover	營業額				
Net realised loss on disposal of financial assets at fair value through profit or loss	出售於損益帳按公平值處理之財務資產之已變現虧損淨額	(41,562)	-	-	(41,562)
Dividend income	股息收入	1,082	-	-	1,082
Interest income from provision of financial services	提供融資服務之利息收入	-	5,560	-	5,560
Total turnover	總營業額	<u>(40,480)</u>	<u>5,560</u>	<u>-</u>	<u>(34,920)</u>
Operating results	經營業績				
Segment results	分類業績	<u>(163,429)</u>	<u>63,573</u>	<u>(7,132)</u>	<u>(106,988)</u>
Share of result of associates	應佔聯營公司之業績				<u>4,523</u>
Loss attributable to owners of the parent	母公司擁有人應佔虧損				<u>(102,465)</u>

As analysis of the Group's assets by operating segment is set out below:

本集團資產按經營分類之分析載列如下:

As at 30 June 2012 (Unaudited)
於二零一二年六月三十日 (未經審核)

		Investing 投資 HK\$'000 千港元	Financing 融資 HK\$'000 千港元	Unallocated 未經分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment assets	分類資產	<u>840,627</u>	<u>22,421</u>	<u>17,351</u>	<u>880,399</u>
Interest in an associate	於一間聯營公司之權益				<u>29,176</u>
					<u>909,575</u>

As at 31 December 2011 (Audited)
於二零一一年十二月三十一日 (經審核)

		Investing 投資 HK\$'000 千港元	Financing 融資 HK\$'000 千港元	Unallocated 未經分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment assets	分類資產	<u>620,930</u>	<u>235,873</u>	<u>69,189</u>	<u>925,992</u>
Interest in associates	於聯營公司之權益				<u>32,248</u>
					<u>958,240</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

簡明中期財務報表附註

SIX MONTHS ENDED 30 JUNE 2012

截至二零一二年六月三十日止六個月

3. OTHER INCOME

3. 其他收入

		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 (Unaudited) (未經審核) HK\$'000 千港元	2011 二零一一年 (Unaudited) (未經審核) HK\$'000 千港元
Other income	其他收入		
Interest income	利息收入	120	75
Other	其他	2,418	2,778
		2,538	2,853

4. LOSS BEFORE TAXATION

Loss from operations has been arrived at after charging:

4. 除稅前虧損

經營虧損經扣除下列各項後列帳：

		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 (Unaudited) (未經審核) HK\$'000 千港元	2011 二零一一年 (Unaudited) (未經審核) HK\$'000 千港元
Depreciation of property, plant and equipment	物業、廠房及設備折舊	18	281
Staff cost and related expenses	員工成本及相關開支	2,802	2,504
Share-based payment in respect of share options	有關購股權之以股份支付之 款項	67	—
Amortisation of intangible assets	無形資產攤銷	587	704

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

簡明中期財務報表附註

SIX MONTHS ENDED 30 JUNE 2012

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5. TAXATION

Hong Kong Profits Tax has not been provided as the Group's entities either have no assessable profit or their assessable profits for the period are wholly absorbed by unrelieved tax losses brought forward from previous years.

6. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share attributable to owners of the parent is based on loss attributable to owners of the parent of HK\$86,508,000 (2011: HK\$102,465,000), and the weighted average number of ordinary shares of 3,945,917,000 shares (2011: 1,702,854,000 shares) in issue during the period.

Diluted loss per share

Diluted loss per share is the same as the basic loss per share for both the six months ended 30 June 2012 and 2011 as the effect of all dilutive potential ordinary shares held during the period and at the end of reporting period is anti-dilutive.

7. RELATED PARTY TRANSACTIONS

Other than disclosed elsewhere in these interim financial statements, during the six months ended 30 June 2012, the Group had the following significant related party transactions:

Remunerations of key management personnel:

5. 稅項

由於本集團之實體於期內並無應課稅溢利或其應課稅溢利已被過往年度結轉之未抵銷稅項虧損全數抵銷，故並無計提香港利得稅撥備。

6. 每股虧損

每股基本虧損

母公司擁有人應佔每股基本虧損乃按母公司擁有人應佔虧損86,508,000港元（二零一一年：102,465,000港元）及期內已發行3,945,917,000股（二零一一年：1,702,854,000股）普通股加權平均數計算。

每股攤薄虧損

由於截至二零一二年及二零一一年六月三十日止六個月內及報告期結束日所持全部具有攤薄影響之潛在普通股均具有反攤薄影響，故兩個期間之每股攤薄虧損與每股基本虧損相同。

7. 關連人士交易

除此等中期財務報表其他部分所披露者外，本集團於截至二零一二年六月三十日止六個月內進行之重大關連人士交易如下：

主要管理人員之酬金：

		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 (Unaudited) (未經審核) HK\$'000 千港元	2011 二零一一年 (Unaudited) (未經審核) HK\$'000 千港元
Employee benefits expenses	僱員福利開支	1,028	989
Contributions to defined contribution schemes	界定供款計劃供款	18	18
		1,046	1,007

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8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2012, the Group spent HK\$4,000 (six months ended 30 June 2011: HK\$nil) on additions to property, plant and equipment for daily operation use. No disposal of property, plant and equipment was taken place during the six months ended 30 June 2012 (six months ended 30 June 2011: HK\$nil).

8. 物業、廠房及設備

截至二零一二年六月三十日止六個月，本集團耗資4,000港元（截至二零一一年六月三十日止六個月：零港元）添置物業、廠房及設備作日常營運用途。截至二零一二年六月三十日止六個月，並無出售物業、廠房及設備（截至二零一一年六月三十日止六個月：無）。

9. INTEREST IN AN ASSOCIATE/ASSOCIATES

9. 於一間聯營公司／聯營公司之權益

		As at 30 June 2012 於二零一二年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	As at 31 December 2011 於二零一一年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Share of net assets	應佔資產淨值	29,176	36,794
Realised upon disposal of a subsidiary	出售一間附屬公司時變現	-	(4,546)
		29,176	32,248

10. HELD-TO-MATURITY INVESTMENT

10. 持有至到期投資

		As at 30 June 2012 於二零一二年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	As at 31 December 2011 於二零一一年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Unlisted investments, at amortised cost	非上市投資，按攤銷成本		
Debt securities	債務證券	271,005	-

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10. HELD-TO-MATURITY INVESTMENT

(continued)

During the period ended 30 June 2012, the Group acquired unsecured bonds in an aggregate principal amount of HK\$300 million issued by an independent third party company at a cash consideration of HK\$265 million. According to the terms of the unsecured bonds, the maturity date is 2 years from the issue date of 4 January 2012. At the maturity date, the issuer may elect in its discretion to extend the term for another 5 years. The unsecured bonds bear interest at 2.5% per annum for the first 2 years and 12.5% per annum afterwards for the extension period of five years. Interest is payable quarterly in arrears. In addition, the issuer may redeem part or all of the unsecured bonds any time during the repayment term at principal amount and interest accrued up to redemption date.

