中國全通
ALL ACCESS

中國全通（控股）有限公司
CHINA ALL ACCESS (HOLDINGS) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 633)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2013

Financial Highlights:

- Revenue from provision of satellite communication application solutions and other services increased from approximately RMB85,912,000 for the six months ended 30 June 2012 to approximately RMB132,043,000 for the six months ended 30 June 2013, representing an increase of approximately 54%.

- Revenue from provision of wireless data communication application solutions and services increased from approximately RMB44,505,000 for the six months ended 30 June 2012 to approximately RMB2,041,352,000 for the six months ended 30 June 2013, representing an increase of approximately 45 times.

- Interim dividend of HK2.5 cents per ordinary share was declared by the Board for the six months ended 30 June 2013, representing a total interim dividend amount of approximately HK$33,221,000 (six months ended 30 June 2012: approximately HK$24,336,000), an increase of approximately 36.5% as compared with the total interim dividend amount declared for the same period in 2012.

The board (the "**Board**") of directors (the "**Directors**") of China All Access (Holdings) Limited (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2013, which have been reviewed by the audit committee of the Board, together with the comparative figures for the corresponding period in 2012. The unaudited interim financial statements for the six months ended 30 June 2013 have been reviewed by the Company's external auditor, KPMG.

Consolidated income statement
for the six months ended 30 June 2013 - unaudited
(Expressed in Renminbi)

		Six months ended 30 June	
	Note	**2013**	**2012**
		RMB'000	*RMB'000*
Revenue	3	2,173,395	130,417
Cost of sales		(1,920,364)	(86,513)
Gross profit		253,031	43,904
Other revenue		18,798	13,001
Other net income/(loss)		750	(978)
Distribution costs		(15,387)	(3,738)
Administrative expenses		(123,793)	(17,575)
Research and development expenses		(40,319)	(411)
Profit from operations		93,080	34,203
Finance costs	4(a)	(66,990)	(352)
Gain on disposal of an associate	5	241,227	—
Gain on disposal of subsidiaries		1,588	—
Share of profit less losses of associates		9,091	(703)
Profit before taxation	4	277,996	33,148
Income tax	6	(77,197)	(6,082)
Profit for the period		200,799	27,066
Attributable to:			
Equity shareholders of the Company		102,228	27,140
Non-controlling interests		98,571	(74)
Profit for the period		200,799	27,066
Earnings per share			
Basic (RMB)	7(a)	0.077	0.022
Diluted (RMB)	7(b)	0.077	0.022

Consolidated statement of comprehensive income for the six months ended 30 June 2013 - unaudited
(Expressed in Renminbi)

	Six months ended 30 June	
	2013	**2012**
	RMB'000	*RMB'000*
Profit for the period	200,799	27,066
Other comprehensive (loss)/ income for the period		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries outside The People's Republic of China (the "**PRC**"), net of nil tax	(2,686)	1,103
Total comprehensive income for the period	198,113	28,169
Attributable to:		
Equity shareholders of the Company	99,542	28,243
Non-controlling interests	98,571	(74)
Total comprehensive income for the period	198,113	28,169

Consolidated statement of financial position
at 30 June 2013 - unaudited
(Expressed in Renminbi)

	Note	**At 30 June 2013** *RMB'000*	**At 31 December 2012** *RMB'000*
Non-current assets			
Property, plant and equipment		382,939	328,700
Intangible assets		332,288	367,590
Goodwill		332,082	332,449
Interest in associates		66,071	366,022
Prepayment for land leases		135,335	136,000
Trade and other receivables	9	45,336	33,169
Available-for-sale financial assets	10	481,214	6,214
Deferred tax assets		10,662	2,720
		1,785,927	1,572,864
Current assets			
Inventories	8	312,894	316,887
Trade and other receivables	9	2,008,827	1,796,865
Factored trade receivables		—	151,210
Discounted bills receivable		256,038	284,657
Bills receivable		1,408,699	803,911
Restricted cash		273,201	99,240
Banks deposits with original maturities over three months		505,000	642,000
Cash and cash equivalents		499,170	333,415
Associate held for sale	5	2,514	—
		5,266,343	4,428,185

Consolidated statement of financial position
at 30 June 2013 - unaudited (continued)
(Expressed in Renminbi)

	Note	**At 30 June 2013** *RMB'000*	**At 31 December 2012** *RMB'000*
Current liabilities			
Trade and other payables	11	2,624,831	2,224,541
Deferred consideration payable		398,040	204,000
Deferred income		40,000	40,000
Interest-bearing borrowings	12	536,281	393,422
Bank advances on factored trade receivables		—	151,210
Bank advances on discounted bills receivables		270,374	284,657
Income tax payable		178,295	53,538
		4,047,821	3,351,368
Net current assets		1,218,522	1,076,817
Total assets less current liabilities		3,004,449	2,649,681
Non-current liabilities			
Interest-bearing borrowings	12	217,590	78,615
Convertible bond		156,083	—
Deferred consideration payable		—	188,451
Deferred income		48,105	48,105
Deferred tax liabilities		66,208	127,957
		487,986	443,128
NET ASSETS		2,516,463	2,206,553
CAPITAL AND RESERVES	13		
Share capital		11,562	10,657
Reserves		1,667,351	1,455,488
Total equity attributable to equity shareholders of the Company		1,678,913	1,466,145
Non-controlling interests		837,550	740,408
TOTAL EQUITY		2,516,463	2,206,553

Notes to the unaudited interim financial information

(Expressed in Renminbi unless otherwise indicated)

1 Basis of preparation

This announcement does not comprise the interim financial report for the six months ended 30 June 2013 but the information herein has been extracted from the draft interim financial report of the Group for the six months ended 30 June 2013.

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). It was authorised for issue on 26 August 2013.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2012 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2013 annual financial statements. Details of these changes in accounting policies are set out in note 2.

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

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2012 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**").

The interim financial report is unaudited, but has been reviewed by KPMG 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. KPMG's independent review report to the board of directors is included in the interim financial report to be sent to shareholders.

The financial information relating to the financial year ended 31 December 2012 that is included in the interim financial report as being previously reported information does not constitute the Company's financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2012 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 28 March 2013.

