瑞安建業有限公司
SHUI ON CONSTRUCTION AND MATERIALS LIMITED

Stock Code 股份代號: 00983

Leveraging 蓄勢待發 Our Strengths
迎變而上 RISING To The Challenge

2009
Interim Report
中期報告

Leveraging Our Strengths   Rising To The Challenge

2009 has been a very difficult year as the aftermath of the global financial tsunami continues to pose challenges for major economies worldwide.

But, like a sophisticated mountaineer overcoming the perilous terrain to scale new heights, SOCAM is forging ahead with confidence amidst the challenging environment, leveraging on its wealth of experience and solid foundation to continue on its path to achieve set goals.

Contents

PROPERTY

- Distressed Property Development
- Greenfield Development
- Investment in Shui On Land

CEMENT

- Lafarge Shui On Cement
- Guizhou Operations
- Nanjing Operations

CONSTRUCTION

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- Commercial, Residential and Institutional Buildings
- Interior Fitting Out and Building Renovation
- Maintenance

SOCAM AT A GLANCE

Shui On Construction and Materials Limited (SOCAM) (HKSE Stock Code: 00983) was listed on the Hong Kong Stock Exchange in February 1997. It is principally engaged in property, cement and construction.

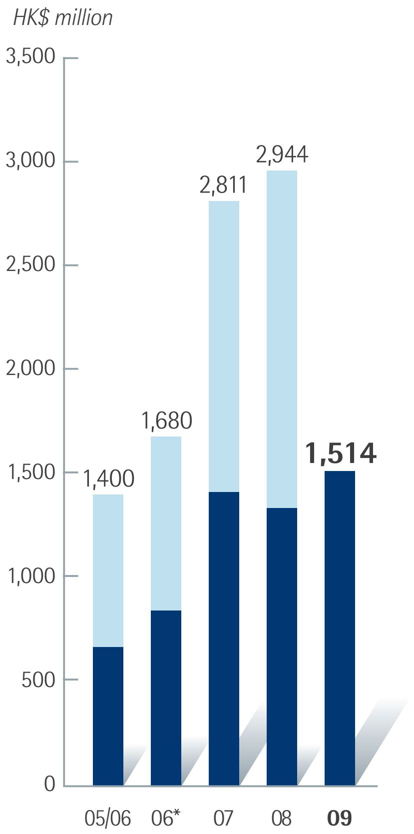
Today, SOCAM has business operations in over 15 cities and strategic areas in Hong Kong, Macau and the Chinese Mainland.

FINANCIAL HIGHLIGHTS

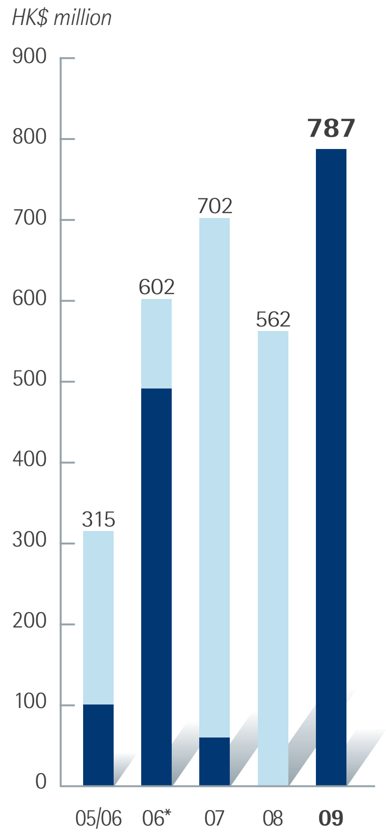
	Six months ended 30 June	
	2009	2008
Turnover	**HK$1,514 million**	HK$1,336 million
Profit attributable to shareholders	**HK$787 million**	HK$873 million
Basic earnings per share	**HK$2.36**	HK$2.71
Interim dividend per share	**HK$0.10**	HK$0.20

	At 30 June 2009	At 31 December 2008
Total assets	**HK$17.1 billion**	HK$11.5 billion
Net assets	**HK$9.2 billion**	HK$5.0 billion
Net asset value per share	**HK$19.0**	HK$15.5
Gearing	**44%**	85%

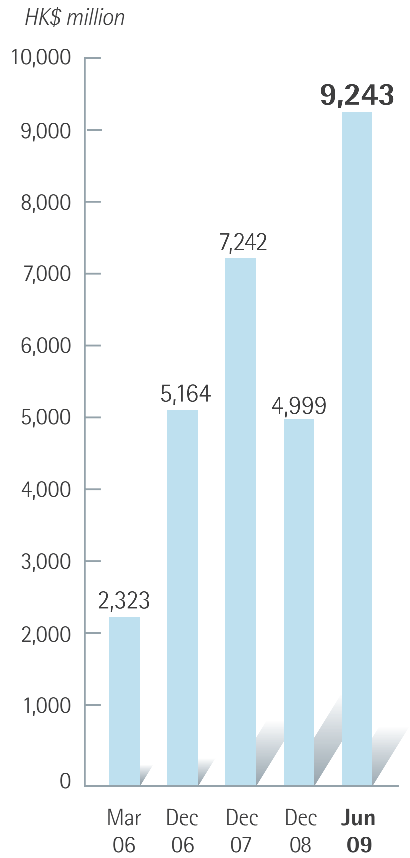
Turnover



Profit Attributable to Shareholders of the Company



Equity Attributable to Shareholders of the Company



Annual/Nine-month period*
Interim

BUSINESS HIGHLIGHTS

Good progress was made in the Group's core businesses during the period. Highlights of the half year results are:

PROPERTY

- China Central Properties was successfully privatised in June, substantially improving the asset and equity base as well as the gearing level of the Group. A strong platform for solid business expansion is now in place.

- At the end of August, total developable GFA attributable to the Group was approximately 2 million square metres, plus 22% interest in Dalian Tiandi which comprises a developable GFA of approximately 3.54 million square metres.

CEMENT

- Strong market conditions in southwest China, coupled with high utilisation and reliability rates of Lafarge Shui On Cement's plants resulted in robust production, improved sales and performance.

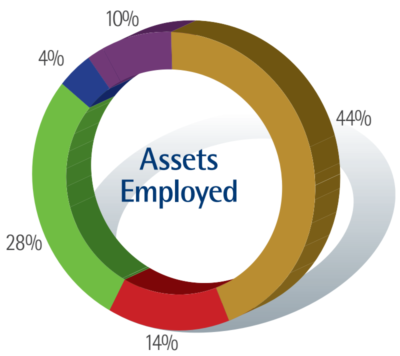
- Construction of the three dry lines in Sichuan, Chongqing and Guizhou are on schedule which will add over 6 million tonnes by mid 2010 to the current capacity of 24 million tonnes.

INVESTMENT IN SHUI ON LAND

- The strong recovery of the share price of Shui On Land, of which the Group holds 8.7% at 30 June 2009, resulted in a significant gain of HK$1.3 billion which was reflected in reserves.

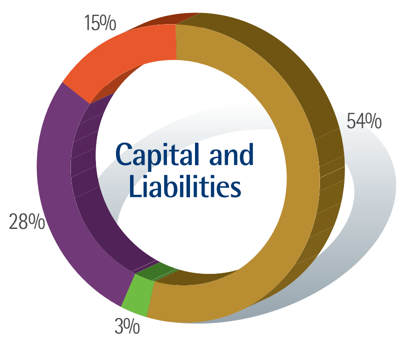
CONSTRUCTION

- The construction division posted a higher profit and secured more government design-and-build and maintenance contracts on the back of a steady workflow from the public sector. At 30 June 2009, the outstanding value of contracts on hand was approximately HK$5.5 billion.



At 30 June 2009

- Property
- Investment in Shui On Land
- Cement
- Construction
- Venture capital investment and others



At 30 June 2009

- Capital and reserves
- Convertible bonds
- Bank borrowings
- Other liabilities

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM RESULTS

The Group's turnover was HK$1,514 million for the six months ended 30 June 2009, a 13% increase from the interim period of 2008. Consolidated profit after taxation and non-controlling interests was HK$787 million, a 10% decrease compared to the same period last year. An analysis of the results is set out in the Financial Review section of this report.

INTERIM DIVIDEND

The Board has declared an interim dividend of HK$0.10 per share (2008: HK$0.20 per share) to shareholders whose names appear on the register of members of the Company on Friday, 9 October 2009. The interim dividend will be paid on Wednesday, 21 October 2009.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 7 October 2009 to Friday, 9 October 2009, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all completed share transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Standard Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Tuesday, 6 October 2009.

BUSINESS REVIEW

During the first half of 2009, global economies began to show the first signs of recovery as a result of the stimulus packages and fiscal policies put forward by major governments. The Chinese Mainland, which has been affected relatively less severely in the worldwide turmoil, has seen a much stronger economic recovery on the back of substantial injection of funds from the Central Government to stimulate domestic demand and infrastructure spending.

Good progress was made in the Group's core businesses during the period. China Central Properties was successfully privatised in June, substantially improving the asset and equity base as well as the gearing level of the Group. A strong platform for solid business expansion is now in place. Lafarge Shui On Cement achieved a significant increase in sales volumes and improved its performance. The construction arm in Hong Kong benefited from the HKSAR Government's increased spending programme and secured more government design-and-build and maintenance contracts.

PROPERTY

Privatisation of China Central Properties (CCP)

The privatisation of SOCAM's 42.9%-owned CCP in June marked a significant milestone for the Group's property business. With the continued low liquidity and depressed pricing of CCP's shares since admission to trading on the London AIM Board (AIM) in June 2007, AIM no longer provided an attractive fund raising avenue for CCP's business growth. The privatisation enables SOCAM to streamline the corporate structure and investment decision process of CCP and deploy greater resources to accelerate its growth as it becomes a core business of SOCAM.

On 14 May, SOCAM made a final offer to acquire all the issued shares of CCP not already owned by the Group, which subsequently received the recommendation of the CCP independent directors and the unanimous approval of SOCAM's shareholders at the Special General Meeting on 3 June. Under the terms of the offer, CCP non-controlling shareholders were entitled to receive, for each CCP share, 1.15 new SOCAM shares, or 0.575 new SOCAM shares and £0.325 in cash.

Acceptances representing 99.9% of non-controlling interests were received. The offer was declared unconditional on 10 June and CCP shares were de-listed from AIM on 18 June. The right to acquire compulsorily the remaining shares was exercised and CCP has become a wholly-owned subsidiary of SOCAM.

Approximately 165.8 million new shares were issued to CCP shareholders by SOCAM, representing around 34% of its enlarged issued share capital, in addition to a cash payment of £10.7 million (HK$135 million).

China Central Properties (BVI) Limited, the holding company of all the CCP projects, was renamed Shui On China Central Properties Limited (SOCCP). All CCP projects in the Mainland have been rebranded as SOCCP

Shenyang Tiandi

in August to benefit from the strength of the Shui On name and its reputation for quality and innovation. SOCCP will continue to specialise in the acquisition and development of distressed property development projects and, if opportunities arise, extend into the development of medium-sized, greenfield projects in prime locations in major and secondary cities in the Mainland.

In view of the uncertain business environment, CCP did not make any acquisitions or disposals during the interim period.

Current Projects

Overall, current projects progressed according to plan. At the end of August, the Group had a diverse property portfolio of 13 projects, comprising approximately 2,049,100 square metres of attributable developable gross floor area (GFA) in six major and secondary Mainland cities.