10. 持有至到期投資 (續)

於截至二零一二年六月三十日止期間，本集團收購一間獨立第三方公司所發行本金總額為300,000,000港元之無抵押債券，現金代價為265,000,000港元。根據無抵押債券之條款，到期日為由發行日期二零一二年一月四日起計兩年。於到期日，發行人可酌情選擇將年期延長五年。無抵押債券於首兩年按年利率2.5厘計息，而於其後五年延長期則按年利率12.5厘計息。利息須於每季季末支付。此外，發行人可於還款期內隨時按本金額加截至贖回日期應計之利息贖回部分或全部無抵押債券。

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

11. 可供出售財務資產

		As at 30 June 2012 於二零一二年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	As at 31 December 2011 於二零一一年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
At cost	按成本		
Unlisted equity interest outside Hong Kong	於香港境外之非上市股本權益	6,908	6,908
Unlisted equity interest in a private limited company incorporated outside Hong Kong	於一間於香港境外註冊成立之私人有限公司之非上市股本權益	108,000	108,000
		114,908	114,908
Impairment loss recognised	已確認之減值虧損	(6,908)	(6,908)
		108,000	108,000

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11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

(continued)

In 2011, the Group through its wholly-owned subsidiary Equity Base Investments Limited acquired 4.79% (subsequently diluted to 3.76%) equity interest in Hennabun Capital Group Limited ("HCG"), a company incorporated in the British Virgin Islands and engaged in securities brokerage and provision of finance, at a consideration of HK\$108 million.

During the six months ended 30 June 2012, HCG entered into a share swap agreement (the "Agreement") with HEC Capital Limited ("HEC"), a company incorporated in the Cayman Islands, and Allied Well Development Limited ("Allied Well"), a company incorporated in the British Virgin Islands. According to the Agreement, the parties agreed to undergo the reorganisation through the allotment and issue of 249,154,460 shares of HCG to Allied Well in exchange for 249,154,460 shares in HEC on the terms of the Agreement and to cancel the old shares of HCG. Upon the completion of the share swap transaction, the Group holds 2.86% equity interest in HEC and ceased to hold any equity interest in HCG. The principal activities of HEC are provision of financial services, trading of investment and property investment.

11. 可供出售財務資產 (續)

於二零一一年，本集團透過其全資附屬公司Equity Base Investments Limited收購Hennabun Capital Group Limited (「HCG」，一間於英屬處女群島註冊成立之公司，從事證券經紀及提供融資業務)之4.79%股本權益(其後被攤薄至3.76%)，代價為108,000,000港元。

於截至二零一二年六月三十日止六個月，HCG與HEC Capital Limited (「HEC」，一間於開曼群島註冊成立之公司)及Allied Well Development Limited (「Allied Well」，一間於英屬處女群島註冊成立之公司)訂立一份換股協議(「該協議」)。根據該協議，訂約各方協定進行重組，按該協議之條款向Allied Well配發及發行249,154,460股HCG股份，換取249,154,460股HEC股份，並註銷舊HCG股份。於換股交易完成後，本集團持有HEC之2.86%股本權益，而不再持有HCG任何股本權益。HEC之主要業務為提供金融服務、投資買賣及物業投資。

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12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

12. 於損益帳按公平值處理之財務資產

		As at 30 June 2012 於二零一二年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	As at 31 December 2011 於二零一一年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Held for trading, equity securities listed in Hong Kong	持作買賣之香港上市股本證券		
At beginning of period/year	於期／年初	402,884	393,003
Additions	購入	209,719	1,067,427
Disposals	出售	(163,483)	(731,136)
Fair value adjustments	公平值調整	(74,972)	(326,410)
At the end of the reporting period	於報告期結束日	<u>374,148</u>	<u>402,884</u>
Designated upon initial recognition, unlisted convertible notes	於首次確認時指定分類之非上市可換股票據		
At beginning of period/year	於期／年初	42,454	58,321
Additions	購入	-	40,025
Disposals	出售	(10,000)	(35,570)
Fair value adjustments	公平值調整	2,860	(20,322)
At the end of the reporting period	於報告期結束日	<u>35,314</u>	<u>42,454</u>
Total	總計	<u><u>409,462</u></u>	<u><u>445,338</u></u>

The fair value of listed equity securities is based on quoted market prices in active markets at the end of the reporting period.

The fair value of unlisted convertible notes at the end of reporting period has been measured by an independent qualified professional valuer using the Binomial Tree Pricing Model.

上市股本證券之公平值乃根據報告期結束日在活躍市場所報之市價計算。

非上市可換股票據於報告期結束日之公平值由獨立合資格專業估值師利用二項樹定價模型計量。

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13. LOANS RECEIVABLE

Loans granted to borrowers are repayable according to repayment schedules. The balance comprises loans receivable from:

		Note	As at 30 June 2012 於二零一二年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	As at 31 December 2011 於二零一一年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Third parties	第三方	(a)	41,048	184,822
Allowance for bad and doubtful debts	呆壞帳撥備	(b)	(21,693)	(20,676)
Balances due within one year included in current assets	計入流動資產、於一年內到期之 結餘	(b)	<u>19,355</u>	<u>164,146</u>

Notes:

- (a) At the end of the reporting period, (i) loans receivable carry effective interest rate ranging from 5% to 24% per annum (31 December 2011: 5% to 6% per annum); (ii) loan balance of HK\$21,693,000 (31 December 2011: HK\$1,421,000) was overdue; and (iii) the remaining loan balance of HK\$19,355,000 is within the maturity date and unsecured (31 December 2011: the remaining loan balances of HK\$183,401,000 are within the respective maturity dates and secured and the fair value of the pledged assets is HK\$46,782,000).