2 **Changes in accounting policies**

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

— Amendments to HKAS 1, *Presentation of financial statements — Presentation of items of other comprehensive income*

— HKFRS 10, *Consolidated financial statements*

— HKFRS 11, *Joint arrangements*

— HKFRS 12, *Disclosure of interests in other entities*

— HKFRS 13, *Fair value measurement*

— Revised HKAS 19, *Employee benefits*

— *Annual Improvements to HKFRSs 2009-2011 Cycle*

— Amendments to HKFRS 7 — *Disclosures — Offsetting financial assets and financial liabilities*

The HKFRSs that will be effective or are available for voluntary early adoption in the annual financial statements for the year ending 31 December 2013 may be affected by the issuance of additional interpretations or other changes announced by the HKICPA subsequent to the date of issuance of the interim financial report. Therefore, the policies that will be applied in the Group's financial statements for the year ending 31 December 2013 cannot be determined with certainty at the date of issuance of the interim financial report.

3 Segment reporting

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following two reportable segments. No operating segments have been aggregated to form the following reportable segments:

— Provision of satellite communication application solutions and other services: including system design, installation, testing, software development, provision of application services for satellite communication, call centre application solutions and services, as well as distribution of satellite receivers and equipment.

— Provision of wireless data communication application solutions and services: including system design, installation, testing, software development, provision of application services for wireless data communication, as well as research and development and distribution of wireless terminals and equipment, including mobile phones, display modules, batteries, chargers, power adapters, casings, keyboards and other types of new generation mobile terminal products and parts.

(a) Segment results, assets and liabilities

In accordance with HKFRS 8, *Operating segments*, segment information disclosed in the interim financial report has been prepared in a manner consistent with the information used by the Group's most senior executive management for the purposes of assessing segment performance and allocating resources between segments. In this regard, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of goodwill, deferred tax assets, other corporate assets and certain communication equipment which is jointly used by all reportable segments. Segment liabilities include trade creditors and accruals, borrowings, deferred income, income tax payable and deferred tax liability attributable to the activities of the individual segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. However, assistance provided by one segment to another, including sharing of assets, is not measured.

The measure used for reporting segment profit is "segment profit". Segment profit includes the gross profit generated by the segment and certain distribution costs and administrative expenses directly attributable to the segment. Items that are not specifically attributable to individual segments, such as unallocated other revenue, other net income, finance costs, depreciation of certain communication equipment, amortisation of certain intangible assets, other corporate administration costs, share of profit less losses of associates and gain on disposal of subsidiaries and associates are excluded from segment profits.

(b) Information about profit or loss, assets and liabilities

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below:

	Provision of satellite communication application solutions and other services		Provision of wireless data communication application solutions and services		Total	
For six months ended 30 June	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from external customers (note)	132,043	85,912	2,041,352	44,505	2,173,395	130,417
Reportable segment profit	52,106	30,688	60,453	12,000	112,559	42,688
Depreciation and amortisation for the period	490	478	44,045	28	44,535	506

	At 30 June 2013	**At 31 December 2012**	**At 30 June 2013**	**At 31 December 2012**	**At 30 June 2013**	**At 31 December 2012**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Reportable segment assets	349,044	324,224	5,516,582	4,459,126	5,865,626	4,783,350
Reportable segment liabilities	52,843	90,938	3,564,930	2,963,844	3,617,773	3,054,782

Note: Major customers

Revenue of customers amounting to 10 percent or more of the Group's revenue during the current and prior periods are set out below:

For six months ended 30 June	Provision of satellite communication application solutions and other services		Provision of wireless data communication application solutions and services		Total	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Customer A	—	27,478	—	—	—	27,478
Customer B	—	—	1,565,147	—	1,565,147	—
	—	27,478	1,565,147	—	1,565,147	27,478

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

	Six months ended 30 June	
	2013	**2012**
	RMB'000	*RMB'000*
Profit		
Reportable segment profit derived from the Group's external customers	112,559	42,688
Other revenue	18,798	13,001
Other net income/(loss)	750	(978)
Finance costs	(66,990)	(352)
Gain on disposal of an associate	241,227	—
Gain on disposal of subsidiaries	1,588	—
Share of profit less losses of associates	9,091	(703)
Unallocated depreciation and amortisation	(7,637)	(6,425)
Unallocated head office and corporate expenses (note(i))	(31,390)	(14,083)
Consolidated profit before taxation	277,996	33,148

	At 30 June 2013	At 31 December 2012
	RMB'000	*RMB'000*
Assets		
Reportable segment assets	5,865,626	4,783,350
Unallocated head office and corporate assets (note(ii))	1,186,644	1,217,699
Consolidated total assets	7,052,270	6,001,049
Liabilities		
Reportable segment liabilities	3,617,773	3,054,782
Unallocated head office and corporate liabilities (note(iii))	918,034	739,714
Consolidated total liabilities	4,535,807	3,794,496

Notes:

(i) Unallocated head office and corporate expenses mainly include directors' and auditors' remuneration, consultancy fees and other corporate administration costs which are not specifically attributable to individual segments.

(ii) Unallocated head office and corporate assets mainly include cash and cash equivalents, banks deposits with original maturities over three months, goodwill, intangible assets, prepayments and deposits, property, plant and equipment and deferred tax assets which are not specifically attributable to individual segments.

(iii) Unallocated head office and corporate liabilities mainly include interest-bearing borrowings, deferred consideration payable, value-added tax payable, income tax payable, convertible bond and deferred tax liabilities which are not specifically attributable to individual segments.

(d) ***Geographic segments***

Substantially all of the Group's activities are based in the PRC and all of the Group's turnover and operational assets are derived from and located in the PRC for both the current and prior periods.