The Group's total attributable developable GFA at 31 August 2009, excluding that of Dalian Tiandi##, is summarised below:

	Project	Location	Total Developable GFA attributable to the Group (square metres)	Property Type	Estimated Completion Year
1.	Fengqiao Villas	Beijing	76,000	Residential	2010
2.	Central Point	Chengdu	96,000	Composite	2010
3.	Orient Home	Chengdu	474,000	Composite	2012
4.	Creative Concepts Center (formerly Ruiqi Building)	Chongqing	86,000	Composite	2010
5.	Haomen Building	Chongqing	13,000	Commercial	#
6.	Nanyang Building	Chongqing	53,000	Residential and retail	2011
7.	Qianxinian Building	Chongqing	35,000	Commercial and retail	2011
8.	Danlong Road Project	Chongqing	149,000	Residential and retail	2012
9.	Chuangyi Centre	Guangzhou	114,000	Residential and retail	2011
10.	Central International Plaza (Blocks A and C)	Qingdao	4,400**	Composite	***
11.	Shenyang Tiandi (Phase I) (formerly Central Plaza Phase I)	Shenyang	298,000	Composite	2011
12.	Shenyang Tiandi (Phase II) (formerly Central Plaza Phase II)*	Shenyang	593,000	Composite	2014
13.	Chaoyang District Project###	Beijing	57,700	Residential	2011
	TOTAL		**2,049,100**		

* The Group has an 80% interest in this project. The GFA shown is the effective share attributable to the Group.
** Yet-to-be sold GFA
*** Completed in 2007
\# To be sold in its existing condition in 2009
\## SOCAM holds a 22% interest in Dalian Tiandi which comprises 3.54 million square metres of developable GFA.
\### Sale and purchase agreement was signed in August 2009. Completion of the acquisition will take place in October 2009.

Beijing

Fengqiao Villas

The Group holds 141 villas in this development, which consists of 187 up-market western-style villas, in Beijing's Shunyi District. The acquisition of more villa units and the clubhouse will continue, with refurbishment set for completion in 2010.

Chengdu

Central Point

Located in Chengdu's new central business district, Phase I of the project consists of a tower providing offices and serviced apartments. A soft opening of the serviced apartments was held in the third quarter of 2009. Construction work has commenced on the adjacent Phase II, which will be developed into an office tower. Completion is set for 2010.

Orient Home

This project will be a contemporary and composite development, comprising predominantly residential towers. Negotiations with local government authorities on the relaxation of building height restrictions are in progress. A ground-breaking ceremony was held in August and completion is anticipated in 2012.

Chongqing

Creative Concepts Center

Construction works on this residential development with an office and retail podium in Chongqing's central business district will be completed in 2010. Marketing activities on the residential units started in April and sales will commence in September.

Haomen Building

This project is in the vicinity of the central business district opposite the future Chongqing International Finance Centre. It is intended to dispose of the development in its existing condition in 2009.

Nanyang Building

Nanyang Building is close to the Chongqing International Convention and Exhibition Centre and enjoys views of the Yangtze River. The existing commercial building is intended to be demolished and a re-positioning of the project as serviced apartments is under consideration.

Qianxinian Building

This property is located in the busy Guanyinqiao shopping area. It will be converted to a Grade B office tower with complementary retail space. It will be targeted for en-bloc sale, with minimum cost of refurbishment.

Danlong Road Project

Located at Danlong Road in Chongqing, the site, which was used as the head office of TH Cement, will be redeveloped into a residential and retail complex comprising six residential towers with retail space. Design of the project is underway and completion is targeted for 2012.

Guangzhou

Chuangyi Centre

Located in the popular and upmarket Tianhe district, which is home to a number of Grade A offices and affluent residential areas, this project will comprise three residential towers and a block of serviced apartments. Demolition work was completed in June, and construction work will commence soon. Completion is set for 2011.

Qingdao

Central International Plaza (Blocks A and C)

Situated next to Qingdao's central business district, the project consists of a residential tower and a commercial building, with a total GFA of 63,000 square metres. Upgrading work was completed in 2007. The entire office space had been sold and only a small number of retail and residential units remained.

Shenyang

Shenyang Tiandi (Phase I)

The Group acquired a further 30% interest from a co-investor in January and now owns 100% of the project. Located in the north end of the "Golden Corridor", the future business and economic centre of Shenyang, this contemporary complex will comprise residential and commercial towers on a retail podium. Construction work is progressing according to schedule with completion expected in 2011. Pre-sale activities will commence in the third quarter of this year.

Shenyang Tiandi (Phase II)

The Group holds an 80% interest in this composite development, which will include residential towers, a hotel, serviced apartments, office buildings and retail spaces. Relocation is nearly completed. Together with the adjoining Phase I, the combined development will be a major landmark along the "Golden Corridor" upon completion in 2014.

Dalian

Dalian Tiandi

SOCAM holds a 22% interest in the Dalian Tiandi, a multi-faceted project dedicated to the information technology outsourcing (ITO) and business process outsourcing (BPO) industries. This joint venture between Shui On Land, SOCAM and Yida Group will have a developable GFA of approximately 3.54 million square metres, which will be constructed over 10 phases with completion expected in 2020. Construction work for Phase I in Huangnichuan North commenced in early March 2009. In May, the joint venture entered into a lease agreement with Ambow, a leader in the education services sector in the Mainland, to build an educational facility of 100,000 square metres by August 2010.

Marketing activities have started with sales offices in Tokyo, Beijing and Shanghai. A memorandum of understanding was signed with IBM in June for the leasing of 20,000 square metres of office space. Potential overseas and domestic strategic partners have expressed interest in this project.

New Acquisition Post Interim Period

Chaoyang District Project, Beijing

In August, the Group announced the acquisition of a partially completed residential project with a GFA of about 57,700 square metres in Chaoyang District, in the centre of Beijing for US$118 million. This luxury residential development will offer over 200 premium residential units and supporting facilities upon completion in 2011.

SOCAM Asset Management (SAM)

SAM, the investment manager of CCP, adopted a prudent approach in the first half of 2009 and did not propose any new acquisitions. The total GFA of property projects under its management is approximately 2 million square metres. Following the privatisation of CCP, SAM will continue to act as an investment and operation manager and generate steady income for the Group.

Investment in Shui On Land (SOL)

In June 2009, SOL issued one bonus share for every ten ordinary shares. New shares were also placed by SOL in June 2009 to raise HK$2,038 million to fund the development of its existing projects. The Group's shareholding in SOL amounted to 8.7% at the end of this interim period.

Together with the recovery of major stock markets after the extensive downturn in the global financial crisis last year, SOL's share price staged a strong rebound during the first half of 2009. At 30 June 2009, the Group's shareholding in SOL had a market value of HK$2,314 million, an increase from HK$970 million at 31 December 2008. This substantial increase was reflected in the reserves of the Group's consolidated balance sheet in accordance with the requirements of applicable accounting standards.

In its 2009 interim results, SOL reported profit attributable to shareholders of HK$811 million on a turnover of HK$1,509 million and declared an interim dividend of HK$0.01 per share.

CEMENT

Lafarge Shui On Cement (LSOC)

The Group holds a 45% interest in LSOC, the cement market leader in Southwest China with a major presence in each of Sichuan, Chongqing, Yunnan and Guizhou. Total sales volume increased to approximately 11 million tonnes in the first half of 2009, compared to approximately 8.5 million tonnes in the previous interim reporting period which was negatively affected by the partial damage to the Dujiangyan and Jiangyou plants in the Sichuan earthquake in May 2008 and the production interruption caused. Strong market conditions and high utilisation and reliability rates of LSOC's plants resulted in robust production and sales volumes. At the end of June 2009, total annual production capacity amounted to 24 million tonnes.

Average selling prices remained favourable in this interim period, except for Sichuan and Chongqing, which experienced pressure on price due to new capacity coming onto the market since mid May. With coal and power prices staying stable since early 2009, production costs were kept under control resulting in steady gross profit margins.

Construction of the third line in Dujiangyan, Sichuan, and the new dry kilns in Yongchuan, Chongqing and Sancha, Guizhou all progressed well, with completion expected in 2010. The aggregate additional capacity of 13,800 tonnes per day (tpd) will further strengthen the leadership position of LSOC in Southwest China. A number of new projects in Sichuan, Chongqing, Yunnan and Guizhou are also on the drawing board and applications for requisite government approvals are well underway.

The Central Government's economic stimulus package in excess of RMB4 trillion up to July 2009 has so far had a relatively limited direct impact on the demand for cement. An upsurge in usage is expected in the later part of this year and LSOC's cement operations in Sichuan, Yunnan, Chongqing and Guizhou should be able to see the benefit then. The Central Government has recently expressed concern over cement overcapacity and the slow progress in the restructuring of the industry. The cement industry in China is expected to continue its consolidation around major players that have a strong capital base and high product quality as well as environmentally friendly operations.

A LSOC's plant in Sichuan

The proposed injection of the 50% interest in the Dujiangyan plant into the Shenzhen-listed Sichuan Shuangma Cement received the approvals of Shuangma's independent shareholders in January and the Ministry of Commerce in June. Approvals from the China Securities Regulatory Commission and the National Development and Reform Commission for this transaction are still outstanding.

Guizhou Cement

The total sales volume of cement plants retained by the Group, namely those in Xishui, Zunyi, Kaili, Yuqing, Bijie and Changda, increased to 0.7 million tonnes, largely due to the contribution from the 2,500 tpd new dry kiln in Changda, which commenced production in the first quarter. The average selling price increased in the first half of 2009 over the same period last year on strong market demand for building and infrastructure works.

Completion of the construction of the new 2,500 tpd dry kiln in Kaili was delayed due to the supply of certain major equipment being affected by the Sichuan earthquake. Commissioning was started in August and handover of this new dry kiln and the existing wet line to LSOC will take place after acquisition of the nearby quarry land is completed.

Following the recent disposals of the grinding facility in Hejiang and the wet line in Yuqing, SOCAM will continue to implement its strategy to exit the remaining cement plants in Guizhou.

Grinding Plant in Nanjing

The grinding plant in Nanjing benefited from higher selling prices and steady sales, achieving an improved operating performance. It continued to supply to both local customers and markets in Australia.

Dujiangyan, Sichuan

CONSTRUCTION

The construction division posted a higher profit of HK$41 million for this reporting period on a 14% increase in turnover to HK$1,428 million, when compared with the first half of 2008. New contracts totaling HK$2.2 billion were secured. At 30 June 2009, the gross and outstanding values of contracts on hand were approximately HK$8.2 billion and HK$5.5 billion respectively, compared with approximately HK$7.7 billion and HK$4.4 billion at 31 December 2008.

Shui On Building Contractors (SOBC) was awarded three 2- and 3-year maintenance contracts by the Hong Kong Architectural Services Department for the design and construction of minor works on government and subvented properties, valued at approximately HK$1.2 billion. It also secured two 3-year maintenance contracts from the Hong Kong Housing Authority (HKHA) for maintenance and refurbishment works on certain housing estates, valued at approximately HK$369 million. In July, SOBC was awarded a HKHA public housing contract for Shek Kip Mei Estate Phase 5, with a value of HK$718 million.

Major projects completed by SOBC included Lam Tin Estate Phases 7 and 8 and three district term maintenance contracts for HKHA. Shui On Construction progressed well on its design-and-build projects, including the HK$1 billion contract for the new headquarters of the Hong Kong Customs and Excise Department.

Shui On Construction Mainland, the Group's 70%-owned construction arm in the Chinese Mainland, saw a considerable reduction in turnover during the earlier part of this year due to market uncertainty. The commencement of recently won projects reversed this trend. RMB367 million worth of new contracts was secured, including construction works for the Chongqing Creative Concepts Center.

