

DAN FORM
HOLDINGS COMPANY LIMITED



Stock Code: 271

2009

Interim Report





CORPORATE INFORMATION

DIRECTORS : Dai Xiaoming (*Chairman and Chief Executive*)
Kenneth Hiu King Kon (*Deputy Chief Executive*)
Jesse Nai Chau Leung*
Xiang Bing*
Edward Shen*

* *Independent Non-Executive Directors*

AUDIT COMMITTEE : Jesse Nai Chau Leung (*Chairman*)
Xiang Bing
Edward Shen

REMUNERATION COMMITTEE : Edward Shen (*Chairman*)
Jesse Nai Chau Leung
Xiang Bing

COMPANY SECRETARY AND FINANCIAL CONTROLLER : Fung Man Yuen

AUDITORS : PricewaterhouseCoopers

PRINCIPAL BANKERS : Industrial and Commercial Bank of China
(Asia) Limited
Standard Chartered Bank (Hong Kong) Limited

SOLICITORS : Stephenson Harwood & Lo
Hampton, Winter & Glynn

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

REGISTERED OFFICE : Room 901–903, Harbour Centre
25 Harbour Road, Wanchai, Hong Kong

WEBSITE : <http://www.danform.com.hk>

STOCK CODE : The Stock Exchange of Hong Kong Limited – 271

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

FOR THE SIX MONTHS ENDED 30TH JUNE 2009

		Six months ended 30th June	
		2009	2008
		HK\$'000	<i>HK\$'000</i>
	<i>Note</i>		
Revenue	(4)	17,102	17,348
Other income		637	2,976
Other (losses)/gains, net		(205)	5,791
Rent and rates		(1,480)	(1,760)
Building management fee		(2,375)	(2,148)
Staff cost, including directors' remuneration		(7,237)	(6,034)
Depreciation and amortisation		(341)	(161)
Repairs and maintenance		(604)	(509)
Administrative expenses		(3,360)	(2,683)
Change in fair value of investment properties		(14,830)	9,666
		<hr/>	<hr/>
Operating (loss)/profit	(5)	(12,693)	22,486
Share of profits of associated companies		83,565	188,572
		<hr/>	<hr/>
Profit before taxation		70,872	211,058
Taxation credit	(6)	3,088	1,760
		<hr/>	<hr/>
Profit for the period		73,960	212,818
		<hr/> <hr/>	<hr/> <hr/>
		HK cents	<i>HK cents</i>
Earnings per share			
Basic and diluted	(7)	6.52	18.74
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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**

FOR THE SIX MONTHS ENDED 30TH JUNE 2009

	Six months ended 30th June	
	2009	2008
	HK\$'000	HK\$'000
Profit for the period	73,960	212,818
Other comprehensive income		
Change in fair value of available-for-sale financial assets	55	128
Currency translation differences	—	405
Other comprehensive income for the period	55	533
Total comprehensive income for the period	74,015	213,351

CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

AS AT 30TH JUNE 2009

	Note	30th June 2009 HK\$'000	31st December 2008 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	(8)	3,327	3,598
Investment properties		506,895	519,941
Prepayments of leasehold land		4,217	4,248
Associated companies		1,305,528	1,281,975
Available-for-sale financial assets		23,230	23,175
		<u>1,843,197</u>	<u>1,832,937</u>
Current assets			
Debtors, prepayments and deposits	(9)	14,919	12,598
Amounts due from associated companies		252,912	204,081
Taxation recoverable		20	2
Cash and bank balances		216,253	205,565
		<u>484,104</u>	<u>422,246</u>
Total assets		<u>2,327,301</u>	<u>2,255,183</u>
EQUITY			
Share capital		566,954	567,803
Reserves		1,672,022	1,597,742
Total equity		<u>2,238,976</u>	<u>2,165,545</u>
LIABILITIES			
Non-current liabilities			
Deferred taxation liabilities		59,334	62,334
Current liabilities			
Creditors and accruals	(10)	17,688	17,224
Amounts due to associated companies		11,161	9,868
Taxation payable		142	212
		<u>28,991</u>	<u>27,304</u>
Total liabilities		<u>88,325</u>	<u>89,638</u>
Total equity and liabilities		<u>2,327,301</u>	<u>2,255,183</u>
Net current assets		<u>455,113</u>	<u>394,942</u>
Total assets less current liabilities		<u>2,298,310</u>	<u>2,227,879</u>