4 **Profit before taxation**

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2013	**2012**
	RMB'000	*RMB'000*
(a) Finance costs		
Interest expenses:		
- Interest-bearing borrowings	38,490	325
- Convertible bond	8,582	—
- Discounted bills receivable	13,007	—
- Discount of deferred consideration payable	5,747	—
Bank charges	4,534	27
Less: interest expense capitalised into property, plant and equipment	(3,370)	—
	66,990	352
(b) Other items		
Cost of inventories	1,877,118	75,986
Depreciation of property, plant and equipment	18,677	6,931
Amortisation of intangible assets	32,830	—
Amortisation of land lease prepayments	665	—
Inventory write-down (note 8)	14,638	—
Impairment loss on trade and other receivables	3,384	1,800

5 Gain on disposal of an associate

During the six months ended 30 June 2013, the Group disposed 15.96% out of total 16.09% equity interest held by the Group in a then associate, Shenzhen Jufei Optoelectronics Co., Ltd. ("**Jufei**"), the shares of which are listed on the ChiNext of the Shenzhen Stock Exchange, for a total cash consideration of RMB525,987,000. The disposals were implemented through a series of disposals by way of block trade on the ChiNext of the Shenzhen Stock Exchange, namely disposal of 10,850,000 shares for RMB182,693,000 on 24 May 2013, 1,000,000 shares for RMB15,690,000 on 3 June 2013, 6,000,000 shares for RMB90,602,000 on 5 June 2013, 10,850,000 shares for RMB148,018,000 on 14 June 2013 and 6,000,000 shares for RMB88,984,000 on 21 June 2013. The results of Jufei were equity accounted for up to the date on which significant influence ceased. Gain on disposal before tax of RMB241,227,000 has been recognised in the consolidated income statement.

The remaining 0.13% equity interest in Jufei held by the Group as at 30 June 2013 was disposed on 5 July 2013 in open market through the ChiNext of the Shenzhen Stock Exchange and was classified as associate held for sale as at 30 June 2013.

6 Income tax

	Six months ended 30 June	
	2013	**2012**
	RMB'000	*RMB'000*
Current tax — PRC corporate income tax ("**CIT**")	146,888	7,471
Deferred taxation	(69,691)	(1,389)
	77,197	6,082

(a) The Company and China All Access Group Limited ("**CAA BVI**") are incorporated in the Cayman Islands and the British Virgin Islands ("**BVI**"), respectively. They are not subject to tax on income or capital gains under the current laws of the respective jurisdictions in the Cayman Islands and the BVI. In addition, upon any payment of dividend by the Company or CAA BVI, no Cayman Islands and BVI withholding tax is imposed.

The Company and CAA BVI are recognised as Hong Kong tax resident enterprises, hence they are subject to Hong Kong Profits Tax with the standard Hong Kong Profits Tax rate of 16.5%.

(b) No provision for Hong Kong Profits Tax has been made as the Group did not have assessable profits subject to Hong Kong Profits Tax for the six months ended 30 June 2013 and 2012.

(c) Hebei Noter Communication Technology Co., Ltd. ("Hebei Noter"), Beijing All Access Noter Communication Technology Co., Ltd., Shenzhen Xing Fei Technology Co., Ltd., Ruide Electronical Industrial Co., Ltd., Lead Communications Co., Ltd. and Shenzhen Control Electromechanical Co., Ltd. are qualified High and New Technology Enterprises ("HNTEs") and entitled to the preferential tax rate of 15% from 2012 to 2014, 2012 to 2014, 2011 to 2013, 2012 to 2014, 2011 to 2013 and 2012 to 2014, respectively.

Management is of the view that the above qualified HNTEs will continue their status upon renewal for 3 years from their respective years of approval.

(d) Other PRC subsidiaries of the Group are subject to standard PRC CIT rate of 25% (for the six months ended 30 June 2012: 25%).

7 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2013 is based on the profit attributable to ordinary equity shareholders of the Company of RMB102,228,000 (for the six months ended 30 June 2012: RMB27,140,000) and the weighted average of 1,320,161,000 ordinary shares (for the six months ended 30 June 2012: 1,217,283,000 ordinary shares) in issue during the six months ended 30 June 2013.

(b) Diluted earnings per share

The calculation of diluted earnings per share for the six months ended 30 June 2013 is based on the profit attributable to ordinary equity shareholders of the Company of RMB102,228,000 (for the six months ended 30 June 2012: RMB27,140,000) and the diluted weighted average of 1,320,161,000 ordinary shares (for the six months ended 30 June 2012: 1,217,283,000 ordinary shares). The diluted earnings per share for the six months ended 30 June 2013 is the same as the basic earnings per share as the calculation does not assume the conversion of the Company's convertible bond since its exercise would result in an increase in earnings per share.

8 Inventories

During the six months ended 30 June 2013, RMB14,638,000 (for the six months ended 30 June 2012: nil) of write down of inventories to estimated net realisable value has been recognised as cost of sales in consolidated income statement during the reporting period.

9 **Trade and other receivables**

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Non-current		
Trade receivables	42,849	31,282
Rental deposits	2,487	1,887
	45,336	33,169
Current		
Trade receivables due from related parties	668,051	680,287
Other trade receivables	784,272	983,802
Less: Allowance for doubtful debts	(14,692)	(8,066)
	1,437,631	1,656,023
Other receivables, prepayments and deposits (note (i) & (ii))	529,631	96,207
Performance guarantee deposit (note (iii))	30,000	30,000
Interest receivables	8,215	13,285
Dividend receivables	3,350	1,350
	2,008,827	1,796,865

Notes:

(i) On 16 January 2013, the Group entered into a cooperation framework agreement for a term of 15 years with Hebei Guangdian Network Investment Co., Ltd. ("Hebei Guangdian"), pursuant to which the Group agreed to cooperate with Hebei Guangdian for the joint development of a digital multimedia network covering the households in Hebei Province. Subsequently, the parties entered into a formal cooperation agreement dated 18 April 2013 to vary and supplement the terms and conditions of the parties' joint investment in this project and to facilitate the implementation of this project. To commence this project, the Group has signed a significant contract of RMB330,000,000 with an independent third party for the equipment purchases and network construction. Pursuant to the contract, the Group is required to pay 90% of the contract value for the initial construction upon the effective date of the contract. In addition, the Group has paid RMB10,000,000 to Hebei Guangdian as initial funds of the project. Included in other receivables is a prepayment for purchases in the amount of RMB269,500,000 relating to the digital multimedia network.

(ii) On 27 June 2013, a subsidiary of the Company entered into a financing arrangement in the amount of RMB100,000,000 and the agreement was subsequently rescinded by the period end date. Balance of RMB100,000,000 included under other receivables was agreed to be refunded.