Pat Davie continued to obtain new fit-out contracts from the commercial sector and secured a total of HK$219 million of new contracts, over 90% being in Hong Kong.

The new Headquarters Building of the Hong Kong Customs and Excise Department

The construction division continued to command industry recognition and won a number of accolades during the first half of the year for its performance and achievements in the areas of health, safety and environmental protection, including the Gold Award of the 2008 Hong Kong Awards for Environmental Excellence Sectoral Awards.

VENTURE CAPITAL

The venture capital funds remained fully invested throughout the period and the portfolio recorded a net gain of HK$8 million as global stock markets improved, particularly in the second quarter of 2009. Venture capital investment is considered a non-core operation of the Group and a strategy of orderly exit will be adopted.

PROSPECTS

The global financial crisis which commenced in 2008 continues to pose challenges for most worldwide economies. Financial packages in major countries, which have been put in place by governments to stimulate economic revival, will need to be maintained, as, despite improvements in market sentiment and signs of recovery, sustainable growth cannot be forecast with confidence at this stage. SOCAM remains positive on its long-term prospects in the Chinese Mainland, as all signs are pointing to this large economy being the first to emerge from the financial crisis when market conditions return to stability.

Our property projects are progressing satisfactorily, with a number of pre-sales to be launched in the second half of 2009. The search for new acquisitions has also resumed. The rebranding of CCP will give it wider recognition in the Mainland with the incorporation of the Shui On name. Meanwhile, we believe that the cement market will remain buoyant and our plan for active expansion of this business will be on track. Overall investment in the cement industry in China grew rapidly in the first half of 2009 and the sector made rapid advances towards economies of scale as well as cleaner, more energy efficient methods of production and distribution. LSOC, as an active leader in this initiative, is well positioned to gain from the ongoing restructuring of the industry.

Looking ahead, we will continue to implement the strategic transformation of SOCAM with clear focus on the core businesses of property development and cement operation in the Chinese Mainland, supported by the construction operation, to ensure that sustainable and profitable growth is achieved.

FINANCIAL REVIEW

An analysis of the profit attributable to shareholders is set out as follows:

In HK$ million	Six months ended 30 June 2009	2008
Property		
Management fee income	**81**	71
Share of profit	**82**	91
Discount on acquisition of CCP	**648**	–
Net gain on assets injection into CCP	**–**	27
Exchange gain and interest income	**–**	34
Overheads of SAM	**(61)**	(58)
	750	165
Investment in SOL		
Gain on disposal of shares	**–**	496
Dividend income	**4**	40
	4	536
Cement operations		
LSOC	**168**	104
Guizhou Cement	**12**	19
Disposal and impairment losses	**(9)**	–
	171	123
Construction	**41**	38
Venture capital investments	**8**	10
Convertible bonds		
Imputed interest expense	**(27)**	(24)
Fair value gain on derivatives	**–**	174
	(27)	150
Net finance costs	**(98)**	(79)
Overheads and others	**(47)**	(56)
Taxation and non-controlling interests	**(15)**	(14)
Total	**787**	873

Property

Property operations reported an increase in management fee income from HK$71 million in the last interim period to the current HK$81 million.

The profit of CCP, in which the Group had a shareholding of 42.9% prior to privatisation, increased slightly to HK$198 million. Following the sales of a number of properties during 2008, which generated substantial revenue in excess of HK$3.4 billion, CCP did not have further substantial property sales revenue and profit in this interim period. A gain of HK$269 million was recognised on the early cancellation of its outstanding convertible bonds in June. In the last interim period, the profit of CCP, in which the Group held a 41% shareholding, was mainly derived from property sales.

Since its admission to AIM in June 2007, the lack of liquidity and the consistently depressed share price of CCP did not reflect the good performance of the operations of the distressed asset development business. For the privatisation and acquisition of the remaining 57.1% equity interest in CCP, SOCAM issued a total of 165.8 million new shares, in addition to paying £10.7 million (HK$135 million), to CCP shareholders.

The consideration paid is equivalent to HK$12.8 per CCP share and generated a gain on acquisition (technically termed a discount on acquisition) of HK$692 million when compared with the HK$18.2 net asset value per CCP share. On the other hand, this consideration also reflected a substantial premium over CCP's share price prior to the announcement of the Company's offer in March.

As a condition to the offer made by the Company for CCP shares, CCP cancelled all the outstanding convertible bonds at a cash price equivalent to 90% of their principal amount. The Group received a sum of US$22.5 million (HK$174 million) from CCP for this early cancellation of its US$25 million investment in CCP's convertible bonds and recorded a loss of HK$44 million.

The discount on acquisition of CCP, net of the loss on early cancellation of the bonds by CCP, amounted to HK$648 million and has been recognised in the consolidated income statement for the current interim period.

Investment in SOL

On 4 June 2009, SOL issued bonus shares to its shareholders, on the basis of one new share for every ten shares held. 39.6 million SOL shares, valued at HK$222 million, were received and this amount was reflected directly in reserves.

At 30 June 2009, the Group held 8.7% of the issued share capital of SOL, after a dilution from the 9.5% at 31 December 2008 as a result of SOL's share placement on 10 June 2009. Based on the closing price of the SOL shares on 30 June 2009, a gain in fair value on these shares, which were held as available-for-sale investments, amounted to HK$1,121 million when compared with the carrying value at 31 December 2008. This gain was taken up directly in reserves in the consolidated balance sheet at 30 June 2009 in accordance with applicable accounting standards.

In 2008, the HK$496 million net gain on disposal of SOL shares arose from the sale of 3.1% of SOL shares for approximately HK$1.0 billion in April that year.

Cement operations

The Group's share of LSOC's profit increased to HK$168 million in this interim period, largely due to better sales volumes and prices and lower production costs. Production and sales in the last interim period were adversely affected by the earthquake in Sichuan in May 2008. However, this had limited financial impact on LSOC as losses were covered by insurance.

The remaining cement plants in Guizhou recorded a profit of HK$12 million due to strong pricing and contribution from the new dry kiln in Changda, offset by a net decrease in attributable production capacity brought about by the progressive disposals of plants in Kaili, Yuqing and Heijing in the past twelve months.

Construction

Construction business reported higher profit on increased turnover for this interim period, despite average net profit margin having decreased slightly to 2.9% of turnover, from the 3.0% for the corresponding period last year.

Venture capital investments

As global financial markets recovered during the period, the venture capital funds in which the Group invests registered marked-to-market gains on the portfolio of listed shares. When assessed in total, these funds contributed a small profit of HK$8 million to the Group.

Convertible bonds

Under the terms and conditions of the convertible bonds issued by the Company, the conversion price of the bonds was further adjusted from HK$15.41 to HK$12.34 on 31 May 2009. No conversion of the bonds occurred in this interim period as the maturity date of 31 July 2009 was drawing near. The fair value of the related embedded derivatives stayed at a minimal amount on 30 June 2009.

The substantial decline in SOCAM's share price in the last interim period resulted in a significant fair value gain of HK$174 million on the outstanding convertible bonds of the Company.

Assets base

The total assets and net assets of the Group are summarised as follows:

	30 June 2009 HK$ million	31 December 2008 HK$ million
Total assets	**17,072**	11,536
Net assets	**9,243**	4,999
	HK$	HK$
Net assets per share	**19.0**	15.5

Both the total and net assets of the Group increased substantially, due mainly to (a) the consolidation of the total assets of the privatised CCP; and (b) the HK$1,343 million increase in market value of the Group's shareholding in SOL at 30 June 2009.

Equity, financing and gearing

The shareholders' equity of the Company also increased considerably to HK$9,243 million on 30 June 2009, from HK$4,999 million on 31 December 2008. This was the result of (a) the HK$1,916 million increase in share capital and share premium as a result of the issue of 164.7 million new shares by the Company for the privatisation of CCP during the current period; (b) the increase in market value of the Group's holding of SOL shares as mentioned above; and (c) the HK$787 million profit for the period.

Net borrowings of the Group, which included bank borrowings and outstanding convertible bonds, net of bank balances, deposits and cash, amounted to HK$4,075 million on 30 June 2009. This compared with HK$4,255 million on 31 December 2008.

The maturity profile of the Group's net borrowings is set out below:

	30 June 2009 HK$ million	31 December 2008 HK$ million
Bank borrowings repayable:		
Within one year	**2,765**	3,448
After one year but within two years	**1,951**	320
After two years but within five years	**68**	750
Total bank borrowings	**4,784**	4,518
Convertible bonds due 2009	**457**	430
Total borrowings	**5,241**	4,948
Bank balances, deposits and cash	**(1,166)**	(693)
Net borrowings	**4,075**	4,255

The short-term portion of bank borrowings, i.e. those repayable within one year, reduced from 76% of total bank borrowings on 31 December 2008 to 58% on 30 June 2009, after the successful renewal of bank borrowings with tenors beyond the next twelve months.

On 30 June 2009, an aggregate principal amount of HK$385 million of convertible bonds remained outstanding. These were redeemed on 31 July 2009 at 118.971% of their principal amount in accordance with the terms and conditions of the bonds for HK$458 million.

The net gearing ratio of the Group, calculated as net borrowings over shareholders' equity, decreased substantially to 44% at 30 June 2009, from 85% at 31 December 2008, mainly as a result of the much larger amount of shareholders' equity as explained above.

The Group has significantly strengthened its consolidated balance sheet during this six-month period and will continue to seek longer term financing facilities, which match more closely its assets portfolio. Subsequent to the interim period, HK$160 million short-term bank loans were repaid, HK$350 million bank loans were renewed for another year and HK$800 million new facilities were obtained from banks.

TREASURY POLICIES

The Group's financing and treasury activities are centrally managed and controlled at the corporate level.

The Group's bank borrowings are mainly denominated in Hong Kong dollars and have been arranged on a floating-rate basis. The convertible bonds issued by the Company are denominated in Hong Kong dollars and have a zero-coupon. Investments in the Chinese Mainland are partly funded by capital already converted into Renminbi and partly financed by borrowings in Hong Kong dollars. Renminbi financing is at project level only where the sources of repayment are also Renminbi denominated. Given that income from operations in the Chinese Mainland is denominated in Renminbi, the Group expects that fluctuation in the Renminbi exchange rate will have little negative effect on the Group's business performance and financial status. Therefore, no hedging against Renminbi exchange risk has been effected. It is the Group's policy not to enter into derivative transactions for speculative purposes.

EMPLOYEES

At 30 June 2009, the number of employees in the Group was approximately 1,060 (30 June 2008: 970) in Hong Kong and Macau, and 13,980 (30 June 2008: 13,940) in subsidiaries and jointly controlled entities in the Chinese Mainland. While staff costs were kept stable during the period under review, employee remuneration packages are maintained at competitive levels and employees are rewarded on a performance-related basis. Other staff benefits, including provident fund schemes and medical insurance, remained at appropriate levels. The Group continued to retain and develop talent through executive development and management trainee programmes. Share options are granted annually by the Board of Directors to senior management and staff members under different schemes as reward and long-term incentives. Likewise, in the Chinese Mainland, staff benefits are commensurate with market levels, with an emphasis on building the corporate culture and providing professional training and development opportunities for local employees. It remains our objective to be regarded as an employer of choice to attract and retain high calibre competent staff.