13. 應收貸款

借款人獲授之貸款須按照還款時間表償還。有關結餘包括來自下列各方之應收貸款：

	Note	As at 30 June 2012 於二零一二年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	As at 31 December 2011 於二零一一年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Third parties	(a)	41,048	184,822
Allowance for bad and doubtful debts	(b)	(21,693)	(20,676)
Balances due within one year included in current assets	(b)	<u>19,355</u>	<u>164,146</u>

附註：

- (a) 於報告期結束日，(i)應收貸款之實際利率介乎年利率5厘至24厘（二零一一年十二月三十一日：年利率5厘至6厘）；(ii)貸款結餘21,693,000港元（二零一一年十二月三十一日：1,421,000港元）乃逾期末付；及(iii)餘下貸款結餘19,355,000港元並無逾期，亦無抵押（二零一一年十二月三十一日：餘下貸款結餘183,401,000港元並無逾期，且有抵押，已質押資產之公平值為46,782,000港元）。

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13. LOANS RECEIVABLE (continued)

- (b) The movement of allowance for bad and doubtful debts is analysed as follows:

Balance at beginning of period/year	於期／年初之結餘
Increase in allowance	撥備增加
Amount recovered	已收回金額
Net charge (release)	支出(撥回)淨額
Balance at the end of reporting period	於報告期結束日之結餘

The directors assessed the collectability of loans receivable at the end of the reporting period individually with reference to borrowers' past collection history and current creditworthiness. Based on the assessment with reference to the collaterals secured by the borrowers on the secured loans, the financial position of the borrower of the unsecured loan and the amount recovered from the borrowers up to the date of the authorisation of these condensed consolidated financial statements, the collectability of loans receivable amounting to HK\$21,693,000 (31 December 2011: HK\$20,676,000) was in doubt and net charge of provision amounting to HK\$1,017,000 (31 December 2011: Net release of provision amounting to HK\$70,141,000) was made during the period/year accordingly. In the directors' opinion, there was no indication of deterioration in the collectability of the remaining amount of HK\$19,355,000 (31 December 2011: HK\$164,146,000) and thus no additional allowance was considered necessary.

13. 應收貸款(續)

- (b) 呆壞帳撥備變動分析如下:

As at 30 June 2012 於二零一二年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	As at 31 December 2011 於二零一一年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
20,676	90,817
1,035	19,255
(18)	(89,396)
1,017	(70,141)
21,693	20,676

董事於報告期結束日參照借款人過往之還款紀錄及現時之信用程度，個別評估能否收回應收貸款。根據參照借款人就有抵押貸款抵押之抵押品、無抵押貸款借款人之財務狀況及截至授權刊發此等簡明綜合財務報表當日已從借款人收回之金額作出之評估，應收貸款21,693,000港元(二零一一年十二月三十一日: 20,676,000港元)之可收回程度成疑，因而於期／年內相應計提撥備支出淨額1,017,000港元(二零一一年十二月三十一日: 撥備撥回淨額70,141,000港元)。董事認為並無跡象顯示收回餘額19,355,000港元(二零一一年十二月三十一日: 164,146,000港元)方面出現問題，故無須作出額外撥備。

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14. ASSETS CLASSIFIED AS HELD FOR SALE

14. 分類為持作出售之資產

	Note	As at 30 June 2012 於二零一二年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元
	附註	
Assets classified as held for sale	分類為持作出售之資產	
Intangible assets	無形資產 (b)	67,005
Less: Impairment allowance	減：減值撥備	(16,937)
		50,068
Liabilities directly associated with assets classified as held for sale	與分類為持作出售之 資產直接有關之負債	68

(a) On 8 June 2012, the Group entered into a conditional sale and purchase agreement in relation to disposal of the entire equity interest of Richful Zone International Limited ("Disposal Group"), a subsidiary of the Company, to an independent third party company, at a cash consideration of HK\$50 million. As the selling price was lower than the carrying amount of net assets of the Disposal Group as at 30 June 2012, an impairment loss was recognised in profit or loss accordingly. The management expects that the disposal transaction could be finalised in or before September 2012.

(b) The intangible assets represented the rights to (i) obtain 50% of forestry land use rights and forestry trees entitlement of three forestry sites in Simao District, Puer City, Yunnan Province, the People's Republic of China (the "PRC") and (ii) share 50% of distributable profits of these forests.

The terms of forestry land use rights and forestry trees entitlement of these three forestry tree sites are 50 years from 8 January 2010 to 7 January 2060 according to the reissued forestry land use rights and ownership rights issued by the PRC government.

(a) 於二零一二年六月八日，本集團訂立有條件買賣協議，內容有關向一間獨立第三方公司出售本公司附屬公司豐域國際有限公司（「出售集團」）之全部股本權益，現金代價為50,000,000港元。由於出售集團之售價低於其於二零一二年六月三十日淨資產之賬面值，故已相應於損益中確認減值虧損。管理層預期出售交易可於二零一二年九月或之前完成。

(b) 無形資產指以下各項權利：(i)取得中華人民共和國（「中國」）雲南省普洱市思茅區三塊林地之林地使用權及林木權利之50%權益；及(ii)分佔該等林地之50%可分派溢利。