(iii) On 28 February 2008, Hebei Noter and Sky Communication Group Company Limited ("SkyComm") entered into a long term co-operation agreement for a period of five years until December 2012. Pursuant to the long term co-operation agreement, Hebei Noter provided a lump sum of up to RMB30,000,000 to SkyComm as a performance guarantee deposit which is subject to an annual adjustment. The performance guarantee deposit is to provide security to SkyComm for projects in which SkyComm acts as the agent in case of the Group's failure in performance to its customers. Such performance guarantee deposit has been refunded to Hebei Noter on 6 December 2012 when the retention period of the projects for which SkyComm acts as the agent for the Group has expired. On 14 December 2012, Hebei Noter and SkyComm entered into a new co-operation agreement and Hebei Noter provided a lump sum of up to RMB30,000,000 to SkyComm as a performance guarantee deposit.

As at 30 June 2013, the total performance guarantee deposit provided to SkyComm amounted to RMB30,000,000 (at 31 December 2012: RMB30,000,000) is expected to be recovered within 2013 from the end of the reporting period.

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the invoice date and net of allowance for doubtful debts, is as follows:

	At 30 June 2013 *RMB'000*	**At 31 December 2012** *RMB'000*
Within 1 month	751,048	1,156,530
1 to 2 months	258,885	142,504
2 to 3 months	42,303	106,733
3 to 6 months	40,825	49,890
Over 6 months	387,419	231,648
Trade receivables, net of allowance for doubtful debts	1,480,480	1,687,305

10 Available-for-sale financial assets

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Available-for-sale		
- Directional asset management (note)	477,000	—
- Unlisted equity securities	4,214	6,214
	481,214	6,214

Note:

On 29 May 2013, a subsidiary of the Company entered into a contract of directional asset management plan with a 3 years' maturity period with a state-owned securities company. The fair value of the financial asset as at 30 June 2013 is RMB477,000,000.

11 Trade and other payables

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Trade payables due to related parties	40,447	38,567
Bills payable due to related parties	75,990	50,551
Other trade and bills payable	2,248,748	1,911,742
	2,365,185	2,000,860
Other payables and accruals	238,806	204,281
Financial liabilities measured at amortised cost	2,603,991	2,205,141
Receipts in advance	20,840	19,400
	2,624,831	2,224,541

As of the end of the reporting period, the ageing analysis of trade and bills payables (which are included in trade and other payables), based on the invoice date, is as follows:

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Within 1 month	503,110	803,871
1 to 3 months	1,050,845	663,019
3 to 6 months	727,169	515,079
Over 6 months but within 1 year	63,033	3,809
Over 1 year	21,028	15,082
	2,365,185	2,000,860

12 **Interest-bearing borrowings**

At 30 June 2013, the interest-bearing borrowings comprise of:

	Note	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Credit loans	(i)	416,027	192,671
Mortgage loans	(ii)	138,694	79,366
Guaranteed loan	(iii)	119,490	—
Guaranteed note	(iv)	79,660	—
Trust loan	(v)	—	200,000
Total interest-bearing borrowings		753,871	472,037

All of the interest-bearing borrowings are carried at amortised cost.

Notes:

(i) At 30 June 2013, RMB266,027,000 (at 31 December 2012: RMB172,671,000) of credit loans were provided by commercial banks and RMB150,000,000 (at 31 December 2012: RMB20,000,000) of credit loans were provided by related party of the Group. The annual interest rate of the above loans ranged from approximately 5.60%-6.20%. The principals should be paid within one year.

(ii) At 30 June 2013, RMB126,416,000 (at 31 December 2012: RMB66,557,000) of the loan was secured by a piece of land of the Group with carrying value of approximately RMB70,166,000 (at 31 December 2012: approximately RMB70,166,000) and RMB12,278,000 (at 31 December 2012: RMB12,809,000) of the loan was secured by the Group's buildings with carrying value of approximately RMB23,086,000 (at 31 December 2012: approximately RMB23,639,000).

At 30 June 2013, the mortgage loan amounting to HK$11,260,000 (approximately RMB8,969,000) (at 31 December 2012: HK$11,486,000, approximately RMB9,313,000) was guaranteed by the Company.

(iii) At 30 June 2013, the guaranteed loan amounting to HK$150,000,000 (approximately RMB119,490,000) (at 31 December 2012: nil) was guaranteed by the Company. The principal is repayable in one year. Interest rate will be charged at 10%.

(iv) At 30 June 2013, the guaranteed note amounting to HK$100,000,000 (approximately RMB79,660,000) (at 31 December 2012: nil) was guaranteed by Mr. Chan Yuen Ming, an executive director of the Company. The principal is due in 2015 with the interest rate charged at 10%.

(v) The trust loan was repaid by the Group in June 2013.

At 30 June 2013, the interest-bearing borrowings were repayable as follows:

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Current portion		
Within 1 year	536,281	393,422
Non-current portion		
After 1 year but within 2 years	80,458	788
After 2 years but within 5 years	129,040	42,512
After 5 years	8,092	35,315
	217,590	78,615
Total interest-bearing borrowings	753,871	472,037

13 **Capital, reserves and dividends**

(a) **Dividends**

(i) Dividends payable to equity shareholders of the Company attributable to the interim period:

	Six months ended 30 June	
	2013	**2012**
	HK$'000	*HK$'000*
Interim dividend declared after the interim period, of HK2.5 cents per ordinary share (for the six months ended 30 June 2012: HK2.0 cents per ordinary share)	33,221	24,336
	RMB'000	*RMB'000*
Equivalent to	26,434	19,904

The interim dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the interim period:

	Six months ended 30 June	
	2013	**2012**
	HK$'000	*HK$'000*
Final dividend attributable to the financial year ended 31 December 2012, approved and paid during the following interim period, of HK5.2 cents per ordinary share (for the year ended 31 December 2011: HK5.0 cents per ordinary share)	69,099	60,841
	RMB'000	*RMB'000*
Equivalent to	55,030	49,598

The final dividend attributable to the financial year ended 31 December 2012 was approved at the annual general meeting held on 11 June 2013 and was subsequently paid on 26 June 2013.