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
 FOR THE SIX MONTHS ENDED 30TH JUNE 2009

	Share capital <i>HK\$'000</i>	Other reserves <i>HK\$'000</i>	Retained profits <i>HK'000</i>	Total <i>HK\$'000</i>
At 31st December 2008	567,803	695,162	902,580	2,165,545
Repurchase of ordinary shares	(849)	265	—	(584)
Total comprehensive income for the period	—	55	73,960	74,015
At 30th June 2009	566,954	695,482	976,540	2,238,976
At 31st December 2007	567,803	722,563	952,263	2,242,629
Total comprehensive income for the period	—	533	212,818	213,351
At 30th June 2008	567,803	723,096	1,165,081	2,455,980

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

FOR THE SIX MONTHS ENDED 30TH JUNE 2009

	Six months ended 30th June	
	2009	2008
	HK\$'000	<i>HK\$'000</i>
Net cash (used in)/from operating activities	(1,066)	4,462
Net cash from investing activities	12,338	8,635
Net cash used in financing activities	(584)	—
Increase in cash and cash equivalents	10,688	13,097
Cash and cash equivalents at beginning of the period	205,565	165,901
Changes in exchange rates	—	5,428
Cash and cash equivalents at end of the period	216,253	184,426
Analysis of cash and cash equivalents:		
Cash and bank balances	216,253	184,426



NOTES TO THE INTERIM FINANCIAL INFORMATION

(1) GENERAL INFORMATION

Dan Form Holdings Company Limited (the “Company”) is a limited liability company incorporated in Hong Kong and has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited. The address of its registered office is Room 901–903, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong.

The principal activities of the Company and its subsidiaries (together the “Group”) are property development, property investment, estate management and holding of investments.

The interim financial information has been approved by the Board of Directors on 14th September 2009.

(2) PRESENTATION OF INCOME STATEMENT

The Directors continually review the contents and presentation of our financial statements to ensure compliance with relevant accounting standards and regulations and also to consider their relevance and usefulness to readers. As a result of this ongoing review we have changed the format of our consolidated income statement from the function format to the “nature of expense” format. Comparative data has been restated. We believe this revised presentation will provide users of our financial statements with a better understanding of our business. The “nature of expense” presentation is also more consistent with that of our major competitors and is more closely aligned with the way management reviews performance internally.

(3) BASIS OF PREPARATION

The interim financial information has been prepared under the historical cost convention as modified by the revaluation of investment properties and available-for-sale financial assets, which are carried at fair value, and in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The accounting policies and methods of computation used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31st December 2008, except as stated below.

The adoption of new/revised HKFRS

In 2009, the Group adopted the new accounting standards and amendments of Hong Kong Financial Reporting Standards (“HKFRS”) below, which are relevant to its operations.

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKFRS 8	Operating Segments
HKFRS 7 Amendment	Improving Disclosures about Financial Instruments

(3) BASIS OF PREPARATION *(continued)*

HKICPA's improvement to certain HKFRS published in October 2008	
– HKAS 1 Amendment	Presentation of Financial Statements
– HKAS 10 Amendment	Events after the Reporting Period
– HKAS 16 Amendment	Property, Plant and Equipment
– HKAS 23 Amendment	Borrowing Costs
– HKAS 27 Amendment	Consolidated and Separate Financial Statements
– HKAS 28 Amendment	Investments in Associates
– HKAS 34 Amendment	Interim Financial Reporting
– HKAS 36 Amendment	Impairment of Assets
– HKAS 39 Amendment	Financial Instruments: Recognition and Measurement
– HKAS 40 Amendment	Investment Property
– HKFRS 7 Amendment	Financial Instruments: Disclosures

The Group has assessed the impact of the adoption of these new accounting standards and amendments and considered that there was no significant impact on the Group's results and financial position nor any substantial changes in the Group's accounting policies and presentation of the accounts except the presentation of the consolidated statement of comprehensive income to present the non-owner changes in equity as required under HKAS 1 (Revised) and the segment information as required under HKFRS 8.