根據中國政府重新發出之林地使用權及林木所有權，該三塊林地之林地使用權及林木權利期限由二零一零年一月八日起至二零六零年一月七日止為期50年。

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15. SHARE CAPITAL

15. 股本

	Number of shares 股份數目		Share capital 股本	
	As at 30 June 2012	As at 31 December 2011	As at 30 June 2012	As at 31 December 2011
	於二零一二年 六月三十日 (Unaudited) (未經審核) '000 千股	於二零一一年 十二月 三十一日 (Audited) (經審核) '000 千股	於二零一二年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	於二零一一年 十二月 三十一日 (Audited) (經審核) HK\$'000 千港元
Authorised:				
At beginning of period/year		法定： 於期／年初		
Ordinary shares of HK\$0.01		每股面值0.01港元之 普通股	5,000,000	5,000,000
Capital reorganisation	-	股本重組	-	-
At end of the period/year		於期／年終		
Ordinary shares of HK\$0.01 each	500,000,000	每股面值0.01港元之 普通股	5,000,000	5,000,000
Issued and fully paid:		已發行及繳足：		
At beginning of period/year		於期／年初		
Ordinary shares of HK\$0.01		每股面值0.01港元之 普通股	3,654,742	4,060,825
Capital reorganisation	-	股本重組	-	(3,654,743)
Issue of shares on rights issue	-	供股時發行股份	-	32,487
Issue of shares under share options scheme (note 16(b))	365,474	根據購股權計劃 發行股份(附註16(b))	3,655	-
At end of the period/year		於期／年終		
Ordinary shares of HK\$0.01 each	4,020,216	每股面值0.01港元之 普通股	40,202	36,547

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16. SHARE OPTIONS

(a) Share option scheme

A share option scheme was approved by shareholder on 6 August 2007 which will remain in force for a period of 10 years commencing on 6 August 2007.

Under the share option scheme, the Company may grant to Directors and employees of the Group and any other persons who, in the sole discretion of the Board, have contributed or will contribute to the Group which options granted shall be immediately vested. The maximum of shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the share option scheme and any other share option scheme of the Company must not in aggregate exceed 30% of the total number of shares in issue from time to time.

The total number of shares which may be issued upon exercise of all options to be granted under the share option scheme and any other share option scheme of the Company must not in aggregate exceed 10% of the shares in issue, the General Scheme Limit, at the date of the passing of the relevant ordinary resolution. If any option is to be granted to connected person(s), it must be approved by independent non-executive directors or independent shareholders as the case may be.

The maximum number of shares in respect of which share options may be granted to a specifically identified single grantee under the share option scheme (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue.

16. 購股權

(a) 購股權計劃

購股權計劃於二零零七年八月六日獲股東批准，自二零零七年八月六日起生效，有效期10年。

根據購股權計劃，本公司可授予董事、本集團僱員及董事會全權酌情認為曾經或將會對本集團作出貢獻之任何其他人士即時歸屬之購股權。因行使根據購股權計劃及本公司任何其他購股權計劃授出但未行使之全部發行在外購股權而發行之股份上限合共不得超過不時已發行股份總數之30%。

因行使根據購股權計劃及本公司任何其他購股權計劃授出之全部購股權而可發行之股份總數合共不得超過於通過相關普通決議案當日已發行股份之10%（整體計劃限額）。授予關連人士任何購股權須先經獨立非執行董事或獨立股東（視情況而定）批准。

於任何十二個月期間根據購股權計劃可向特別選定單一承授人授出之購股權（包括已行使、已註銷及未行使購股權）涉及之股份最高數目不得超過已發行股份總數之1%。

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

簡明中期財務報表附註

SIX MONTHS ENDED 30 JUNE 2012

截至二零一二年六月三十日止六個月

16. SHARE OPTIONS (continued)

(a) Share option scheme (continued)

Under the share option scheme, the options granted may be accepted by a participant within 14 days from the date of such offer. A consideration of HK\$1 is payable on acceptance of the offer of grant of an option. Options may be exercised at any time no later than 10 years from the date of grant. The subscription price for the shares payable on exercise of share options granted under the share option scheme shall be price determined by the Directors, but shall in any event be not less than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a trading day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of share.

(b) Movement in share option scheme during the period

On 31 January 2012, 365,474,270 share options were granted under the share option scheme to qualified participants. The share price at the date of grant is HK\$0.103. The share price at the date of grant is the Stock Exchange closing price on the trading date immediately prior to the date of the grant of the options. The weighted average closing price immediately prior to exercise date is HK\$0.1122. The options were fully exercised on 7 February 2012 and the Company received proceeds of HK\$38 million. There are no other outstanding share options as at 30 June 2012.

16. 購股權 (續)

(a) 購股權計劃 (續)

根據購股權計劃，授出之購股權可由參與者於由要約日期起計14日內接納。接納授出購股權之要約時須支付1港元代價。購股權可由授出日期起10年內隨時行使。根據購股權計劃授出之購股權獲行使時應付之股份認購價由董事釐定，惟在任何情況下不得低於下列之最高者：(i)股份於授出要約日期（必須為交易日）在聯交所每日報價表所報之收市價；(ii)股份於緊接授出要約日期前五個交易日在聯交所每日報價表所報之平均收市價；及(iii)股份面值。

(b) 期內購股權計劃之變動

於二零一二年一月三十一日，本公司根據購股權計劃授予合資格參與者365,474,270份購股權。授出當日之股價為0.103港元。授出當日之股價乃股份緊接購股權授出日期前交易日之聯交所收市價。緊接行使日期前之加權平均收市價為0.1122港元。購股權已於二零一二年二月七日獲全數行使，本公司因而獲取所得款項38,000,000港元。於二零一二年六月三十日，概無其他未行使購股權。

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

簡明中期財務報表附註

SIX MONTHS ENDED 30 JUNE 2012

截至二零一二年六月三十日止六個月

16. SHARE OPTIONS (continued)

(c) Fair value of share options and assumptions

The fair value of share option granted at the grant date was HK\$0.00018 per share, which are calculated using the Black-Scholes model with the following inputs:

Share price at the grant date	HK\$0.103
Exercise price	HK\$0.1042
Expected volatility	8.492%
Expected option period	8 days
Risk free rate	0.079%

17. EVENTS AFTER THE REPORTING PERIOD

Other than disclosed elsewhere in these interim financial statements, a summary of events transacted after the end of reporting period is set out below:

On 14 August 2012, the shareholders approved a capital reorganisation pursuant to which (i) every 10 issued shares of par value of HK\$0.01 each will be consolidated into 1 consolidated share of par value of HK\$0.1 each with the total number of issued consolidated shares to be rounded down to the nearest whole number; (ii) immediate following the share consolidation, the par value of each issued consolidated shares would be reduced from HK\$0.1 each to HK\$0.001 each by the cancellation of the paid up capital to the extent of HK\$0.099 on each issued consolidated share by way of a reduction of capital; (iii) the credit arising from the capital reduction described in paragraph (ii) above will be applied to set-off the accumulated deficit of the Company and the balance (if any) will be transferred to the distributable capital redemption reserve account of the Company; and (iv) under the share subdivision, each of the authorised but unissued share of par value of HK\$0.01 each will be subdivided into ten adjusted shares of par value of HK\$0.001 each.