(b) **Share capital**

	At 30 June 2013		At 31 December 2012	
	Shares	**Amount**	**Shares**	**Amount**
	'000	*HK$'000*	*'000*	*HK$'000*
Authorised:	100,000,000	1,000,000	100,000,000	1,000,000
Ordinary shares, issued and fully paid:				
At the beginning of the period/year	1,216,824	12,168	1,217,728	12,177
Issuance of shares (note (i))	112,000	1,120	—	—
Shares repurchased (note (ii))	—	—	(904)	(9)
At the end of the period/year	1,328,824	13,288	1,216,824	12,168
		RMB'000		*RMB'000*
Equivalent to		11,562		10,657

Notes:

(i) On 16 November 2012, the Company entered into a subscription agreement with ZTE (H.K.) Limited (being a wholly-owned subsidiary of ZTE Corporation) pursuant to which the Company has conditionally agreed to allot and issue, and ZTE (H.K.) Limited has conditionally agreed to subscribe for 112,000,000 subscription shares for a total consideration of HK$201,500,000 (equivalent to approximately RMB162,932,000) at the subscription price of approximately HK$1.80 per subscription share.

The agreement has been completed and 112,000,000 new shares of HK$0.01 each in the Company were duly issued and allotted to ZTE (H.K.) Limited on 15 January 2013.

(ii) In April 2012, the Company repurchased its own ordinary shares on The Stock Exchange of Hong Kong Limited as follows:

Month/year	Number of shares repurchased	Highest price paid per share	Lowest price paid per share	Aggregate price paid
		HK$	*HK$*	*HK$'000*
April 2012	904,000	1.59	1.53	1,431
				RMB'000
			Equivalent to	1,160

The repurchased shares were cancelled and accordingly the issued share capital of the Company was reduced by the nominal value of these shares. Pursuant to the provision of the Cayman Companies Law, an amount equivalent to the par value of the shares cancelled of HK$9,000 (equivalent to approximately RMB7,000) was transferred from retained profits to the capital redemption reserve. The premium paid on the repurchase of the shares of HK$1,422,000 (equivalent to approximately RMB1,153,000) was charged to share premium.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2013, the Company has achieved remarkable success. Since the acquisition of 51% equity interest in 深圳市長飛投資有限公司 (Shenzhen City Changfei Investment Company Limited) ("**Changfei Investment**" and together with its subsidiaries, the "**Changfei Group**") by the end of 2012, the Company has adopted an "integrated information communication solutions and smart devices R&D and production" development strategy. With the goal to become "the country's top integrated information and communication technology group", during the period under review, the Company attained remarkable achievements, with notable improvement in its revenue, earnings, finance, research and development and business development following the consolidation of the results of the Changfei Group into that of the Group as a result of the acquisition of the Changfei Group. In particular, during the six months ended 30 June 2013, (i) the Group's revenue has increased approximately 1,566% (with the growth of revenue from wireless data communication application solutions and services segment of approximately 4,487% and the growth of revenue from satellite communication application solutions and other services of approximately 54%) and (ii) the Group's gross profit has increased approximately 476%, as compared to the corresponding period last year.

Satellite Communication Application Solutions and Other Services

Satellite communication application solutions and other services accounted for approximately 6% of the Group's total revenue (six months ended 30 June 2012: approximately 66%) for the six months ended 30 June 2013. The significant decrease of percentage of contribution from this segment to the Group's total revenue was mainly attributable to the increase in percentage of contribution of wireless data communication application solutions and services segment following the acquisition of the Changfei Group. The revenue generated from this segment was mainly derived from the distribution of dynamic satellite communication equipment and its solutions and services. Since 2012, there has been an increasing demand for satellite communication application solutions and services because of the frequent occurrence of natural disasters such as Ya'an earthquakes, floods and landslides in Sichuan and man-made accidents, for instance, the grain fire of Heilongjiang and the fire of Petro China Dalian Petrochemical. As a result, all levels of government departments paid more attention to the budget application, procurement and application of emergency satellite communications equipment and related applications of intelligent terminals. Since the overall market demand grew, the Company's revenue in provision of satellite communication application solutions and other services for the six months ended 30 June 2013 has grown by approximately 54% as compared with the corresponding period of 2012. In terms of sales by industry sectors, this segment's sales were still concentrated in fire and civil defense, police and other industries. In terms of sales by geographical distribution, the sales mainly concentrated in Guizhou, Shanxi, Jiangsu, Chongqing, Zhejiang, Beijing, Shanghai, Guangdong and other regions.

Wireless Data Communication Application Solutions and Services

Wireless data communication application solutions and services accounted for approximately 94% of the Group's total revenue (six months ended 30 June 2012: approximately 34%) for the six months ended 30 June 2013. The provision of information communication solutions and services accounted for approximately 4% of revenue attributable to this segment, while Changfei Group's business accounted for approximately 96% of revenue attributable to this segment.

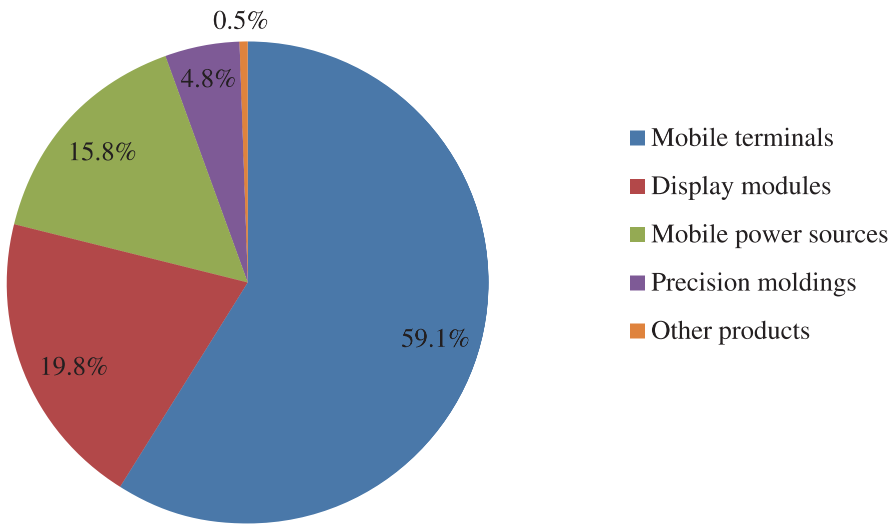
- **Information Communication Solutions and Services**

  Revenue from provision of information communication solutions and services mainly represented revenue from the provision of intelligent information terminals ("**Jingwutong**") and intelligent surveillance systems. During the reporting period, information communication solutions and services generated revenue of approximately RMB87,045,000 which has increased for approximately 96% compared with that of the same period in 2012. Revenue generated from provision of "Jingwutong" was mainly derived from Hebei, Jiangxi, Zhejiang, Beijing and other regions. In terms of sales by industry sector, it mainly concentrated in traffic police, public security and other systems. In 2013, the Group successfully developed the digital mobile video system for urban management which provided mobile data technical support for transparency and digital enforcement by urban management authorities, and obtained new business orders in Hebei. For the business of provision of intelligent surveillance systems, the metropolitan broadband wireless mobile data communication system sold by the Group mainly provided a wireless mobile data communications platform, new generation of broadband communications base stations, a network management support platform and related applications and security software to achieve real-time intelligent multi-industry monitoring and metropolitan intelligent management.