FINANCIAL INFORMATION
CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Six months ended 30 June **2009** HK$ million (unaudited)	2008 HK$ million (unaudited)
Turnover			
The Company and its subsidiaries		**1,514**	1,336
Share of jointly controlled entities/associates		**1,532**	1,282
		3,046	2,618
Group turnover	3	**1,514**	1,336
Other income		**93**	58
Changes in inventories of finished goods, work in progress, contract work in progress and properties held for sale		**(1)**	(1)
Raw materials and consumables used		**(278)**	(241)
Staff costs		**(229)**	(203)
Depreciation and amortisation expenses		**(4)**	(4)
Subcontracting, external labour costs and other expenses		**(1,025)**	(900)
Dividend income from available-for-sale investments		**4**	40
Fair value changes on embedded derivatives	4	**–**	(2)
Convertible bonds issued by the Company			
– Fair value changes on embedded derivatives	4	**–**	174
– Imputed interest expense	5	**(27)**	(24)
Interest on bank loans and overdrafts and other borrowing costs	5	**(117)**	(89)
Gain on disposal of available-for-sale investments	12	**–**	496
Impairment loss recognised in respect of interests in jointly controlled entities		**(6)**	–
Loss on disposal of interests in jointly controlled entities		**(4)**	–
Discount on acquisition of a subsidiary	6 & 27	**648**	–
Share of results of jointly controlled entities		**174**	137
Share of results of associates		**60**	110
Profit before taxation		**802**	887
Taxation	7	**(12)**	(9)
Profit for the period	8	**790**	878
Attributable to:			
Owners of the Company		**787**	873
Non-controlling interests		**3**	5
		790	878
Earnings per share	10		
Basic		**HK$2.36**	HK$2.71
Diluted		**HK$2.12**	HK$2.09

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2009	2008
	HK$ million	HK$ million
	(unaudited)	(unaudited)
Profit for the period	**790**	878
Other comprehensive income		
Gain (loss) on fair value changes of available-for-sale investments	**1,343**	(1,258)
Reclassification adjustments for amounts transferred to profit or loss:		
– upon disposal of available-for-sale investments	**–**	(458)
– upon disposal of interests in jointly controlled entities	**(6)**	–
Exchange differences arising on translation of foreign operations	**37**	166
Fair value adjustment of the Group's previously held interest in CCP, net of tax	**95**	–
Share of other comprehensive income of associates/jointly controlled entities	**48**	137
Other comprehensive income for the period	**1,517**	(1,413)
Total comprehensive income for the period	**2,307**	(535)
Total comprehensive income attributable to:		
Owners of the Company	**2,304**	(543)
Non-controlling interests	**3**	8
	2,307	(535)

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	**30 June 2009 HK$ million (unaudited)**	31 December 2008 HK$ million (audited)
Non-current Assets			
Property, plant and equipment		**50**	29
Prepaid lease payments		**43**	44
Interests in jointly controlled entities	11	**4,721**	3,903
Available-for-sale investments	12	**2,314**	970
Interests in associates	13	**289**	2,430
Investment in convertible bonds	14	**–**	194
Club memberships		**1**	1
Amounts due from jointly controlled entities		**929**	554
Amounts due from associates		**545**	568
		8,892	8,693
Current Assets			
Inventories		**10**	13
Prepaid lease payments		**1**	1
Properties held for sale		**124**	53
Properties under development for sale	15	**4,547**	186
Loan to a related company	16	**113**	–
Other loan receivable	17	**138**	–
Debtors, deposits and prepayments	18	**804**	644
Derivative financial instruments	14	**–**	13
Amounts due from customers for contract work		**255**	219
Amounts due from jointly controlled entities		**289**	481
Amounts due from associates		**23**	49
Amounts due from related companies		**31**	46
Taxation recoverable		**1**	–
Pledged bank deposit		**76**	76
Bank balances, deposits and cash		**1,090**	617
		7,502	2,398
Assets classified as held for sale	19	**678**	445
		8,180	2,843

	Notes	30 June 2009 HK$ million (unaudited)	31 December 2008 HK$ million (audited)
Current Liabilities			
Creditors and accrued charges	20	**1,149**	868
Amounts due to customers for contract work		**164**	132
Amounts due to jointly controlled entities		**415**	344
Amounts due to associates		**–**	28
Amounts due to related companies		**2**	2
Amounts due to non-controlling shareholders		**1**	–
Taxation payable		**64**	11
Derivative financial instruments	23	**1**	1
Bank borrowings due within one year	21	**2,765**	3,448
Convertible bonds	23	**457**	430
		5,018	5,264
Liabilities associated with assets classified as held for sale	19	**325**	63
		5,343	5,327
Net Current Assets (Liabilities)		**2,837**	(2,484)
Total Assets Less Current Liabilities		**11,729**	6,209
Capital and Reserves			
Share capital	22	**487**	322
Reserves		**8,756**	4,677
Equity attributable to owners of the Company		**9,243**	4,999
Non-controlling interests		**53**	55
		9,296	5,054
Non-current Liabilities			
Bank borrowings	21	**2,019**	1,070
Defined benefit scheme liabilities		**85**	84
Deferred tax liabilities	24	**329**	1
		2,433	1,155
		11,729	6,209

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company													
	Share capital HK$ million	Share premium account HK$ million	Translation reserve HK$ million	Contributed surplus (Note a) HK$ million	Goodwill HK$ million	Retained profits HK$ million	Reserve funds HK$ million	Share option reserve HK$ million	Actuarial gain and loss HK$ million	Investment revaluation reserve HK$ million	Other reserve (Note b) HK$ million	Total HK$ million	Non-controlling interests HK$ million	Total Equity HK$ million
At 1 January 2008	321	1,411	210	197	(3)	1,964	2	34	93	2,758	255	7,242	53	7,295
Total comprehensive income for the period	-	-	300	-	-	873	-	-	-	(1,716)	-	(543)	8	(535)
Deregistration of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(3)	(3)
Premium on issue of shares upon exercise of share options	-	2	-	-	-	-	-	-	-	-	-	2	-	2
Conversion of convertible bonds	1	14	-	-	-	-	-	-	-	-	-	15	-	15
Recognition of share-based payments	-	-	-	-	-	-	-	18	-	-	-	18	-	18
Transfer upon exercise of share options	-	1	-	-	-	-	-	(1)	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	(209)	-	-	-	-	-	(209)	(4)	(213)
At 30 June 2008	322	1,428	510	197	(3)	2,628	2	51	93	1,042	255	6,525	54	6,579
At 1 January 2009	322	1,430	485	197	(3)	2,252	3	73	(117)	-	357	4,999	55	5,054
Total comprehensive income for the period	-	-	31	-	-	787	-	-	-	1,343	143	2,304	3	2,307
Issue of shares upon acquisition of a subsidiary	165	1,751	-	-	-	-	-	-	-	-	-	1,916	-	1,916
Premium on issue of shares upon exercise of share options	-	1	-	-	-	-	-	-	-	-	-	1	-	1
Recognition of share-based payments	-	-	-	-	-	-	-	23	-	-	-	23	-	23
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	(4)	(4)
Other movements with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(1)	(1)
At 30 June 2009	487	3,182	516	197	(3)	3,039	3	96	(117)	1,343	500	9,243	53	9,296

Notes:

(a) The contributed surplus of the Group represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for the acquisition at the time of the group reorganisation prior to the listing of the Company's shares in 1997.

(b) Other reserve of the Group include (i) an amount of HK$231 million, which arose when the Group entered into agreements with Shui On Company Limited ("SOCL"), the Company's controlling shareholder, to co-invest in Shui On Land Limited during the year ended 31 March 2005; (ii) an amount of HK$102 million, which represents the Group's share of compensation recognised by Lafarge Shui On Cement Limited in the form of donation in respect of losses in the earthquake in Sichuan during the year ended 31 December 2008; (iii) an amount of HK$42 million, which represents the Group's share of fair value adjustment arising from the acquisition of a subsidiary by China Central Properties Limited ("CCP"), a then associate of the Group, during the current period; and (iv) an amount of HK$95 million, which represents the fair value adjustment of the Group's 42.88% previously held interest in CCP, recognised upon the acquisition of the remaining 57.12% interest in CCP during the current period (see note 27).

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2009	2008
	HK$ million	HK$ million
	(unaudited)	(unaudited)
Net cash (used in) from operating activities	**(4)**	20
Net cash from (used in) investing activities (Note a)	**752**	(215)
Net cash (used in) from financing activities (Note b)	**(206)**	327
Net increase in cash and cash equivalents	**542**	132
Cash and cash equivalents at the beginning of the period	**619**	139
Effect of foreign exchange rate changes	**–**	8
Cash and cash equivalents at the end of the period	**1,161**	279
Analysis of the balances of cash and cash equivalents		
Bank balances, deposits and cash	**1,090**	279
Bank balances, deposits and cash included in assets classified as held for sale	**71**	–
	1,161	279

Notes:

(a) Included in the net cash from investing activities during the period is the net cash inflow of HK$731 million arising on the acquisition of CCP as disclosed in note 27.

(b) During the period, the Group made drawdowns on bank loans totalling HK$1,034 million and loan repayments totalling HK$1,288 million.

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2008. In the current interim period, the Group has applied, for the first time, a number of new or revised standards, amendments and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for the Group's financial period beginning on 1 January 2009.

HKAS 1 (Revised 2007) has introduced a number of terminology changes and has resulted in a number of changes in presentation and disclosure. HKFRS 8 is a disclosure standard that requires the identification of operating segments to be performed on the same basis as financial information that is reported internally for the purpose of allocating resources between segments and assessing their performance. The predecessor standard, HKAS 14 "Segment Reporting", required the identification of two sets of segments (business and geographical) using a risks and returns approach. As the Group has always been reporting segment information based on financial information that is reported internally for the purpose of allocating resources between segments and assessing their performance, the application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. Segment information for prior period has been restated for conformity with current period presentation under HKFRS 8. The major changes of segment presentation upon application of HKFRS 8 are in relation to measurement of segment assets and segment liabilities. The major changes are analysed as follows:

(i) Segment assets under HKFRS 8 include all assets other than unallocated assets. Previously under HKAS 14, items such as interests in and amounts due from associates and jointly controlled entities, investment in convertible bonds, available-for-sale investments and assets classified as held for sale were also excluded from the measurement of segment assets; and

(ii) Segment liabilities under HKFRS 8 include all liabilities other than unallocated liabilities. Previously under HKAS 14, items such as amounts due to associates and jointly controlled entities, liabilities associated with assets classified as held for sale and tax liabilities were also excluded from the measurement of segment liabilities.

The application of other new HKFRSs has had no material effect on how the results for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

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

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
HKAS 39 (Amendment)	Eligible Hedged Items[1]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[3]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[3]
HKFRS 3 (Revised)	Business Combinations[1]
HK(IFRIC) – INT 17	Distribution of Non-cash Assets to Owners[1]
HK(IFRIC) – INT 18	Transfers of Assets from Customers[4]

1 Effective for annual periods beginning on or after 1 July 2009
2 Effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate
3 Effective for annual periods beginning on or after 1 January 2010
4 Effective for transfers on or after 1 July 2009

The application of HKFRS 3 (Revised) may affect the accounting for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary. The Directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and financial position of the Group.

3. SEGMENT INFORMATION

(a) Reportable segment revenue and profit or loss

An analysis of the Group's reportable segment revenue and profit before taxation by operating segment is as follows:

For the six months ended 30 June 2009

		Cement operations				
	Construction and building maintenance HK$ million	Through LSOC# HK$ million	Other cement operations HK$ million	Property development HK$ million	Asset management and others HK$ million	Total HK$ million
REVENUE						
External sales of the Group	1,428	–	–	–	86	1,514
Share of jointly controlled entities	2	1,316	199	–	12	1,529
Share of associates	–	–	–	3	–	3
Total	1,430	1,316	199	3	98	3,046

LSOC denotes Lafarge Shui On Cement Limited, a jointly controlled entity of the Group.