At the date of authorisation of these condensed consolidated financial statements, the above capital reorganisation is conditional upon the approval by the Grand Court of the Cayman Islands.

16. 購股權 (續)

(c) 購股權公平值及假設

已授出購股權於授出日期之公平值為每股0.00018港元，乃根據下列數據以布萊克-斯克爾斯模型計算：

於授出日期之股價	0.103港元
行使價	0.1042港元
預期波幅	8.492%
預期有效期	8天
無風險利率	0.079%

17. 報告期後事項

除此等中期財務報表其他部分所披露者外，報告期結束後進行之事項概述如下：

於二零一二年八月十四日，股東批准進行股本重組，據此，(i)每十股每股面值0.01港元之已發行股份將合併為一股面值0.1港元之合併股份，而已發行合併股份總數將向下調整至最接近之整數；(ii)緊隨股份合併後，每股已發行合併股份之面值將以股本削減方式，藉註銷每股已發行合併股份之實繳股本0.099港元，由0.1港元減至0.001港元；(iii)上文第(ii)段所述股本削減產生之進賬將用作抵銷本公司之累計虧絀，餘額（如有）將轉撥至本公司之可分派資本贖回儲備帳；及(iv)根據股份拆細，每股面值0.01港元之法定但未發行股份將拆細為十股每股面值0.001港元之經調整股份。

於授權刊發此等簡明綜合財務報表當日，上述股本重組須待開曼群島大法院批准後，方告作實。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

The Group has the following major business activities during the period under review:

Logistic Services

The Group through its indirect wholly-owned subsidiary invests 40% issued share capital of Golden Fame International Investments Group Limited ("GFIIGL") since 13 September 2007. GFIIGL provides various logistics services in Hong Kong and the PRC including third party logistics, freight forwarding, airline general sales agency, supply chain management, river trade shipping and terminal stevedoring. During the reporting period under review, the overall operation performance of GFIIGL has been able to sustain at a level similar to that for the same period in 2011, relatively undeterred by a weak economic recovery in US, the ongoing euro crisis and low global trade. However, it is mainly due to group restructuring and additional costs that incurred for listing application at the Growth Enterprise Market ("GEM") board market of The Stock Exchange of Hong Kong Limited ("HKEX"), a loss of approximately HK\$3.07 million was shared by the Group as a result. Subject to the market trends and conditions, it is expected that the result of GFIIGL for the second half of 2012 would remain stable comparing to the same period in 2011.

Reference is also made to the Company's announcement dated 29 March 2012 that GFIIGL and its subsidiaries had submitted the application for listing on GEM board market of HKEX. The application for the listing is in progress.

業務回顧

本集團於回顧期內曾進行下列主要業務活動：

物流服務

本集團自二零零七年九月十三日起透過其間接全資附屬公司投資於金信環球投資集團有限公司（「金信」）已發行股本之40%。金信在香港及中國提供各類物流服務，包括第三方物流、貨運、一般航空銷售代理、供應鏈管理、內河貨運及碼頭裝卸。於報告之回顧期間，儘管美國經濟復甦動力疲弱、歐元危機持續及全球貿易量低企，金信相對不受影響，整體營運表現仍能保持與二零一一年同期相若之水平。然而，主要由於為申請於香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）上市而進行集團重組及產生額外成本，導致本集團分佔虧損約3,070,000港元。取決於市場走勢及市況，預期金信於二零一二年下半年之業績與二零一一年同期比較將維持平穩。

謹此同時提述本公司日期為二零一二年三月二十九日之公佈，金信及其附屬公司已提交聯交所創業板上市申請。上市申請正在進行。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Forestry Business

On 26 April 2010, the Company's indirectly wholly-owned subsidiary, Regent Square Limited, completed its acquisition of Richful Zone International Limited at a consideration of HK\$79.2 million. The consideration was satisfied by an issue of 330,000,000 shares of the Company at an issue price of HK\$0.24 per share to Mascotte Holdings Limited. Richful Zone International Limited and its subsidiary hold 50% of the interests in the concession rights and forestry contracts in respect of three pieces of forest lands located in Simao District, Puer City, Yunnan Province, the PRC, with a total site area of approximately 36,735 Chinese Mu. The concession rights and interest in the forest lands are expiring in January 2060. Since acquisition and during the period under review, the operation of the forest lands has not achieved the level of profits which can contribute profit to the Group after payment of estimated management fee to the PRC partner. In view of this situation, on 8 June 2012, the Board decided to dispose the investment to a subsidiary of Heritage International Holdings Limited (stock code: 412) at a consideration of HK\$50 million. The Board believes that the disposal provides the Company with a good opportunity to realise the value of an asset which needs a medium and long holding period before it can generate profits contribution to the Group. Furthermore, the Company will receive significant cash inflow to improve the liquidity position of the Company, which will provide the Company with financial flexibility to participate in attractive investment opportunities as they arise. The disposal is pending for completion. As the selling price was lower than the carrying amount of net assets of the Disposal Group as at 30 June 2012, an impairment loss of approximately HK\$16.94 million was recognised in profit or loss accordingly.

Trading of securities

The Group invested its surplus cash in Hong Kong's listed securities and unlisted securities as short-term investments. During the first half of the year, the European sovereign debt crisis continued to drive volatility of the Hong Kong stock market. The Group recorded a realised profit of approximately HK\$0.48 million from the disposal of certain securities and an unrealised loss of approximately HK\$72.11 million on the portfolio.