- **Business of Changfei Group**

  The principal business of the Changfei Group includes the research and development, manufacturing and sales of mobile terminals, display modules, batteries, chargers, power adapters, casings, keyboards and other types of new generation of mobile terminal products and parts. During the reporting period, Changfei Group achieved revenue of approximately RMB1,954,307,000 (Note: based on its consolidated financial statements, before non-controlling interests), which increased for approximately 25% compared with that of the same period in 2012 (based on figures contained in the circular of the Company dated 5 December 2012).

The chart below sets out the percentage of contribution of each product category to the revenue of the Changfei Group for the six months ended 30 June 2013:



Mobile Terminals

Mobile terminals business accounted for approximately 59.1% of Changfei Group's consolidated revenue. Changfei Group, as a leading mobile terminal manufacturer, benefited from the recent trend of China's smart phone market in which domestic mobile phone brands such as ZTE, Huawei and Coolpad using Android operating system have gained increasing popularity among customers by selling high-end and cost efficient mobile phones. During the reporting period, the Group had been implementing its development strategy for the mobile terminal business by focusing on the research and development and manufacture of high-end mobile terminals. Apart from working with customers to develop a variety of products, the Group had also successfully obtained for a few new patents in relation to this business.

Display Modules

Display modules business accounted for approximately 19.8% of Changfei Group's consolidated revenue. Display modules business of Changfei Group mainly involves small and medium size LCD modules and multi-point capacitive touch screen, which are widely used in mobile phones, MP3/4 players, mobile TV, ultra-mobile personal computer (UMPC), tablet computers, digital cameras and other consumer electronics.

Mobile Power Sources

Mobile power sources business, which includes development and production of power supply, battery chargers and power adapters, accounted for approximately 15.8% of Changfei Group's consolidated revenue. The Group has successfully developed and applied for several new patents for its mobile power supply products during the first half of 2013, which concern safety plug, enhanced security power, mobile power, chargers and other related applications.

Precision Moldings

Precision moldings business mainly refers to the plastic injection molding for the plastic shell of high-end electronic products, spraying, printing and assembly services for plastic shells used in high-end electronic products including mobile phone casing and keyboard. The precision moldings business accounted for approximately 4.8% of Changfei Group's consolidated revenue. The precision molding business had successfully developed and applied for several new patents during the first half of 2013, which concern mold cooling system, hot plastic injection technique, mobile phone structural parts, etc.

FINANCIAL REVIEW

Revenue

Revenue increased from approximately RMB130,417,000 for the six months ended 30 June 2012 to approximately RMB2,173,395,000 for the six months ended 30 June 2013, which represented an increase of approximately 1,566%.

The increase in revenue during the period under review as compared to the corresponding period last year was mainly attributable to (i) the consolidation of strong performance of Changfei Group which was acquired by the Group in late 2012 and (ii) significant improvement in performance of the satellite communication application solutions and other services segment as compared to the corresponding period last year.

The following sets out the review of the Group's revenue for the six months ended 30 June 2013 by its major business segments:

- Provision of satellite communication application solutions and other services exhibited an increase in revenue from approximately RMB85,912,000 for the six months ended 30 June 2012 to approximately RMB132,043,000 for the six months ended 30 June 2013, representing an increase of approximately 54%. The increase was mainly due to the continued development of different applications solutions and service, which expanded the Group's business to more industry sectors and fields.

- Provision of wireless data communication application solutions and services exhibited an increase in revenue from approximately RMB44,505,000 for the six months ended 30 June 2012 to approximately RMB2,041,352,000 for the six months ended 30 June 2013, representing an increase of approximately 4,487%. The increase was mainly due to the strong contribution of the Changfei Group as Changfei's results are consolidated into that of the Group for the six months ended 30 June 2013.

Gross profit

The Group recorded gross profit of approximately RMB253,031,000 for the six months ended 30 June 2013, which represented an increase of approximately 476% compared to RMB43,904,000 for the corresponding period last year. Meanwhile, the gross profit margin decreased from approximately 34% for the six months ended 30 June 2012 to approximately 12% for the six months ended 30 June 2013. The changes were mainly due to the following factors in relation to our major business segments:

- Gross profit generated from provision of satellite communication application solutions and other services increased from approximately RMB31,317,000 for the six months ended 30 June 2012 to approximately RMB54,221,000 for the six months ended 30 June 2013, representing an increase of approximately 73%. Meanwhile, the gross profit margins for the six months ended 30 June 2012 and 30 June 2013 were approximately 36% and 41% respectively. The increase in the gross profit margin was mainly due to increase in demand of products which carried higher gross margins.

- Gross profit generated from provision of wireless data communication application solutions and services increased from approximately RMB14,090,000 for the six months ended 30 June 2012 to approximately RMB200,324,000 for the six months ended 30 June 2013, representing an increase of approximately 1,322%. Meanwhile, the gross profit margins for the six months ended 30 June 2012 and 30 June 2013 were approximately 32% and 10% respectively. The decrease in the gross profit margin was mainly attributed to the significant increase in the production volume of products which carried lower gross margins attributed to the acquisition of Changfei Group.

Other revenue

Other revenue increased from approximately RMB13,001,000 for the six months ended 30 June 2012 to approximately RMB18,798,000 for the six months ended 30 June 2013, which represented a growth of approximately 45%. It was mainly attributed to the interest income and government grant of Changfei Group.