	Construction and building maintenance HK$ million	Through LSOC# HK$ million	Other cement operations HK$ million	Property development HK$ million	Asset management and others HK$ million	Total HK$ million
RESULTS						
Operating results	41	4	(4)	–	16	57
Interest income	1	–	1	16	–	18
Interest income from investment in convertible bonds	–	–	–	11	–	11
Imputed interest income on loans to jointly controlled entities/ associates	–	–	–	25	–	25
Dividend income from available-for-sale investments	–	–	–	4	–	4
Impairment loss recognised in respect of interests in jointly controlled entities	–	–	(6)	–	–	(6)
Loss on disposal of interests in jointly controlled entities	–	–	(3)	(1)	–	(4)
Discount on acquisition of a subsidiary	–	–	–	648	–	648
Share of results of jointly controlled entities						
Cement operations in						
– LSOC	–	168	–	–	–	168
– Guizhou	–	–	12	–	–	12
Venture capital investments	–	–	–	–	8	8
Imputed interest expense	–	–	–	(14)	–	(14)
Others	(2)	–	2	–	–	–
						174
Share of results of associates						
Distressed asset development	–	–	–	85	–	85
Greenfield development	–	–	–	(14)	–	(14)
Imputed interest expense	–	–	–	(11)	–	(11)
						60
Reportable segment profit before taxation	40	172	2	749	24	987

3. SEGMENT INFORMATION (continued)

(a) Reportable segment revenue and profit or loss (continued)

For the six months ended 30 June 2008

	Construction and building maintenance HK$ million	Cement operations: Through LSOC HK$ million	Cement operations: Other cement operations HK$ million	Property development HK$ million	Asset management and others HK$ million	Total HK$ million
REVENUE						
External sales of the Group	1,248	–	–	–	88	1,336
Inter-segment sales	1	–	–	–	–	1
	1,249	–	–	–	88	1,337
Share of jointly controlled entities	1	997	214	–	8	1,220
Share of associates	–	–	–	62	–	62
Total	1,250	997	214	62	96	2,619

Inter-segment sales are charged at mutually agreed prices.

	Construction and building maintenance HK$ million	Cement operations: Through LSOC HK$ million	Cement operations: Other cement operations HK$ million	Property development HK$ million	Asset management and others HK$ million	Total HK$ million
RESULTS						
Operating results	38	4	(1)	1	7	49
Interest income	2	–	2	–	3	7
Interest income from investment in convertible bonds	–	–	–	11	–	11
Imputed interest income on loans to jointly controlled entities/ associates	–	–	–	26	–	26
Fair value changes on embedded derivatives	–	–	–	(2)	–	(2)
Dividend income from available-for-sale investments	–	–	–	40	–	40
Gain on disposal of available-for-sale investments	–	–	–	496	–	496
Share of results of jointly controlled entities						
Cement operations in						
– LSOC	–	104	–	–	–	104
– Guizhou	–	–	19	–	–	19
Venture capital investments	–	–	–	–	10	10
Greenfield development	–	–	–	16	–	16
Imputed interest expense	–	–	–	(10)	–	(10)
Others	(2)	–	–	–	–	(2)
						137
Share of results of associates						
Distressed asset development	–	–	–	108	–	108
Greenfield development	–	–	–	18	–	18
Imputed interest expense	–	–	–	(16)	–	(16)
						110
Reportable segment profit before taxation	38	108	20	688	20	874

3. SEGMENT INFORMATION (continued)

(b) Reportable segment assets and liabilities

An analysis of the Group's reportable segment assets and liabilities by operating segment is as follows:

At 30 June 2009

	Construction and building maintenance	Cement operations		Property development	Asset management and others	Total
		Through LSOC	Other cement operations			
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Reportable segment assets	1,147	3,601	1,353	10,614	1,023	17,738
Reportable segment liabilities	833	300	894	941	276	3,244

At 31 December 2008

	Construction and building maintenance	Cement operations		Property development	Asset management and others	Total
		Through LSOC	Other cement operations			
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Reportable segment assets	1,292	3,399	1,095	5,214	1,141	12,141
Reportable segment liabilities	937	302	550	–	253	2,042

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

	Six months ended 30 June 2009 HK$ million	2008 HK$ million
Revenue		
Reportable segment revenue	3,046	2,619
Elimination of inter-segment revenue	–	(1)
Elimination of share of revenue of jointly controlled entities	(1,529)	(1,220)
Elimination of share of revenue of associates	(3)	(62)
Consolidated turnover	1,514	1,336

3. SEGMENT INFORMATION (continued)

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

	Six months ended 30 June 2009 HK$ million	Six months ended 30 June 2008 HK$ million
Profit before taxation		
Reportable segment profit before taxation	**987**	874
Other income	**31**	7
Convertible bonds issued by the Company		
– Fair value changes on embedded derivatives	**–**	174
– Imputed interest expense	**(27)**	(24)
Interest on bank loans and overdrafts and other borrowing costs	**(117)**	(89)
Other unallocated corporate expenses	**(72)**	(55)
Consolidated profit before taxation	**802**	887

	30 June 2009 HK$ million	31 December 2008 HK$ million
Assets		
Reportable segment assets	**17,738**	12,141
Elimination of inter-segment receivables	**(667)**	(605)
Other unallocated assets	**1**	–
Consolidated total assets	**17,072**	11,536

	30 June 2009 HK$ million	31 December 2008 HK$ million
Liabilities		
Reportable segment liabilities	**3,244**	2,042
Elimination of inter-segment payables	**(667)**	(605)
Other unallocated liabilities	**5,199**	5,045
Consolidated total liabilities	**7,776**	6,482

4. FAIR VALUE CHANGES ON EMBEDDED DERIVATIVES

	Six months ended 30 June	
	2009	2008
	HK$ million	HK$ million
Changes in fair values of embedded derivatives in:		
– Convertible bonds issued by CCP	**–**	(2)
– Convertible bonds issued by the Company	**–**	174
Net gain recognised	**–**	172

5. FINANCE COSTS

	Six months ended 30 June	
	2009	2008
	HK$ million	HK$ million
Imputed interest expense on convertible bonds issued by the Company	**27**	24
Interest on bank loans and overdrafts and other borrowing costs	**117**	89
	144	113

6. DISCOUNT ON ACQUISITION OF A SUBSIDIARY

In May 2009, the Company made an offer to acquire the remaining 57.12% shareholding in China Central Properties Limited ("CCP"), which was listed on the AIM Board of the London Stock Exchange plc ("AIM") and a 42.88% associate of the Group. The offer was declared unconditional in all respects on 10 June 2009. Following completion of the acquisition, CCP has become a wholly-owned subsidiary of the Group. At 30 June 2009, the assets and liabilities of CCP were consolidated into the Group's consolidated balance sheet.

The Directors of the Company have reassessed the identification and measurement of fair values of CCP's identifiable assets, liabilities and contingent liabilities and the cost of acquisition. The net fair value of the identifiable assets, liabilities and contingent liabilities of CCP attributable to the 57.12% shareholding acquired by the Company exceeds the cost of acquisition by an amount of HK$648 million, which represents a discount on acquisition of CCP, and has been recognised in the condensed consolidated income statement for the six months ended 30 June 2009.

The Directors of the Company, after the reassessment, consider that the discount on acquisition is due to the fact that the cost of acquisition is favourable compared to the net fair value of the identifiable assets, liabilities and contingent liabilities of CCP attributable to the 57.12% shareholding acquired by the Company. Given the relatively low liquidity and the adverse trading performance of CCP shares since admission to trading on AIM in June 2007, the offer price represents a considerable discount to the net asset value per share of CCP, but also contains a significant premium over CCP's share prices prior to the announcement of the Company's offer. The acquisition was effected in June 2009. Further details of the net assets acquired in this transaction are disclosed in note 27.

Details of this transaction are set out in a circular of the Company dated 15 May 2009.

7. TAXATION

	Six months ended 30 June 2009 HK$ million	2008 HK$ million
The charge comprises:		
Current taxation		
Hong Kong Profits Tax	**10**	6
Income tax of other regions in the PRC	**2**	3
	12	9

Hong Kong Profits Tax is calculated at 16.5% (2008: 16.5%) on the estimated assessable profits for the period. Income tax outside Hong Kong is calculated at the rates prevailing in the respective jurisdictions.

8. PROFIT FOR THE PERIOD

	Six months ended 30 June 2009 HK$ million	2008 HK$ million
Profit for the period has been arrived at after charging (crediting):		
Depreciation and amortisation:		
Prepaid lease payments	**1**	1
Property, plant and equipment	**3**	3
	4	4
Share of tax of associates (included in share of results of associates)	**(1)**	1
Share of tax of jointly controlled entities (included in share of results of jointly controlled entities)	**82**	31

9. DIVIDENDS

The Board has recommended the payment of an interim dividend of HK$0.10 per share (2008: HK$0.20 per share) for the six months ended 30 June 2009.

	Six months ended 30 June 2009 HK$ million	2008 HK$ million
Dividends paid	**–**	209
Proposed interim dividend in respect of 2009 at HK$0.10 per share (2008: HK$0.20 per share)	**49**	64

The Directors did not recommend the payment of a final dividend for the year ended 31 December 2008 (2008: HK$0.65 per share for the year ended 31 December 2007).

10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	Six months ended 30 June	
	2009	2008
	HK$ million	HK$ million
Earnings:		
Earnings for the purpose of basic earnings per share	**787**	873
Effect of dilutive potential ordinary shares from convertible bonds issued by the Company:		
Imputed interest expense	**27**	24
Fair value changes on embedded derivatives	**–**	(174)
Effect of dilutive potential ordinary shares of CCP:		
Interest income on convertible bonds	**(11)**	–
Loss on early cancellation of convertible bonds	**44**	–
Adjustment to the share of results of CCP based on dilution of its earnings per share	**(83)**	–
Earnings for the purpose of diluted earnings per share	**764**	723

	Million	Million
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**334**	322
Effect of dilutive potential ordinary shares:		
Convertible bonds issued by the Company	**26**	23
Share options	**1**	2
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**361**	347

The dilutive effect on the Group's earnings and number of ordinary shares arising from the convertible bonds issued by the Company and the convertible bonds issued by CCP held by the Group have been accounted for in the calculation of diluted earnings per share. These convertible bonds are assumed to be converted into shares of the relevant issuer at the beginning of the period and, in particular, the accounting effects of such financial instruments are reversed in the determination of diluted earnings if their conversion has a dilutive effect on the earnings per share.

The computation of diluted earnings per share for the six months ended 30 June 2008 did not assume the conversion of outstanding convertible bonds issued by CCP, since their conversion would result in an increase in earnings per share for that period.

11. INTERESTS IN JOINTLY CONTROLLED ENTITIES

	30 June 2009 HK$ million	31 December 2008 HK$ million
Cost of unlisted investments in jointly controlled entities	3,562	3,618
Share of post-acquisition profits and reserves	570	363
Addition through acquisition of CCP (note 27)	670	–
Reclassified as assets held for sale (note 19)	(81)	(78)
	4,721	3,903

12. AVAILABLE-FOR-SALE INVESTMENTS

	30 June 2009 HK$ million	31 December 2008 HK$ million
Available-for-sale investments comprise:		
Listed equity securities in Hong Kong (at market price)	2,314	970

Available-for-sale investments at 30 June 2009 and 31 December 2008 represent the Group's equity interest in Shui On Land Limited ("SOL"). In June 2009, 39,607,163 bonus shares of SOL were received by the Group in proportion to its then shareholding in SOL. At 30 June 2009, the Group held a 8.67% (31 December 2008: 9.46%) equity interest in SOL.