林地業務

於二零一零年四月二十六日，本公司之間接全資附屬公司Regent Square Limited完成收購豐域國際有限公司，代價為79,200,000港元。代價已透過按發行價每股0.24港元向馬斯葛集團有限公司發行330,000,000股本公司股份之方式支付。豐域國際有限公司及其附屬公司持有三塊林地之特許權利及林地合約之50%權益。該等林地位於中國雲南省普洱市思茅區，總地盤面積約為36,735畝。該等林地之特許權利及權益將於二零六零年一月屆滿。自收購以來及於回顧期內，經向中國夥伴支付估計管理費後，該等林地之營運並未達致能為本集團帶來溢利之溢利水平。有鑑於此，於二零一二年六月八日，董事會決定將有關投資售予漢基控股有限公司（股份代號：412）之附屬公司，代價為50,000,000港元。董事會相信，是項出售為本公司提供良機，變現需持有中長期方能為本集團帶來溢利貢獻之資產之價值。此外，本公司將獲得龐大現金流入，提升其流動資金水平，讓本公司在財務方面可於具吸引力之投資機會出現時靈活參與。是項出售有待完成。由於出售集團之售價低於其於二零一二年六月三十日淨資產之帳面值，故已相應於損益中確認減值虧損約16,940,000港元。

證券買賣

本集團將現金盈餘投資於香港上市證券及非上市證券作短期投資。於本年度上半年，歐洲主權債務危機繼續令香港股票市場動蕩不定。本集團因出售若干證券而錄得已變現溢利約480,000港元，而投資組合則錄得未變現虧損約72,110,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Money lending business

The Group has used part of its surplus cash through its indirect wholly-owned subsidiary, Forefront Finance Co., Limited, to provide short-term loans to various borrowers. Those short-term loans normally carried an interest rate of 5% to 24% per annum. During the period under review, a net charge of bad debt provision amounting to approximately HK\$1.02 million was made to the loan portfolio and Forefront Finance Co., Limited contributed approximately HK\$2.29 million interest income to the Group.

OUTLOOKS

On 29 June 2012, the Company announced to put forward to shareholders an proposal for a capital reorganisation (details of the capital reorganisation per announcement of the Company dated 29 June 2012 and the circular of the Company dated 19 July 2012), and the proposal was approved by the shareholders on the Company's extraordinarily general meeting held on 14 August 2012. The completion of the capital reorganisation is now subject to the approval from the Grant Court of Cayman Islands. Upon completion of the capital reorganisation, the Company will have greater flexibility for the issue of new shares to fund raising and investment when suitable opportunities arise.

Result for the period

For the six months ended 30 June 2012, the Group recorded a loss from operations of approximately HK\$66.50 million (2011: loss of HK\$106.99 million) and a turnover of HK\$4.07 million (2011: HK\$(34.92) million). The net loss attributable to shareholders for the period was approximately HK\$86.51 million (2011: loss of HK\$102.47 million). The operating loss was mainly due to the realised and unrealised losses of HK\$71.63 million arisen from securities portfolio held during the period.

貸款業務

本集團透過其間接全資附屬公司福方財務有限公司，利用其部分現金盈餘向多名借款人提供短期貸款。該等短期貸款一般按利率每年5厘至24厘計息。於回顧期內，就貸款組合計提壞帳撥備支出淨額約1,020,000港元，而福方財務有限公司為本集團貢獻約2,290,000港元之利息收入。

前景

於二零一二年六月二十九日，本公司宣佈向股東提呈股本重組建議（股本重組詳情請參閱本公司日期為二零一二年六月二十九日之公佈及日期為二零一二年七月十九日之通函），而股東已於二零一二年八月十四日舉行之本公司股東特別大會上批准有關建議。股本重組現時須待開曼群島大法院批准後，方告完成。股本重組完成後，本公司將可更靈活地發行新股份，以便集資及於合適機會出現時進行投資。

期內業績

截至二零一二年六月三十日止六個月，本集團錄得經營虧損約66,500,000港元（二零一一年：虧損106,990,000港元），而營業額為4,070,000港元（二零一一年：(34,920,000)港元）。期內股東應佔虧損淨額約為86,510,000港元（二零一一年：虧損102,470,000港元）。錄得經營虧損主要由於期內所持證券組合產生已變現及未變現虧損71,630,000港元所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Liquidity, financial resources, borrowing and gearing ratio

During the period under review, the Group financed its operation through internal cash resources. As at the end of the reporting period, the Group maintained cash and bank balances of approximately HK\$17.70 million (as at 31 December 2011: HK\$138.18 million). The decrease in cash and bank balances was mainly due to the funding for the purchase of a 2.5% unsecured bonds due 2014 during the period. The Group's gearing ratio, calculated as total borrowings divided by net assets, is stated at 0% (as at 31 December 2011: 0%) since the Group had no outstanding borrowing as at 30 June 2012 (as at 31 December 2011: HK\$Nil).

As at 30 June 2012, the Group's net assets value amounted to approximately HK\$906.48 million (as at 31 December 2011: HK\$954.84 million) with total assets amounted to approximately HK\$909.58 million (as at 31 December 2011: HK\$958.24 million). Net current assets were approximately HK\$498.25 million (as at 31 December 2011: HK\$746.94 million) and the current ratio was 161.78 times (as at 31 December 2011: 220.49 times).

Capital structure

On 31 January 2012, 365,474,270 share options were granted to qualified allottees under the share option scheme at an exercise price of HK\$0.1042 per ordinary share of HK\$0.01 each. The share options were fully exercised on 7 February 2012. The Company received a proceed of approximately HK\$38.08 million.

Pledge of Assets

As at 30 June 2012, margin facilities from a regulated securities broker were granted to the Group which was secured by the Group's financial assets at fair value through profit or loss. As at 30 June 2012, the Group has no outstanding or utilization (as at 31 December 2011: HK\$Nil) of these facilities.

Exchange rate exposure

The Group is not subject to significant foreign currency exposure since its operations are mainly denominated in Hong Kong dollars.