Other net income/loss

The Group recorded other net income of approximately RMB750,000 for the six months ended 30 June 2013 as compared with other net loss of approximately RMB978,000 for the six months ended 30 June 2012. It was mainly due to the fluctuation in exchange rates of RMB to HK$ and US$ for the six months ended 30 June 2013.

Distribution costs and administrative expenses

Distribution costs and administrative expenses increased from approximately RMB21,313,000 for the six months ended 30 June 2012 to approximately RMB139,180,000 for the six months ended 30 June 2013, representing an increase of approximately 553%. The increase was mainly due to the Group's expansion in the number of employees attributable to the acquisition of Changfei Group.

Finance costs

Finance costs increased from approximately RMB352,000 for the six months ended 30 June 2012 to approximately RMB66,990,000 for the six months ended 30 June 2013, representing a growth of approximately 18,931%. The increase was attributable to the continuous expansion of the Group including the acquisition of Changfei Group and increase in interest-bearing borrowings.

Income tax

Income tax increased from approximately RMB6,082,000 for the six months ended 30 June 2012 to approximately RMB77,197,000 for the six months ended 30 June 2013, representing an increase of approximately 1,169%, which was mainly due to increase in profit before taxation, especially from the one time gain from the disposal of Jufei. The effective tax rate was approximately 28% in the first half of 2013 and approximately 18% in the corresponding period in 2012. The increase in effective tax rate was mainly due to investment income recognised from disposals of shares in Jufei which were subject to higher income tax rate.

Profit for the period

Profit for the period increased from approximately RMB27,066,000 for the six months ended 30 June 2012 to approximately RMB200,799,000 for the six months ended 30 June 2013, representing an increase of approximately 642%. The substantial increase in profit for the period was mainly attributable to (i) investment income recognised from disposals of shares in Jufei; (ii) stronger operating results of the Group as compared to the corresponding period last year; and (iii) profit contribution of the Changfei Group following its acquisition by the Group in late 2012.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity, financial resources and capital structure

As at 30 June 2013, the Group had cash and cash equivalents of approximately RMB499,170,000 (as at 31 December 2012: approximately RMB333,415,000), time deposit of approximately RMB505,000,000 (as at 31 December 2012: approximately RMB642,000,000) and restricted cash of approximately RMB273,201,000 (as at 31 December 2012: approximately RMB99,240,000). As at 30 June 2013, the Group had interest-bearing borrowings of approximately RMB753,871,000 (as at 31 December 2012: approximately RMB472,037,000). As at 30 June 2013, the gearing ratio (calculated by dividing total interest-bearing borrowings by total assets) of the Group maintained at a low level and was approximately 11% (as at 31 December 2012: approximately 8%). As at 30 June 2013, the Group had current assets of approximately RMB5,266,343,000 (as at 31 December 2012: approximately RMB4,428,185,000). The current ratio (which is calculated by dividing current assets by current liabilities) was approximately 1.30 as at 30 June 2013 whilst the current ratio as at 31 December 2012 was approximately 1.32. The Board's approach to managing liquidity is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

Foreign exchange exposure

The Group's sales and purchase were dominated in RMB. Therefore the Group is not exposed to significant foreign currency exchange risks and the Board does not expect future currency fluctuations to materially impact the Group's operations. The Group does not employ any financial instruments for hedging purposes.

Capital expenditure

During the period under review, the Group's total capital expenditure amounted to approximately RMB74,287,000 which was mainly due to the payment for the construction of the industrial park in Huizhou, PRC for the Group's use and equipment upgrade attributable to the Changfei Group.

Capital commitment

As at 30 June 2013, the Group had capital commitment amounted to approximately RMB63,402,000 (as at 31 December 2012: approximately RMB125,005,000). The decrease was attributable to the increase of construction-in-progress related to the construction of the industrial park in Huizhou, PRC for the Group's use, which mainly represented the amounts contracted but not provided for in the financial statements in respect of such construction-in-progress.

Charge on assets

As at 30 June 2013, the assets of the Group with the following carrying amounts were pledged, which included: (i) Hong Kong office property of approximately HK$17,476,000 as security for the outstanding balance of a mortgage loan of approximately HK$11,260,000, (ii) Guangzhou office property of approximately RMB9,165,000 for the outstanding balance of a mortgage loan of approximately RMB3,308,000, and (iii) a piece of land in Huizhou, the PRC, of approximately RMB70,166,000, as security for the outstanding balance of mortgage loan of approximately RMB126,416,000.

Contingent liabilities

As at 30 June 2013, the Group had no material contingent liabilities.

HUMAN RESOURCES

As at 30 June 2013, the Group employed approximately 5,245 employees (as at 30 June 2012: approximately 238 employees). The significant increase in the number of employees was mainly attributable to the acquisition of the Changfei Group. The Group offered to its employees competitive salary package, as well as contribution to defined contribution retirement plan.

PROSPECTS

Since the beginning of 2013, natural disasters occurred across the country frequently, such as the Ya'an earthquake, Sichuan landslides and floods, and Gansu earthquake. All these posed a huge threat to people's lives and property. As the new leadership of the PRC government emphasises safeguarding and improving the livelihood of people, both the central and local authorities have allocated more resources to emergency communication system and intelligent city management system such that vehicles with satellite communication technology, mobile command centers, dedicated mobile communication system and customised smart terminals can be used to provide on-site communication and technical support for emergency relief in times of disasters. Based on the strong demand from the market and the number of orders on hand, the Group expects its satellite communication business can sustain its rapid growth.

The Group will continue to expand the market coverage of its satellite communication application solutions and other services business across the PRC. On one hand, the Group will focus on obtaining new business in southwest China including Yunnan, Guizhou, Sichuan and Chongqing among various industry sectors (including police, fire service, civil defense and emergency relief) with solutions such as vehicles with satellite emergency communication technology, mobile command centers and information collection vehicles. During the six months ended 30 June 2013, the Group obtained its first several orders in Guizhou province. It is expected that the Group will obtain new orders in Yunnan province in the second half of 2013. On the other hand, while exploring business opportunities in new regions, the Group will continue to maintain its growth in more established markets such as Beijing, Shanghai and Guangdong by providing more advanced services and solutions, for instance, introducing the second stage development for Shanghai Fire Bureau communication command vehicle projects and other projects at the beginning of 2013.