Standards, amendments and interpretation to existing standards that are not yet effective

		Effective for accounting periods beginning on or after
HKAS 27 (Revised)	Consolidated and Separate Financial Statements	1st July 2009
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement	1st July 2009
HKFRS 3 (Revised)	Business Combinations	1st July 2009
HK(IFRIC) – Int 17	Distributions of non-cash assets to owners	1st July 2009
HKICPA's improvement to certain HKFRS published in May 2009		
HKAS 7 Amendment	Statement of Cash Flows	1st January 2010
HKAS 17 Amendment	Leases	1st January 2010
HKAS 36 Amendment	Impairment of Assets	1st January 2010
HKFRS 8 Amendment	Operating Segments	1st January 2010

The Group has not early adopted the above amendments and interpretation, which are relevant to its operations, and is not yet in a position to state whether substantial changes to the Group's accounting policies and presentation of the financial statements will result.



(4) REVENUE AND SEGMENT INFORMATION

Revenue, which is also the Group's turnover, is shown as follows:

	Six months ended 30th June	
	2009	2008
	HK\$'000	HK\$'000
Rental from investment properties	11,058	10,230
Estate management fees	4,994	4,493
Dividend from unlisted investments	1,050	2,625
	17,102	17,348

The chief operating decision-maker has been identified as the Board of Directors of the Company. The Board of Directors reviews the Group's internal reporting in order to assess performance of the Group's property and estate management business. The Board of Directors assesses the performance of the single operating segment based on a measure of profit after tax.

No segment analysis of the Group's revenue and contribution to operating profit is presented as the Group's financial information already provide the management information on the assessment of the performance of the Group.

(5) OPERATING PROFIT

	Six months ended 30th June	
	2009	2008
	HK\$'000	HK\$'000
Operating profit is arrived at after crediting:		
Gross rental income	11,058	10,230
Outgoings of investment properties	(3,373)	(3,280)
Net rental income	7,685	6,950
Exchange (loss)/gain	(344)	5,614

(6) TAXATION

		Six months ended 30th June	
		2009	2008
		HK\$'000	<i>HK\$'000</i>
Current			
Hong Kong	(88)	20	
Mainland China	—	364	
		(88)	384
Deferred		(3,000)	(2,144)
		(3,088)	(1,760)

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profit for the period. Taxation on profits generated in Mainland China has been provided at the rate of taxation prevailing in Mainland China.

(7) EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity holders of HK\$73,960,000 (2008: HK\$212,818,000) and 1,133,908,132 (2008: 1,135,606,132) shares in issue during the period. The diluted earnings per share equals the basic earnings per share since there are no dilutive potential shares in issue during both periods.

(8) PROPERTY, PLANT AND EQUIPMENT

		2009	2008
		HK\$'000	<i>HK'000</i>
Net book value at 1st January	3,598	322	
Changes in exchange rates	—	3	
Additions	39	2,533	
Depreciation	(310)	(145)	
Net book value at 30th June	3,327	2,713	

**(9) DEBTORS, PREPAYMENTS AND DEPOSITS**

	30th June 2009 HK\$'000	31st December 2008 HK\$'000
Trade debtors	4,387	3,892
Other debtors	6,516	5,875
Prepayments and deposits	4,016	2,831
	<u>14,919</u>	<u>12,598</u>

Trade debtors represent rental income and estate management fees due from tenants which become due upon presentation of invoices. The ageing analysis of the trade debtors of the Group, net of provisions and in accordance with the dates of the invoices, is as follows:

	30th June 2009 HK\$'000	31st December 2008 HK\$'000
Within 30 days	1,020	1,741
31 to 60 days	682	569
61 to 90 days	1,147	273
Over 90 days	1,538	1,309
	<u>4,387</u>	<u>3,892</u>

(10) CREDITORS AND ACCRUALS

	30th June 2009 HK\$'000	31st December 2008 HK\$'000
Trade creditors	149	17
Other creditors	14,824	14,499
Accrued operating expenses	2,715	2,708
	<u>17,688</u>	<u>17,224</u>