流動資金、財務資源、借貸及負債資產比率

於回顧期內，本集團透過內部現金資源為其業務提供資金。於報告期結束日，本集團之現金及銀行結餘維持約17,700,000港元（於二零一一年十二月三十一日：138,180,000港元）。現金及銀行結餘減少主要是由於期內撥資購買於二零一四年到期之2.5厘無擔保債券所致。由於本集團於二零一二年六月三十日並無尚未償還之借貸（於二零一一年十二月三十一日：零港元），故本集團之負債資產比率（以借貸總額除以資產淨值計算）為0%（於二零一一年十二月三十一日：0%）。

於二零一二年六月三十日，本集團之資產淨值約為906,480,000港元（於二零一一年十二月三十一日：954,840,000港元），資產總值約為909,580,000港元（於二零一一年十二月三十一日：958,240,000港元）。流動資產淨值約為498,250,000港元（於二零一一年十二月三十一日：746,940,000港元），而流動比率為161.78倍（於二零一一年十二月三十一日：220.49倍）。

資本架構

於二零一二年一月三十一日，365,474,270份購股權根據購股權計劃授予合資格承配人，行使價為每股面值0.01港元之普通股0.1042港元。該等購股權已於二零一二年二月七日獲悉數行使。本公司收取之款項約為38,080,000港元。

資產抵押

於二零一二年六月三十日，受規管證券經紀向本集團授出若干孖展融資，並以本集團於損益帳按公平值處理之財務資產作擔保。於二零一二年六月三十日，本集團並無結欠或動用該等融資（於二零一一年十二月三十一日：零港元）。

匯率風險

由於本集團之業務主要以港元計值，故本集團並無面對任何重大外幣風險。

DISCLOSURE OF OTHER INFORMATION

其他資料披露

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend in respect of the six months ended 30 June 2012 (six months ended 30 June 2011: HK\$Nil).

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST AND SHORT POSITION

As at 30 June 2012, the interests and short positions of the Directors and the Company's chief executive in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Future Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest and short positions which they are taken or deemed to have under such provisions of the SFO), the Model Code for Securities Transactions by Directors of the Listed Companies and which were required to be entered in the register to be kept under section 352 of the SFO were as follows:

(a) Long positions in shares of the Company

Name of Director	Capacity	Number of shares held	% of the Company's issued share capital
董事姓名	身份	所持股份數目	佔本公司已發行股本之百分比
Mr. Yeung Ming Kwong 楊明光先生	Beneficial owner 實益擁有人	3,978,936	0.10%
Mr. Lam Yick Sing 林益勝先生	Beneficial owner 實益擁有人	24,000,000	0.60%
Mr. Wen Louis 溫耒先生	Interest of spouse 配偶權益	750	0.00%

中期股息

董事會不建議就截至二零一二年六月三十日止六個月派發中期股息(截至二零一一年六月三十日止六個月:零港元)。

董事及主要行政人員之權益及淡倉

於二零一二年六月三十日,董事及本公司主要行政人員於本公司或任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債權證中,擁有根據證券及期貨條例第XV部第7及8分部及上市公司董事進行證券交易的標準守則須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益及淡倉(包括根據證券及期貨條例有關條文彼等被當作或視為擁有之權益及淡倉),以及須根據證券及期貨條例第352條而存置之登記冊所記錄之權益及淡倉如下:

(a) 於本公司股份中之好倉

DISCLOSURE OF OTHER INFORMATION

其他資料披露

Save as disclosed above, as at 30 June 2012, none of the Directors or the chief executive had under Division 7 and 8 of Part XV of the SFO, nor were they taken to or deemed to have under such provisions of the SFO, any interests or short positions in the shares, underlying shares or debentures of the company or any associated corporations (within the meaning of Part XV of the SFO) or any interests which are required to be entered into the register kept by the Company pursuant to section 352 of the SFO or any interests which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Companies in the Listing Rules.

EMPLOYEES

As at 30 June 2012, the Group had approximately 22 employees including directors of the Company. The policy of employee remuneration, bonus, share option scheme and training are commensurate with performance, experience and comparable to the market rate. The Group contributes to a Mandatory Provident Fund under the Hong Kong Mandatory Provident Fund Schemes Ordinance.

SHARE OPTIONS

The Company adopted a new share option scheme (the "Scheme") on 6 August 2007. Under the Scheme, the Board may grant options to those participants who, in the opinion of the Board, have contributed or may contribute to the development and growth of the Group and any entity in which the Group holds any equity interest.

The following table discloses the movement in the Company's share options under the Scheme during the period.

Category of participant	Date of grant	Exercise price	As at 1 January 2012 於 二零一二年 一月一日	Granted during the period	Exercised during the period	As at 30 June 2012 於 二零一二年 六月三十日
參與者類別	授出日期	行使價		期內授出	期內行使	
Qualified allottees in aggregate	31 January 2012	HK\$0.1042	-	365,474,270 shares	365,474,270 shares	-
合資格承配人總計	二零一二年 一月三十一日	0.1042港元	-	365,474,270 股股份	365,474,270 股股份	-

No share options were lapsed or cancelled under the scheme during the period.

As at 30 June 2012, no option has been granted to any directors.

除上文所披露者外，於二零一二年六月三十日，董事或主要行政人員概無於本公司或任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債權證中，擁有證券及期貨條例第XV部第7及8分部所指或根據證券及期貨條例有關條文彼等被當作或視為擁有之權益或淡倉，或擁有須於本公司根據證券及期貨條例第352條存置之登記冊記錄之權益，或根據上市規則所載上市公司董事進行證券交易的標準守則須知會本公司及聯交所之權益。

僱員

於二零一二年六月三十日，本集團約有22名員工，包括本公司董事。僱員酬金政策、花紅、購股權計劃及培訓均按表現、經驗和參照市場水平釐定。本集團根據香港強制性公積金計劃條例向強制性公積金供款。

購股權

本公司於二零零七年八月六日採納一項新購股權計劃（「該計劃」）。根據該計劃，董事會可向其認為曾經或可能對本集團及本集團持有任何股權之任何實體之發展及增長作出貢獻之參與者授出購股權。

下表披露期內該計劃下本公司之購股權變動。

期內該計劃下並無購股權失效或註銷。

於二零一二年六月三十日，概無向任何董事授出購股權。

DISCLOSURE OF OTHER INFORMATION 其他資料披露

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2012, the following person (other than the directors or chief executive of the Company) has interests or short position in the shares and underlying shares of the Company, being 5% or more of the Company's issued share capital, as known by the Company or recorded in the register required to be kept under Section 336 of the SFO and in accordance with the information received by the Company.