In respect of the wireless data communication segment, for the reasons that (i) the marketing strategy of "Jingwutong" has matured; and (ii) the metropolitan broadband wireless mobile data communication systems and traffic monitoring systems, which are part of the Group's intelligent surveillance system, have recognised increasing sales, "Jingwutong" and intelligent surveillance systems business is expected to have stable development in the second half this year.

Following the signing of the cooperation framework agreement in relation to investment in multimedia digital household network in Hebei province on 16 January 2013, the Group has entered into the formal cooperation agreement with its business partner on 8 May 2013, pursuant to which the terms and conditions including project duration, responsibilities of both parties, ownership of equipment, financing agreements, profit sharing and other details were supplemented and finalised to facilitate the implementation of the subject project. The network construction required in various regions has also commenced. It is expected that the number of subscriber households will increase significantly in the second half of 2013, with a view to achieving the goal of developing one million subscribers during the 15-year cooperation period.

During the six months ended 30 June 2013, Changfei Group's revenue in intelligent terminal solution has increased for approximately 25% as compared with the corresponding period last year, which brought positive contribution to the growth of revenue of the Group. Following the completion of the Group's acquisition of the Changfei Group, the Group's business has become more diversified, thus placing the Group in a better position to capture market opportunities. The Group will continue to grow its business by diversifying its wireless data products into the consumer sector. Meanwhile, the Group will consolidate the existing "Jingwutong" business with the communications terminal business of the Changfei Group so as to develop a new generation of "Jingwutong" terminals and 4G terminals for the purpose of catching the rapid development of the market in both public and private sectors and the consumer market.

In general, while maintaining existing business, the Group actively seeks new opportunities in the market, so as to maximise return to its shareholders. Management is very confident that the Company has a positive future outlook and will continue to deliver encouraging operating results to its shareholders. In addition to the issuance of note, convertible bond, bank loans and other forms of financing, in the future, the Company will continue to consider various options for raising capital on favorable terms through the capital market or other suitable financing means in order to enhance the competitiveness and the development progress of the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2013, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities for the six months ended 30 June 2013.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the six months ended 30 June 2013 and up to the date of this announcement, the Group had undertaken the following disposals of subsidiaries or associated companies:

(i) Disposal of 北京全通治平通信科技有限公司 (Beijing All Access Zhiping Network Technology Company Limited) ("**Beijing All Access Zhiping**")

    On 24 May 2013, the Group entered into an equity transfer agreement with an individual, being one of the then minority shareholders of Beijing All Access Zhiping, pursuant to which the Group disposed 92% equity interest in Beijing All Access Zhiping, representing the Group's then entire equity interest in this company, for a consideration of RMB18,880,000. Upon completion of this disposal, Beijing All Access Zhiping and 北京高升時代投資有限公司 (Beijing Gao Sheng Times Investment Co., Ltd.) ("**Beijing Gaosheng Times**"), which was 100% owned by Beijing All Access Zhiping, ceased to be subsidiaries of the Company, and the Group also ceased to be interested in 46% equity interests in 中衛星空移動多媒體網絡有限公司 (China Satellite Mobile Multimedia Network Co., Ltd.) held by Beijing Gaosheng Times. Please refer to the announcement of the Company dated 27 May 2013 for further details of this disposal.

(ii) Disposals of listed shares of Jufei

On 24 May 2013, 3 June 2013, 5 June 2013, 14 June 2013, 21 June 2013 and 5 July 2013, Changfei Investment, being a 51%-owned subsidiary of the Company, disposed in aggregate 35,006,400 listed shares of Jufei (representing about 16.09% of the total issued shares of Jufei) by way of block trade or in the open market through the ChiNext of the Shenzhen Stock Exchange for an aggregate consideration of approximately RMB531,959,000. Following the above disposals, Changfei Investment has ceased to be interested in any shares of Jufei. Please refer to the announcements of the Company dated 24 May 2013, 27 May 2013, 3 June 2013, 5 June 2013, 14 June 2013, 21 June 2013 and 5 July 2013 for further details of these disposals.

SHARE OPTION SCHEME

A share option scheme (the "**Share Option Scheme**") was conditionally approved by resolutions of the shareholders of the Company on 28 August 2009.

During the six months ended 30 June 2013, there was no outstanding share option under the Share Option Scheme and no share option was granted, exercised, cancelled or lapsed under the Share Option Scheme.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

None of the Directors is aware of any information that would reasonably indicate that the Company is not or was not, at any time during the six months ended 30 June 2013, in due compliance with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in Appendix 10 to the Listing Rules. The Company has made specific enquiry with all the Directors, and all of them confirmed that they had fully complied with the required standards set out in the Model Code and the Company's code of conduct regarding securities transactions during the six months ended 30 June 2013.

REVIEW BY THE AUDIT COMMITTEE

The audit committee of the Board has reviewed the unaudited interim results of the Group for the six months ended 30 June 2013.

INTERIM DIVIDEND

The Board declares the payment of an interim dividend of HK2.5 cents per share for the six months ended 30 June 2013 (for the six months ended 30 June 2012: HK2.0 cents). The interim dividend will be paid to shareholders of the Company whose names appear on the register of members of the Company on 25 October 2013. It is expected that the interim dividend will be paid on or about 31 October 2013.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 23 October 2013 to 25 October 2013 (both days inclusive), during which period no transfer of shares will be effected for the purpose of determining the qualification for entitlement to the interim dividend. In order to qualify for the proposed interim dividend for the six months ended 30 June 2013, all share transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office in Hong Kong, Union Registrars Limited at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, for registration not later than 4:00 p.m. on 22 October 2013.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the Company's website at www.chinaallaccess.com. The interim report for the six months ended 30 June 2013 of the Group will also be published on the aforesaid websites and dispatched to the shareholders of the Company in due course.

By Order of the Board
China All Access (Holdings) Limited
Mr. Chan Yuen Ming
Chairman

Hong Kong, 26 August 2013

As at the date of this announcement, the executive Directors are Mr. Chan Yuen Ming, Mr. Shao Kwok Keung and Mr. Xiu Zhi Bao; the non-executive Director is Mr. Xu Qiang; and the independent non-executive Directors are Mr. Pun Yan Chak, Mr. Wong Che Man Eddy and Mr. Lam Kin Hung Patrick.