The ageing analysis of the trade creditors of the Group is as follows:

	30th June 2009 HK\$'000	31st December 2008 HK\$'000
Within 30 days	149	17

(11) COMMITMENTS

(a) Operating lease commitments

The future aggregate minimum lease rental payments under non-cancellable operating leases in respect of land and buildings are payable in the following periods:

	30th June 2009 HK\$'000	31st December 2008 HK\$'000
Within one year	2,254	2,254
One to five years	939	2,066
	3,193	4,320

(b) Operating lease rental receivable

The future minimum lease rental receipts under non-cancellable operating leases in respect of investment and other properties are receivable in the following periods:

	30th June 2009 HK\$'000	31st December 2008 HK\$'000
Within one year	15,520	15,051
One to five years	21,602	23,133
	37,122	38,184

(c) Capital Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	30th June 2009 HK\$'000	31st December 2008 HK\$'000
Repairs and maintenance	1,500	—
Property, plant and equipment	—	1,091
	1,500	1,091

**(12) RELATED PARTY TRANSACTIONS**

	Six months ended 30th June	
	2009	2008
	HK\$'000	HK\$'000
Estate management fee income from associated companies	2,916	2,729

The Group provided estate management services to Zeta Estates Limited and Kin Tong Land Investment Company Limited, associated companies of the Group, during the period. Estate management fees were charged at agreed percentages of rental income during the period.

(13) POST BALANCE SHEET EVENTS

- (a) On 18th June 2009, the Board proposed to make a bonus issue to shareholders on the basis of one bonus share for every ten existing shares held on 14th July 2009. The bonus shares were issued and credited as fully paid upon issue and were rank pari passu with the existing shares with effect from the date of issue on 14th July 2009. The bonus issue was funded by way of capitalisation of HK\$56,695,407 from the Company's share premium account. On the basis of 1,133,908,132 shares of HK\$0.50 each in issue, 113,390,813 bonus shares of HK\$0.50 each were issued. The Company's share capital was increased from HK\$566,954,066 at the balance sheet date to HK\$623,649,473 after the bonus issue of shares. Details of the bonus issue of shares were included in the announcement issued by the Company on 18th June 2009.
- (b) On 28th July 2009, the Company entered into a preliminary sale and purchase agreement with a third party to purchase a property in Hong Kong at a cash consideration of HK\$69,255,000. A cash deposit of HK\$3,462,750 was paid on 28th July 2009 and a further cash deposit of HK\$3,462,750 was paid on 12th August 2009 and the remaining HK\$62,329,500 will be paid upon completion on or before 31st December 2009. Details of the acquisition of the property were included in the announcement issued by the Company on 31st July 2009.

INTERIM DIVIDEND

The Directors of the Company have resolved not to declare any interim dividend for the six months ended 30th June 2009 (2008: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Operations

The Group recorded a revenue of HK\$17,102,000 for the six months ended 30th June 2009, which represented a decrease of approximately HK\$246,000 or 1.42% as compared with the same period in 2008. This was mainly due to decrease in dividend income.

The profit attributable to equity holders for the six months ended 30th June 2009 was HK\$73,960,000 whereas HK\$212,818,000 was made for the same period in 2008. The decrease in profit was mainly due to fair value loss of properties held by the Group and decrease in fair value gain of properties held by associated companies.

Hong Kong Business

Property

For the six months ended 30th June 2009, the average occupancy rates of the Group's residential properties situated at Red Hill Peninsula and South Horizons were approximately 81% and 86% respectively, while the average occupancy rate of commercial properties situated at Harbour Crystal Centre was approximately 74%. During the period, the Group's net rental income from property leasing was slightly higher than that for the same period in last year as a result of the increase in occupancy levels of the properties situated at Harbour Crystal Centre.

Beijing Business

The Wangfujing Projects

Dan Yao Building (85% owned)

In August 2009, the receivers of Beijing Dan Yao Property Company Limited ("Dan Yao") signed an agreement with a purchaser in respect of transferring the assets of Dan Yao at a consideration of RMB290,000,000 (approximately HK\$329,545,000) and submitted the agreement to the Creditors' Committee Meeting of Dan Yao for approval. On 3rd September 2009, the fifth Creditors' Committee Meeting was held and resolved to pass the proposal of converting the assets into cash. It is expected that before the end of the year 2009, according to the liquidation procedures, the execution of the proposal of converting the assets into cash and the establishment of a proposal for the repayment of loans will be carried out at the same time.



MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

Beijing Business *(continued)*

The Wangfujing Projects *(continued)*

The Xidan Project (29.4% owned)

For the six months ended 30th June 2009, the transfer of relevant building ownership certificate of Beijing Jing Yuan International Mansion of the project at Lot No. 9 to Huitong Investment Co. Ltd. was completed. For the project at Lot No. 10, up to the first half of the year 2009, Beijing Jing Yuan Property Development Company Limited ("Jing Yuan") has received the sum of RMB105,000,000 (approximately HK\$111,279,000) from Beijing Yonganxingye Property Development Co. Ltd. ("Yonganxingye"). As agreed by both parties, the total consideration of the property amounted to RMB110,000,000 (approximately HK\$116,993,000), and after completing the relevant procedures in respect of the transfer of the title of the land, it will receive the balance of RMB5,000,000 (approximately HK\$5,682,000) from Yonganxingye. At present, the assignment of land has not yet completed. Other projects at different Lots were entered into the final stage.

It is expected that in the second half of 2009, after the three shareholders (Beijing Huarong Investment Co. Ltd., China Resources Land (Beijing) Co., Ltd. and Keen Safe Investment Limited) have consented to end the business and have entered into liquidation, Jing Yuan will start the liquidation process.

ASSETS AND CHARGES

The total assets of the Group increased from HK\$2,255,183,000 as at 31st December 2008 to HK\$2,327,301,000 as at 30th June 2009. Net assets of the Group increased from HK\$2,165,545,000, as at 31st December 2008 to HK\$2,238,976,000 as at 30th June 2009. The Group had no bank borrowings as at 30th June 2009.

FINANCIAL POSITION, LIQUIDITY AND FINANCIAL RESOURCES

The total liabilities of the Group have slightly decreased from HK\$89,638,000 as at 31st December 2008 to HK\$88,325,000 as at 30th June 2009. The Group had cash and bank balances of HK\$216,253,000 as at 30th June 2009 (2008: HK\$205,565,000). The ratio of total liabilities to total assets was approximately 4% (2008: 4%). As at 30th June 2009, the Group had no bank loans and bank overdrafts (2008: Nil) and the total equity was HK\$2,238,976,000 (2008: HK\$2,165,545,000). As at 30th June 2009, the current assets of the Group amounted to HK\$484,104,000 (2008: HK\$422,246,000), which exceeded its current liabilities by HK\$455,113,000 (2008: HK\$394,942,000). As from 3rd March 2008, banking facilities have been obtained from a bank, comprising an overdraft facility not exceeding HK\$25,000,000 and a revolving short term loan currently not exceeding at HK\$22,000,000, totalling HK\$47,000,000.

For the six months ended 30th June 2009, the Group had no exposure to fluctuations in exchange rates and related hedges and there were no contingent liabilities.

EMPLOYEES

As at 30th June 2009, the Group, excluding associated companies, had 44 employees of which 40 were employed in Hong Kong.

In addition to basic salaries, employees in Hong Kong are provided with medical insurance and some of them are included under a defined contribution provident fund scheme and mandatory provident fund scheme. Employees in the Mainland China are provided with medical insurance, elderly insurance, loss of job insurance, injury insurance and provident fund for housing. Some of them are also provided with birth insurance.

PROSPECTS

Based on the injection of capital by the national governments, most of the world economies become stable to a certain degree. However, since the underlying causes of the global financial crisis remain uncertain and the unfavorable conditions still exist, the Group is still facing the difficulty in estimating its impact, but in any case, it should not be underestimated and should be examined in a longer time frame. The Group is also acting cautiously and is adapting a wait and see approach to capture new opportunities for the Group's business development.



DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ANY ASSOCIATES

As at 30th June 2009, the interests and short positions of Chief Executive, Directors and their respective associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which require notification pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which any of them is taken or deemed to have under such provisions of the SFO), or which are required to be entered into the register maintained by the Company under Section 352 of the Part XV of the SFO, or which are required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

1. Aggregate long position in the shares, underlying shares and debentures of the Company and its associated corporations

Name of Director	Number of ordinary shares beneficially held				Total Interest
	Personal Interest	Family Interest	Corporate Interest	Other Interest	
DAI Xiaoming <i>(Note)</i>	23,000,000	—	388,720,881	—	411,720,881

Note: Being the ultimate beneficial owner of shares representing 95% of the issued share capital of Dan Form International Limited ("DFIL"), the ultimate holding company of Fabulous Investments Limited ("Fabulous"), Mr. Dai Xiaoming is deemed to be interested in the 2,660,000 and 386,060,881 ordinary shares in the Company beneficially held by DFIL and Fabulous respectively.

Save as disclosed above, none of the Chief Executive, Directors or their respective associates had any interests or short positions, whether beneficial or non-beneficial, in the shares, underlying shares and debentures of the Company or any of its associated corporations as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ANY ASSOCIATES *(continued)*

2. Aggregate short position in the shares, underlying shares and debentures of the Company and its associated corporations

None of the Chief Executive, Directors or their respective associates had short positions in respect of shares, underlying shares or debentures of the Company and any of its associated corporations.

At no time during the six months ended 30th June 2009 was the Company, its subsidiaries, its associates, its fellow subsidiaries or its holding companies a party to any arrangements to enable the Chief Executive or Directors of the Company to acquire benefits by means of acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate and none of the Chief Executive, Directors or their spouses or children under the age of 18, had any right to subscribe for securities of the Company or had exercised any such right during the six months ended 30th June 2009.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

1. Aggregate long position in the shares and underlying shares of the Company

As at 30th June 2009, so far as is known to the Chief Executive and Directors of the Company, the interests of the substantial shareholders, being 5% or more of the issued share capital, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

Name	Note	Number of ordinary shares held	Percentage of the issued share capital of the Company
DAI Xiaoming	(1)	411,720,881	36.31
Harlesden Limited	(2)	388,720,881	34.28
DFIL	(2)	388,720,881	34.28
Value Plus Holdings Limited	(2)	386,060,881	34.05
Fathom Limited	(2)	386,060,881	34.05
Fabulous	(2)	386,060,881	34.05
Nina KUNG (deceased)	(3)	261,808,697	23.09
Greenwood International Limited	(3)	245,094,197	21.62
China National Foreign Trade Transportation (Group) Corporation	(4)	94,836,971	8.36
Focus-Asia Holdings Limited	(4)	94,836,971	8.36



SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY *(continued)*

1. Aggregate long position in the shares and underlying shares of the Company *(continued)*

Notes:

- (1) Mr. Dai Xiaoming was beneficially interested in a total of 411,720,881 ordinary shares in the Company, including the interests held through various companies under his control (see note (2) below). These interests are the same as those disclosed under "Directors' and Chief Executives' interests and short positions in shares, underlying shares and debentures of the Company and any associates" above.
- (2) By virtue of SFO, Harlesden Limited, DFIL, Value Plus Holdings Limited and Fathom Limited, being holding companies of Fabulous, are deemed to be interested in the 386,060,881 ordinary shares in the Company beneficially held by Fabulous. Harlesden Limited, being the holding company of DFIL, is also deemed to be interested in the 2,660,000 ordinary shares in the Company beneficially held by DFIL. Mr. Dai Xiaoming has a controlling interest in each of the aforesaid companies.
- (3) Greenwood International Limited ("Greenwood") was beneficially interested in approximately 21.62% of the issued share capital of the Company. Ms. Nina Kung, deceased, was beneficially interested in a total of 261,808,697 ordinary shares in the Company, through shareholdings in companies (including Greenwood) controlled by her, representing approximately 23.09% of the issued share capital of the Company. Ms. Nina Kung passed away on 3rd April 2007.
- (4) Focus-Asia Holdings Limited ("Focus-Asia") was beneficially interested in a total of 94,836,971 ordinary shares in the Company. China National Foreign Trade Transportation (Group) Corporation, being holding company of Focus-Asia, is deemed to be interested in the 94,836,971 ordinary shares in the Company beneficially held by Focus-Asia.