In April 2008, the Group disposed of HK$1 billion worth of SOL shares, representing 3.11% equity interest in SOL, to a wholly-owned subsidiary of SOCL. As a result, the Group recognised a gain on disposal of HK$496 million in the condensed consolidated income statement for the six months ended 30 June 2008.

13. INTERESTS IN ASSOCIATES

As disclosed in note 6 above, the Company acquired the remaining 57.12% shareholding in CCP, which was a 42.88% associate of the Group. At 30 June 2009, the assets and liabilities of CCP were consolidated into the Group's condensed consolidated balance sheet, and interests in associates were reduced by the carrying amount of the Group's interest in CCP of HK$2,223 million (see note 27).

14. INVESTMENT IN CONVERTIBLE BONDS

In June 2007, the Group subscribed for US$25 million 2% convertible bonds due in 2012 of CCP. The effective interest rate of the straight debt component is 13.8% per annum. The investment in convertible bonds of CCP has been split between a straight debt component and embedded derivatives.

As a condition to the acquisition of CCP by the Company, the outstanding convertible bonds were cancelled early by CCP for a cash payment of 90.0% of their principal amount in June 2009. Accordingly, the Group received a sum of US$22.5 million (HK$174 million) from CCP for the early cancellation of its US$25 million investment in the convertible bonds. The loss of HK$44 million arising from this early cancellation was included in "Discount on Acquisition of a Subsidiary" (see note 27).

The movement of the convertible bonds for the period is as follows:

	Straight debt HK$ million	Embedded derivatives HK$ million
At 1 January 2008	174	16
Interest income recognised during the period	11	–
Interest received during the period	(2)	–
Changes in fair value	–	(2)
At 30 June 2008	183	14
At 1 January 2009	**194**	**13**
Interest income recognised during the period	**11**	**–**
Early cancellation	**(205)**	**(13)**
At 30 June 2009	**–**	**–**

15. PROPERTIES UNDER DEVELOPMENT FOR SALE

The Group's properties under development for sale are situated in the People's Republic of China.

Included in properties under development for sale at 30 June 2009 are those of CCP totalling HK$4,335 million (see note 27).

16. LOAN TO A RELATED COMPANY

This represents an entrustment loan amounting to RMB100 million (approximately HK$113 million) provided by CCP to a joint venture partner of a jointly controlled entity, which is secured by the equity interest of that partner in the jointly controlled entity, bears interest at a fixed rate of 2.79% per annum and is repayable by 15 December 2009.

17. OTHER LOAN RECEIVABLE

The amount represents an entrustment loan granted by CCP to an independent third party. It is unsecured, bears interest at the rate prescribed by the People's Bank of China and is due for repayment on 30 September 2009.

18. DEBTORS, DEPOSITS AND PREPAYMENTS

The Group maintains a defined credit policy. The general credit term ranges from 30 to 90 days.

Included in debtors, deposits and prepayments are debtors with an aged analysis at the balance sheet date as follows:

	30 June 2009 HK$ million	31 December 2008 HK$ million
Debtors		
Within 90 days	**278**	336
91 days to 180 days	**9**	16
181 days to 360 days	**10**	3
Over 360 days	**13**	9
	310	364
Retention receivable	**113**	117
Prepayments, deposits and other receivables	**381**	163
	804	644

19. ASSETS CLASSIFIED AS HELD FOR SALE/LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

In 2008, the Group entered into sale and purchase agreements to dispose of certain jointly controlled entities and a subsidiary. The assets and liabilities attributable to these companies have been treated as assets classified as held for sale and liabilities associated with assets classified as held for sale, and are presented separately in the condensed consolidated balance sheet.

	30 June 2009 HK$ million	31 December 2008 HK$ million
Disposal of jointly controlled entities (notes a and b), comprising		
Interests in jointly controlled entities	**81**	78
Amounts due from jointly controlled entities	**86**	111
	167	189
Disposal of a subsidiary (note c)		
Property, plant and equipment	**423**	242
Debtors, deposits and prepayments	**17**	12
Bank balances, deposits and cash	**71**	2
	511	256
Total assets classified as held for sale	**678**	445
Disposal of a subsidiary (note c)		
Amount due to a jointly controlled entity	**(155)**	(63)
Bank borrowings	**(170)**	–
Liabilities associated with assets classified as held for sale	**(325)**	(63)

19. ASSETS CLASSIFIED AS HELD FOR SALE/LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE (continued)

Notes:

(a) On 5 May 2008, the Group entered into a sale and purchase agreement with LSOC to dispose of the Group's equity interest in and the related shareholders loans to certain jointly controlled entities, which operate a cement plant and a concrete plant in Guizhou for a total consideration of approximately HK$195 million. Completion of the disposal is subject to certain conditions as stipulated in the sale and purchase agreement. Details of the transaction are set out in an announcement and a circular of the Company dated 6 May 2008 and 26 May 2008 respectively.

(b) On 5 November 2008, the Group entered into a sale and purchase agreement with an independent third party to dispose of the Group's equity interest in and the related shareholders loan to a jointly controlled entity, which operates a cement grinding plant in Guizhou for a total consideration of approximately HK$19 million. The transaction was completed on 24 February 2009.

(c) On 5 May 2008, the Group entered into a sale and purchase agreement with LSOC to dispose of the Group's equity interest in and the related shareholder loans to a subsidiary, which will operate a new cement plant in Guizhou that is currently under construction, for a total consideration of approximately HK$157 million. Completion of the disposal is subject to certain conditions as stipulated in the sale and purchase agreement. Details of the transaction are set out in an announcement and a circular of the Company dated 6 May 2008 and 26 May 2008 respectively.

20. CREDITORS AND ACCRUED CHARGES

The aged analysis of creditors of HK$160 million (31 December 2008: HK$280 million), which are included in the Group's creditors and accrued charges, is as follows:

	30 June 2009 HK$ million	31 December 2008 HK$ million
Creditors		
Within 30 days	**113**	208
31 days to 90 days	**24**	59
91 days to 180 days	**11**	10
Over 180 days	**12**	3
	160	280
Retention payable	**166**	144
Accruals and other payables	**823**	444
	1,149	868

21. BANK BORROWINGS

During the six months ended 30 June 2009, the Group repaid bank borrowings totalling HK$1,288 million, renewed credit facilities totalling HK$1,919 million and obtained new bank loan facilities totalling HK$1,074 million. These new and renewed bank loan facilities carry interest at 1.39% to 6.00% per annum. At 30 June 2009, the Group's bank borrowings included those of CCP totalling HK$521 million (see note 27).

22. SHARE CAPITAL

	30 June 2009 Number of shares	31 December 2008 Number of shares	**30 June 2009 HK$ million**	31 December 2008 HK$ million
Ordinary shares of HK$1 each:				
Authorised				
At the beginning and the end of the period/year	**1,000,000,000**	1,000,000,000	**1,000**	1,000
Issued and fully paid				
At the beginning of the period/year	**321,901,239**	320,929,606	**322**	321
Exercise of share options	**48,000**	388,000	**–**	–
Conversion of convertible bonds	**–**	583,633	**–**	1
Acquisition of CCP (note 27)	**164,665,778**	–	**165**	–
At the end of the period/year	**486,615,017**	321,901,239	**487**	322

23. CONVERTIBLE BONDS

On 31 July 2006, the Company issued HK$930 million zero coupon convertible bonds due 2009. The convertible bonds are listed on the Stock Exchange. The effective interest rate of the straight debt component is 12.5% per annum.

The Group engaged independent valuers to assess the fair values of the early redemption option and the conversion option, which were determined in accordance with the Binomial Model and the Black-Scholes Pricing Model respectively. The movement of the convertible bonds for the period is as follows:

		Derivative financial instruments	
	Straight debt HK$ million	**Early redemption option HK$ million**	**Conversion option HK$ million**
At 1 January 2008	392	(5)	249
Imputed interest expense during the period	24	–	–
Changes in fair value	–	3	(177)
Conversion during the period	(10)	–	(5)
At 30 June 2008	406	(2)	67
At 1 January 2009	**430**	**–**	**1**
Imputed interest expense during the period	**27**	**–**	**–**
At 30 June 2009	**457**	**–**	**1**

23. CONVERTIBLE BONDS (continued)

Pursuant to the terms and conditions of the convertible bonds, the conversion price was further adjusted to HK$12.34 per share, from HK$15.41 per share, with effect from 31 May 2009. Details of the price adjustment are set out in an announcement of the Company dated 1 June 2009.

The outstanding convertible bonds have been redeemed in whole at 118.971% of their principal amount for a total of HK$458 million upon maturity on 31 July 2009.

24. DEFERRED TAX LIABILITIES

The carrying amount at 30 June 2009 mainly represents the deferred tax liabilities of HK$328 million assumed by the Group upon acquisition of CCP (see note 27).

25. COMMITMENTS

(a) Capital commitments

The Group's share of the capital commitments of its jointly controlled entities is as follows:

	30 June 2009 HK$ million	31 December 2008 HK$ million
Contracted but not provided for	**1,305**	1,395

(b) Other commitments

At 30 June 2009, the Group had commitments in respect of capital injection in associates and jointly controlled entities in proportion to the Group's shareholdings contracted but not provided for in the condensed consolidated financial statements amounting to HK$920 million (31 December 2008: HK$699 million).

26. SHARE-BASED PAYMENTS

The Company has a share option scheme for eligible employees of the Group. Details of the share options outstanding during the current period are as follows:

	Number of share options
Outstanding at 1 January 2009	35,223,000
Granted during the period	19,590,000
Exercised during the period	(48,000)
Lapsed during the period	(3,870,000)
Cancelled during the period	(15,000,000)
Outstanding at 30 June 2009	35,895,000

The Group engaged independent valuers to assess the fair value of the share options granted, which were determined in accordance with the Binomial Model or the Monte Carlo Model. The following table discloses details of the share options granted during the period.

Date of grant	9 April 2009	9 April 2009	5 June 2009	5 June 2009	5 June 2009
Options granted	5,000,000	5,420,000	5,752,000	2,182,000	1,236,000
Exercise price	HK$7.63	HK$7.63	HK$11.90	HK$11.90	HK$11.90
Exercise period	9-4-2012 to 8-4-2019	9-10-2009 to 8-4-2014	3-1-2010 to 2-1-2012	1-7-2010 to 13-6-2012	7-5-2011 to 6-5-2013
Average fair value of the share options	HK$2.16	HK$2.26	HK$3.21	HK$3.42	HK$3.80
Share price on the date of grant	HK$7.27	HK$7.27	HK$11.78	HK$11.78	HK$11.78

The three batches of share options granted on 5 June 2009 were offered in exchange for certain share options granted in 2007 and 2008. Such replacement has been accounted for as modification under IFRS 2. The grant of these new share options was based on a value-for-value exchange such that, at the time of replacement, the total fair values of new share options granted for each batch were substantially the same as the total fair values of the share options surrendered in exchange for each batch. As a result, no additional share-based payment expenses were recognised. Existing share options to subscribe for a total of 15 million shares were surrendered and cancelled in exchange for new share options to subscribe for 9,170,000 shares. Details of the grant are set out in an announcement of the Company dated 8 June 2009.