Name of Shareholders	Number in shares	% of voting right 佔投票權之 百分比	Number of shares	% of voting right 佔投票權之 百分比
股東名稱	股份數目 (Long position) (好倉)	(Long position) (好倉)	(Short position) (淡倉)	(Short position) (淡倉)
HEC Capital Limited (Note)	397,235,465	9.88%	-	-
HEC Capital Limited (附註)				

Note: HEC Capital Limited is interested in the share capital of the Company through its wholly-owned subsidiary, Hennabun Development Limited, which in turn wholly owns Murtsu Capital Management Limited, being the beneficial owner of the relevant shares.

主要股東

於二零一二年六月三十日，據本公司所知或根據證券及期貨條例第336條須存置之登記冊所記錄及按照本公司獲得之資料，以下人士（董事或本公司主要行政人員除外）於本公司股份及相關股份中擁有本公司已發行股本5%或以上之權益或淡倉。

附註：HEC Capital Limited透過其全資附屬公司Hennabun Development Limited擁有本公司之股本權益，而Hennabun Development Limited全資擁有Murtsu Capital Management Limited（即有關股份之實益擁有人）。

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the period under review.

購買、出售或贖回本公司上市 證券

於回顧期內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

DISCLOSURE OF OTHER INFORMATION

其他資料披露

CODE ON CORPORATE GOVERNANCE PRACTICES

Save as disclosed below, in the opinion of the directors, the Company has complied with the revised Corporate Governance Rules and codes as well as those of the former Code on Corporate Governance Practices (“CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) during the six months ended 30 June 2012.

- (a) CG Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company has no such title as the chief executive officer but the daily operation and management of the Company are monitored by the Board. Mr. Yeung Ming Kwong, executive director, is also the Chairman of the Group. The Board is of the view that vesting the roles of the chairman and chief executive officer in the same person allows more effective and efficient running of the Group.
- (b) CG Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term and be subject to re-election. The Company has not fixed the term of appointment for non-executive directors, which constitutes a deviation from CG Code provision A.4.1. However, all non-executive directors are also subject to retirement by rotation and re-election at the annual general meeting of the Company pursuant to Article 116 in the Articles of Association of the Company.
- (c) CG Code provision A.6.7, stipulates that independent non-executive directors and other non-executive directors are required to attend general meetings. Mr. William Pak Eui Won and Ms. Lam Yan Fong, Flora, independent non-executive directors of the Company, were unable to attend the extraordinary general meeting of the Company held on 2 March 2012 and also Ms. Lam Yan Fong, Flora, an independent non-executive directors of the Company, was unable to attend the annual general meeting of the Company held on 22 June 2012 due to their own business engagements.

企業管治常規守則

除下文所披露者外，董事認為，本公司於截至二零一二年六月三十日止六個月內一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載之經修訂企業管治規則及守則以及前企業管治常規守則（「企業管治守則」）。

- (a) 企業管治守則條文A.2.1訂明主席及行政總裁之角色應有所區分，而不應由同一人兼任。本公司並無設立行政總裁一職，惟董事會負責監督本公司日常營運及管理。本公司執行董事楊明光先生兼任本集團之主席。董事會認為，主席及行政總裁之角色由同一人兼任可使本集團運作更具效率及效益。
- (b) 企業管治守則條文A.4.1訂明非執行董事應按特定任期委任，並須接受重選。本公司並無釐定非執行董事之任期，因而構成偏離企業管治守則條文A.4.1。然而，按照本公司組織章程細則第116條，全體非執行董事須於本公司股東週年大會上輪流告退並接受重選。
- (c) 企業管治守則條文A.6.7訂明，獨立非執行董事及其他非執行董事均須出席股東大會。本公司獨立非執行董事William Pak Eui Won先生及林欣芳女士因本身商務事宜而未能出席本公司於二零一二年三月二日舉行之股東特別大會，而本公司獨立非執行董事林欣芳女士亦因本身商務事宜而未能出席本公司於二零一二年六月二十二日舉行之股東週年大會。

DISCLOSURE OF OTHER INFORMATION

其他資料披露

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers ("Model Code") of the Listing Rules as the Company's code of conduct for dealing in securities of the Company by the directors. All directors confirmed that they have complied with the required standards as set out in the Model Code throughout the period.

REMUNERATION COMMITTEE

A Remuneration Committee has been established in accordance with the requirements of the CG Code. The Remuneration Committee comprises three independent non-executive directors and an executive director.

NOMINATION COMMITTEE

A Nomination Committee has been established in accordance with the requirements of the CG Code. The Nomination Committee comprises two independent non-executive directors and an executive director.

AUDIT COMMITTEE

The unaudited interim financial results of the Group for the six months ended 30 June 2012 has been reviewed by the Audit Committee of the Company. The Audit Committee comprises three independent non-executive directors namely Mr. Chung Yuk Lun, Ms. Lam Yan Fong, Flora and Mr. Pak William Eui Won.

APPRECIATION

On behalf of the directors, I would like to extend our gratitude and sincere appreciation to all management and staff members for their diligence and dedication, the continuing support of our business partners, customers and the Company's shareholders.

By Order of the Board

Forefront Group Limited
Yeung Ming Kwong
Chairman

Hong Kong, 17 August 2012

證券交易標準守則

本公司已採納上市規則之上市發行人董事進行證券交易的標準守則（「標準守則」）作為本公司董事進行本公司證券買賣之操守守則。全部董事均確認彼等於期內一直遵守標準守則所載之規定標準。

薪酬委員會

本公司已根據企業管治守則之規定成立薪酬委員會。薪酬委員會由三名獨立非執行董事及一名執行董事組成。

提名委員會

本公司已根據企業管治守則之規定成立提名委員會。提名委員會由兩名獨立非執行董事及一名執行董事組成。

審核委員會

本集團截至二零一二年六月三十日止六個月之未經審核中期財務業績已由本公司審核委員會審閱。審核委員會由三名獨立非執行董事鍾育麟先生、林欣芳女士及Pak William Eui Won先生組成。

致謝

本人謹代表各董事對全體盡責忠誠之管理層人員及員工，以及不斷支持本集團之業務夥伴、客戶及本公司股東致以衷心謝意。

承董事會命

福方集團有限公司
主席
楊明光

香港，二零一二年八月十七日



FOREFRONT GROUP LIMITED
福方集團有限公司*

* For identification purposes only 僅供識別