2. Aggregate short position in the shares and underlying shares of the Company

As at 30th June 2009, the Company had not been notified of any short position being held by any substantial equity holders or other persons in the shares or underlying shares of the Company.

Save as disclosed above, as at 30th June 2009, the Company has not been notified of any interest or short position in the shares and underlying shares of the Company as recorded in the register of the Company required to be kept under Section 336 of the SFO.

ADVANCE TO AN ENTITY

In accordance with Rule 13.20 of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange, the Directors of the Company reported on details of advance made by the Group for the benefit of the following entity as at 30th June 2009, which in aggregate exceeded 8% of the total assets of the Group as at 30th June 2009 as follows:

Name of entity	Date of advance	Percentage of equity held by the Group	Remaining amount of the advance <i>HK\$'000</i>
Zeta Estates Limited	1st July 1998	33.33	252,912

Note: The advance is unsecured, interest-free and has no fixed terms of repayment.

PROFORMA COMBINED BALANCE SHEET OF AFFILIATED COMPANIES

In accordance with Rule 13.16 of the Listing Rules, the unaudited proforma combined balance sheet of financial assistance to the affiliated companies of the Group and the interest attributable to the Group as at 30th June 2009 (the latest practicable date) are as follows:

Description	Combined <i>HK\$'000</i>	Attributable to the Group <i>HK\$'000</i>
Investment properties	5,082,399	1,694,133
Properties for sale	44,866	13,191
Properties, plant and equipment	3,000	882
Long-term receivable	2,610	865
Current assets	119,423	36,268
Liabilities	(1,641,464)	(541,728)
Net assets	<u>3,610,834</u>	<u>1,203,611</u>



PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the six months ended 30th June 2009, the Company purchased a total of 1,698,000 ordinary shares of HK\$0.50 each on the Stock Exchange at an aggregate consideration of HK\$573,615. All of the purchased shares were cancelled.

Date of the purchases	Total number of the ordinary shares purchased	Price paid per share	Aggregate consideration
		<i>HK\$</i>	<i>HK\$</i>
21st January 2009	552,000	0.315	173,880
18th February 2009	44,000	0.350	15,400
23rd February 2009	19,000	0.350	6,650
25th February 2009	200,000	0.350	70,000
26th February 2009	300,000	0.350	105,000
27th February 2009	310,000	0.350	108,500
4th March 2009	273,000	0.345	94,185
	1,698,000		573,615
	1,698,000		573,615

The Directors considered that the aforesaid shares were purchased at a discount to the nominal value and net asset value per share, resulting an increase in the net asset value per share then in issue.

Save as disclosed herein, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares during the six months ended 30th June 2009.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding the directors' securities transactions. The Company has made specific enquiry of all Directors whether they have complied with the Model Code and all Directors confirmed that they have complied with the Model Code for the six months ended 30th June 2009.

Written guidelines on no less exacting terms than the Model Code relating to securities transactions for employees have been sent to the relevant employees of the Group.

AUDIT COMMITTEE REVIEW

For the six months ended 30th June 2009, the interim results for the Reporting Period are unaudited but certain agree-upon procedures have been performed by the auditor (PricewaterhouseCoopers) of the Company in accordance with Hong Kong Standard on Related Services 4400 “Engagements to Perform Agreed-upon Procedures Regarding Financial Information” issued by the Hong Kong Institute of Certified Public Accountants. The interim results of the Group for the six months ended 30th June 2009 have been reviewed by the Audit Committee.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance within a sensible framework. The Company has complied with all the code provisions as set out in Appendix 14 of the Code on Corporate Governance Practices of the Listing Rules throughout the accounting period for the six months ended 30th June 2009, except for the following deviations:

Code Provision A.2.1

This Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Due to the current situation, the Group has no separation of the role of the chairman and chief executive. The Board considers that this structure will not impair the balance and authority between the Board and the management of the Group.

By Order of the Board
Fung Man Yuen
Company Secretary

Hong Kong, 14th September 2009