27. ACQUISITION OF A SUBSIDIARY

As disclosed in note 6 above, the Company acquired the remaining 57.12% shareholding in CCP, which became an indirect wholly-owned subsidiary of the Company. The net assets acquired in this transaction and the discount on acquisition arising therefrom, are as follows:

	Acquiree's carrying amounts before acquisition HK$ million	Fair value adjustments HK$ million	Fair value HK$ million
Property, plant and equipment	22	–	22
Interests in jointly controlled entities	710	(40)	670
Properties held for sale	68	4	72
Properties under development for sale	4,117	218	4,335
Loan to a related company	113	–	113
Other loan receivable	138	–	138
Debtors, deposits and prepayments	249	–	249
Amounts due from jointly controlled entities	365	–	365
Amounts due from related companies	168	–	168
Taxation recoverable	1	–	1
Bank balances, deposits and cash	691	–	691
Creditors and accrued charges	(341)	–	(341)
Amounts due to jointly controlled entities	(50)	–	(50)
Amounts due to related companies	(45)	–	(45)
Loan from related companies	(328)	–	(328)
Foreign exchange forward contract	(39)	–	(39)
Taxation payable	(44)	–	(44)
Bank borrowings due within one year	(260)	–	(260)
Bank borrowings due over one year	(261)	–	(261)
Defined benefit scheme liabilities	(3)	–	(3)
Deferred tax liabilities	(39)	(289)	(328)
Net assets of subsidiary acquired	5,232	(107)	5,125
Transferred from interests in associates			(2,223)
Transferred to reserve			(95)
Transaction costs			(52)
Carrying amount of convertible bonds of CCP held by the Group			(218)
Discount on acquisition (note 6)			(648)
Total consideration			1,889
Total consideration satisfied by (note):			
Issue of new shares of the Company			1,916
Cash consideration paid			134
Cash and share consideration unsettled at 30 June 2009			13
Proceeds received on early cancellation of convertible bonds of CCP			(174)
			1,889
Net cash inflow arising on acquisition:			
Cash consideration paid			(134)
Cash and cash equivalents acquired			691
Proceeds received on early cancellation of convertible bonds of CCP			174
			731

27. ACQUISITION OF A SUBSIDIARY (continued)

Note: A total of 165,780,547 new shares of the Company were issued and a total of £10.7 million (HK$135 million) cash was paid as consideration for the acquisition of the 57.12% equity interest in CCP. Of the total consideration, 1,114,769 new shares of the Company and £0.1 million (HK$1.2 million) cash were issued/settled in July 2009. The fair value of the share consideration was determined based on the published prices of the Company's share on the respective dates of exchange. In addition, as a condition to the acquisition, CCP cancelled early its convertible bonds at 90% of the principal amount in June 2009 (see note 14).

If the acquisition had been completed on 1 January 2009, the Group's revenue and profit for the period would have been HK$1,521 million and HK$893 million respectively. This pro forma information is for illustrative purposes only and is not necessarily an indication of the total revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2009, nor is it intended to be a projection of future results.

The contributions to the Group's revenue, profit before taxation and cash flows for the period by CCP since the date of its acquisition to the balance sheet date were immaterial.

28. CONTINGENT LIABILITIES

At 30 June 2009, the Group had the following contingent liabilities, which have not been provided for in the condensed consolidated financial statements.

(a) Performance bonds established amounting to HK$183 million (31 December 2008: HK$196 million).

(b) Standby documentary credits arranged with banks amounting to HK$292 million (31 December 2008: HK$292 million) to secure bank loans granted to subsidiaries of an associate, of which HK$76 million expired in August 2009.

(c) Guarantees issued in favour of banks amounting to HK$4 million (31 December 2008: HK$Nil) in respect of mortgage facilities granted to the buyers of CCP's residential properties.

(d) Guarantees issued in favour of a bank for a loan granted to a former wholly-owned subsidiary of CCP (the "Subsidiary") with an outstanding amount of RMB542 million (HK$615 million) at 30 June 2009. During the year ended 31 December 2008, the Subsidiary was sold to an independent third party which has agreed to procure the repayment of the bank loan and this obligation is guaranteed by the parent company of the independent third party.

In the opinion of the Directors of the Company, the fair values of the financial guarantee contracts of the Group are insignificant at initial recognition and the Directors consider that the possibility of the default of the parties involved is remote at subsequent balance sheet date. Accordingly, no value has been recognised in the condensed consolidated balance sheet.

29. RELATED PARTY TRANSACTIONS

(a) During the period, the Group had the following transactions with SOCL and its subsidiaries and associates other than those of the Group.

Nature of transactions	Six months ended 30 June **2009** **HK$ million**	 2008 HK$ million
Income recognised:		
Dividend income	**4**	40
Construction work	**76**	157
Cost and expenses recognised:		
Interest expense	**1**	1

(b) During the period, the Group had the following transactions with jointly controlled entities.

Nature of transactions	Six months ended 30 June **2009** **HK$ million**	 2008 HK$ million
Income recognised:		
Dividend income	**5**	40
Interest income	**1**	2
Management fee	**24**	12
Cost and expenses recognised:		
Interest expense	**1**	–

(c) During the period, the Group had the following transactions with associates.

Nature of transactions	Six months ended 30 June **2009** **HK$ million**	 2008 HK$ million
Income recognised:		
Dividend income	**7**	–
Management fee	**73**	75
Interest income	**16**	3
Interest income on convertible bonds	**11**	11
Construction/subcontracting work	**99**	28

(d) The Group is licensed by Shui On Holdings Limited, a wholly-owned subsidiary of SOCL, to use the trademark, trade name of "Shui On", "瑞安" and/or the Seagull devices on a non-exclusive, royalty-free basis for an unlimited period of time.

(e) During the period, the Group was granted an unsecured revolving interest bearing short-term loan facility of HK$200 million by a wholly-owned subsidiary of SOCL (30 June 2008: HK$100 million), and incurred interest on such loan facility amounting to HK$0.6 million (30 June 2008: HK$1 million). The outstanding loan and accrued interest were repaid during the period.

29. RELATED PARTY TRANSACTIONS (continued)

(f) The remuneration of Directors and other members of key management during the period was as follows:

	Six months ended 30 June 2009 HK$ million	2008 HK$ million
Fees	**1**	1
Salaries and other benefits	**19**	17
Bonuses	**19**	15
Retirement benefit scheme contributions	**1**	1
Share-based payments	**13**	10
	53	44

(g) The emoluments paid or payable to each of the nine (2008: nine) Directors which were included in note (f) above are set out as follows:

Name of Directors	Notes	Fees HK$'000	Salaries and other benefits HK$'000	Bonuses HK$'000	Retirement benefit scheme contributions HK$'000	Share based payments HK$'000	Six months ended 30 June 2009 Total HK$'000	2008 Total HK$'000
Mr. Lo Hong Sui, Vincent		5	-	-	-	-	5	5
Mr. Choi Yuk Keung, Lawrence		5	1,720	1,744	31	1,535	5,035	4,705
Mr. Wong Yuet Leung, Frankie		5	2,773	4,200	21	3,694	10,693	12,605
Ms. Lau Jeny	(v)	4	1,452	2,165	58	-	3,679	2,112
Mrs. Lowe Hoh Wai Wan, Vivien		5	1,078	1,184	18	1,272	3,557	3,216
Professor Michael Enright	(i)	175	-	-	-	-	175	175
Mr. Anthony Griffiths	(ii)	220	-	-	-	-	220	220
Mr. Gerrit de Nys	(ii)	175	-	-	-	-	175	175
Ms. Li Hoi Lun, Helen	(ii) & (iii)	175	-	-	-	-	175	-
Mr. Cheng Mo Chi, Moses	(iv)	-	-	-	-	-	-	144
		769	7,023	9,293	128	6,501	23,714	23,357

Notes:

(i) Non-executive Director.
(ii) Independent Non-executive Directors.
(iii) Ms. Li Hoi Lun, Helen was appointed as an Independent Non-executive Director on 28 August 2008.
(iv) Mr. Cheng Mo Chi, Moses retired as an Independent Non-executive Director on 29 May 2008.
(v) Ms. Lau Jeny resigned as an Executive Director on 1 June 2009.

(h) During the six months ended 30 June 2008, the Group disposed of HK$1.0 billion worth of SOL shares to a wholly-owned subsidiary of SOCL.

30. POST BALANCE SHEET EVENT

On 20 August 2009, the Group entered into a sale and purchase agreement with an independent third party (the "Vendor"). Pursuant to the agreement, the Group agreed to purchase the entire issued share capital of and the shareholder loan owed by Prime Asset Investment Limited ("Prime Asset") for an initial consideration of US$118 million (HK$915 million) (subject to adjustment). Prime Asset is the indirect sole owner of a "construction in progress" development project located at Chaoyang District, Beijing.

The Company arranged a standby letter of credit amounting to US$23.6 million (HK$183 million) in favour of the Vendor in August 2009 to support the Group's obligation to pay a deposit of the same amount on the date of signing of the agreement. The remaining balance of the consideration of US$94.4 million (HK$732 million) will be payable upon completion which is expected to be 5 October 2009 (or such other date as the parties may agree in writing). At the date of this report, this acquisition has not been completed. Details of the transaction are set out in an announcement of the Company dated 20 August 2009.

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES

Financial assistance and guarantees provided by the Group to its affiliated companies amounted to HK$1,817 million at 30 June 2009, details of which are as follows:

Affiliated companies	Approximate effective percentage of interest	Balance at 30 June 2009 — Unsecured loans — Interest free with no fixed repayment terms HK$ million	Interest bearing with no fixed repayment terms HK$ million (Note a)	Guarantee HK$ million	Total HK$ million
Brisfull Limited	50%	3	42	–	45
Broad Wise Limited	80%	732	–	–	732
Guangzhou On Track Construction Precast Products Co., Ltd.	40%	2	–	–	2
Guizhou Bijie Shui On Cement Co., Ltd.	80%	74	–	–	74
貴州暢達瑞安水泥有限公司	51%	5	–	–	5
Guizhou Kaili Ken On Concrete Co., Ltd.	75%	2	2	–	4
貴州六礦瑞安水泥有限公司	30%	10	–	–	10
貴州凱里瑞安水泥有限公司	90%	72	35	–	107
貴州習水瑞安水泥有限公司	90%	38	–	–	38
貴州遵義瑞安水泥有限公司	80%	23	–	–	23
Lamma Yue Jie Company Limited	60%	17	–	–	17
Nanjing Jiangnan Cement Co., Ltd.	60%	134	–	–	134
Richcoast Group Limited	28%	319	242	–	561
Super Race Limited	50%	–	2	–	2
The Yangtze Ventures II Limited	75%	63	–	–	63
		1,494	323	–	1,817

The proforma combined balance sheet of the above affiliated companies at 30 June 2009 is as follows:

	HK$ million
Non-current assets	5,334
Current assets	4,845
Current liabilities	(2,196)
Net current assets	2,649
Non-current liabilities	(5,526)
Non-controlling interests	(804)
Shareholders' funds	1,653

Notes:

(a) Loans made by the Group to the following affiliated companies are charged at various interest rates.

Affiliated companies	Interest rate per annum
Brisfull Limited	Fixed at 2.5%
Guizhou Kaili Ken On Concrete Co., Ltd.	3-month HIBOR + 2%
貴州凱里瑞安水泥有限公司	3-month HIBOR + 2%
Richcoast Group Limited	Fixed at 5%
Super Race Limited	1-month HIBOR

(b) All affiliated companies are accounted for as jointly controlled entities or associates of the Group.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

At 30 June 2009, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have been taken under such provisions of the SFO) and the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") or which were required to be entered in the register required to be kept under section 352 of the SFO were as follows:

THE COMPANY

(a) Long position in the shares of the Company

	Number of ordinary shares				Approximate percentage of shareholding in the Company
Name of Directors	**Personal interests**	**Family interests**	**Other interests**	**Total**	
Mr. Lo Hong Sui, Vincent	–	312,000 (Note 1)	181,981,000 (Note 2)	182,293,000	37.46%
Mr. Choi Yuk Keung, Lawrence	540,000	–	–	540,000	0.11%
Mr. Wong Yuet Leung, Frankie	800,000	–	–	800,000	0.16%
Mrs. Lowe Hoh Wai Wan, Vivien	720,000	–	–	720,000	0.14%
Mr. Anthony Griffiths	6,900	–	–	6,900	0.001%

Notes:

(1) These shares are beneficially owned by Ms. Loletta Chu ("Mrs. Lo"), the spouse of Mr. Lo Hong Sui, Vincent ("Mr. Lo"). Under the SFO, Mr. Lo is deemed to be interested in such shares and both Mr. Lo and Mrs. Lo are also deemed to be interested in 181,981,000 shares mentioned in note 2 below.

(2) These shares are beneficially owned by Shui On Company Limited ("SOCL"). Of these 181,981,000 shares beneficially owned by SOCL, 166,148,000 shares are held by SOCL itself and 15,833,000 shares are held by Shui On Finance Company Limited, an indirect wholly-owned subsidiary of SOCL. SOCL is owned by the Bosrich Unit Trust, the trustee of which is Bosrich Holdings (PTC) Inc. The units of the Bosrich Unit Trust are the property of a discretionary trust, of which Mr. Lo is a discretionary beneficiary and HSBC International Trustee Limited is the trustee. Accordingly, Mr. Lo, Mrs. Lo, HSBC International Trustee Limited and Bosrich Holdings (PTC) Inc. are deemed to be interested in such shares under the SFO.

(b) Short position in the shares of the Company

Name of Director	Number of ordinary shares: Personal interests	Family interests	Other interests	Total	Approximate percentage of shareholding in the Company
Mr. Lo Hong Sui, Vincent	–	–	1,600,000 (Note)	1,600,000	0.32%

Note: These shares represent the call option granted by SOCL on 27 August 2002 to Mr. Wong Yuet Leung, Frankie as part of the incentive reward to his services to the Company. Mr. Lo, Mrs. Lo, HSBC International Trustee Limited and Bosrich Holdings (PTC) Inc. are deemed to have short position in these shares under the SFO.

(c) Share options of the Company

Pursuant to the share option scheme of the Company, certain Directors were granted share options to subscribe for the shares of the Company and details of the Directors' interests in share options are set out under the section headed "SHARE OPTIONS" below.

(d) Call option over the shares of the Company

At 30 June 2009, the following Director had a call option granted by SOCL over the shares of the Company pursuant to the arrangement mentioned in the note to item (b) above:

Name of Director	Exercise price	Exercise period	Number of ordinary shares subject to the call option
Mr. Wong Yuet Leung, Frankie	HK$6.00	27-8-2005 to 26-8-2010	1,600,000

ASSOCIATED CORPORATION

Long position in the shares of Shui On Land Limited

Name of Directors	Number of ordinary shares: Personal interests	Family interests	Other interests	Total	Approximate percentage of shareholding in SOL
Mr. Lo Hong Sui, Vincent	–	1,265,000	2,509,375,245 (Note)	2,510,640,245	49.98%
Mr. Anthony Griffiths	1,500	–	–	1,500	0.00002%

Note: These shares comprise 1,039,696,452 shares, 1,034,000,000 shares and 435,678,793 shares held by Shui On Investment Company Limited ("SOI"), Shui On Properties Limited ("SOP") and New Rainbow Investments Limited ("NRI") respectively. SOP is a wholly-owned subsidiary of SOI which is in turn a wholly-owned subsidiary of SOCL. NRI is a wholly-owned subsidiary of the Company and SOCL owns more than one third of the issued share capital of the Company. Accordingly, SOCL is deemed to be interested in the shares held by SOI, SOP and NRI under the SFO. SOCL is owned by the Bosrich Unit Trust. The units of the Bosrich Unit Trust are the property of a discretionary trust, of which Mr. Lo is a discretionary beneficiary. Accordingly, Mr. Lo is deemed to be interested in such shares under the SFO.

Save as disclosed above, at 30 June 2009, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have been taken under such provisions of the SFO) or the Model Code or which were required to be entered in the register required to be kept under section 352 of the SFO.

SHARE OPTIONS

The Company has adopted a share option scheme on 27 August 2002 ("Existing Scheme") to replace the share option scheme of the Company adopted on 20 January 1997 ("Old Scheme"). The Old Scheme was terminated on 27 August 2002 and since then, no further option could be granted under the Old Scheme.

On 9 April 2009, share options were granted by the Company to subscribe for a total of 10,420,000 shares of the Company under the Existing Scheme. On 5 June 2009, share options to subscribe for a total of 9,170,000 shares of the Company were granted under the Existing Scheme in exchange for the share options previously granted by the Company in 2007 and 2008 to subscribe for a total of 15,000,000 shares. The grant of these new share options in exchange for previous share options granted is based on a value-for-value exchange such that the fair values of new share options granted are substantially the same as the fair value of the previous share options surrendered for exchange. The fair values of the share options granted during the period are set out in note 26 to the condensed consolidated financial statements.

The movements in the share options of the Company during the period are set out as follows:

Name or category of eligible participants	Date of grant	Subscription price per share HK$	Number of shares subject to options: At 1.1.2009	Granted during the period (Note a)	Exercised during the period	Lapsed during the period	Cancelled during the period	At 30.6.2009	Period during which options outstanding at 30.6.2009 are exercisable	Average closing reference price for exercise of options (Note b) HK$
Directors										
Mr. Choi Yuk Keung, Lawrence (Note c)	3.1.2007	16.78	700,000	–	–	–	–	700,000	3.1.2010 to 2.1.2017	–
	14.6.2007	20.96	250,000	–	–	–	–	250,000	14.12.2007 to 13.6.2012	–
	7.5.2008	19.76	250,000	–	–	–	–	250,000	7.11.2008 to 6.5.2013	–
	7.5.2008	19.76	1,000,000	–	–	–	–	1,000,000	7.5.2011 to 6.5.2018	–
	9.4.2009	7.63	–	250,000	–	–	–	250,000	9.10.2009 to 8.4.2014	–
	9.4.2009	7.63	–	1,000,000	–	–	–	1,000,000	9.4.2012 to 8.4.2019	–
Mr. Wong Yuet Leung, Frankie (Note c)	1.8.2006	14.00	2,000,000	–	–	–	–	2,000,000	1.2.2007 to 31.7.2011	–
	3.1.2007	16.78	1,500,000	–	–	–	–	1,500,000	3.1.2010 to 2.1.2017	–
	14.6.2007	20.96	500,000	–	–	–	–	500,000	14.12.2007 to 13.6.2012	–
	7.5.2008	19.76	500,000	–	–	–	–	500,000	7.11.2008 to 6.5.2013	–
	7.5.2008	19.76	2,000,000	–	–	–	–	2,000,000	7.5.2011 to 6.5.2018	–
	9.4.2009	7.63	–	750,000	–	–	–	750,000	9.10.2009 to 8.4.2014	–
	9.4.2009	7.63	–	2,000,000	–	–	–	2,000,000	9.4.2012 to 8.4.2019	–
Ms. Lau Jeny (resigned on 1 June 2009)	7.5.2008	19.76	1,000,000	–	–	(1,000,000)	–	–	7.5.2011 to 6.5.2018	–
	9.4.2009	7.63	–	500,000	–	(500,000)	–	–	9.10.2009 to 8.4.2014	–
	9.4.2009	7.63	–	1,250,000	–	(1,250,000)	–	–	9.4.2012 to 8.4.2019	–
Mrs. Lowe Hoh Wai Wan, Vivien	1.8.2006	14.00	120,000	–	–	–	–	120,000	1.2.2007 to 31.7.2011	–
	3.1.2007	16.78	625,000	–	–	–	–	625,000	3.1.2010 to 2.1.2017	–
	14.6.2007	20.96	176,000	–	–	–	–	176,000	14.12.2007 to 13.6.2012	–
	7.5.2008	19.76	200,000	–	–	–	–	200,000	7.11.2008 to 6.5.2013	–
	7.5.2008	19.76	750,000	–	–	–	–	750,000	7.5.2011 to 6.5.2018	–
	9.4.2009	7.63	–	250,000	–	–	–	250,000	9.10.2009 to 8.4.2014	–
	9.4.2009	7.63	–	750,000	–	–	–	750,000	9.4.2012 to 8.4.2019	–
Sub-total			11,571,000	6,750,000	–	(2,750,000)	–	15,571,000		

			Number of shares subject to options							
Name or category of eligible participants	Date of grant	Subscription price per share HK$	At 1.1.2009	Granted during the period (Note a)	Exercised during the period	Lapsed during the period	Cancelled during the period	At 30.6.2009	Period during which options outstanding at 30.6.2009 are exercisable	Average closing reference price for exercise of options (Note b) HK$
Employees										
Mr. Wong Kun To,	3.1.2007	16.78	2,800,000	-	-	-	(2,800,000)	-	3.1.2010 to 2.1.2012	-
Philip (Note c)	14.6.2007	20.96	200,000	-	-	-	(200,000)	-	1.7.2010 to 13.6.2012	-
	5.6.2009	11.90	-	1,830,000	-	-	-	1,830,000	3.1.2010 to 2.1.2012	-
	5.6.2009	11.90	-	104,000	-	-	-	104,000	1.7.2010 to 13.6.2012	-
Other Employees	26.7.2004	7.25	88,000	-	(36,000)	-	-	52,000	26.1.2005 to 25.7.2009	9.98
(in aggregate)	29.7.2005	9.30	322,000	-	(12,000)	-	-	310,000	29.1.2006 to 28.7.2010	11.76
	1.8.2006	14.00	1,128,000	-	-	-	-	1,128,000	1.2.2007 to 31.7.2011	-
	3.1.2007	16.78	6,000,000	-	-	-	(6,000,000)	-	3.1.2010 to 2.1.2012	-
	3.1.2007	16.78	700,000	-	-	-	-	700,000	3.1.2010 to 2.1.2017	-
	14.6.2007	20.96	2,024,000	-	-	(120,000)	-	1,904,000	14.12.2007 to 13.6.2012	-
	14.6.2007	20.96	600,000	-	-	-	-	600,000	14.12.2008 to 13.6.2012	-
	14.6.2007	20.96	4,000,000	-	-	-	(4,000,000)	-	1.7.2010 to 13.6.2012	-
	7.5.2008	19.76	2,490,000	-	-	-	-	2,490,000	7.11.2008 to 6.5.2013	-
	7.5.2008	19.76	300,000	-	-	-	-	300,000	7.11.2009 to 6.5.2013	-
	7.5.2008	19.76	3,000,000	-	-	(1,000,000)	(2,000,000)	-	7.5.2011 to 6.5.2013	-
	9.4.2009	7.63	-	3,670,000	-	-	-	3,670,000	9.10.2009 to 8.4.2014	-
	5.6.2009	11.90	-	3,922,000	-	-	-	3,922,000	3.1.2010 to 2.1.2012	-
	5.6.2009	11.90	-	2,078,000	-	-	-	2,078,000	1.7.2010 to 13.6.2012	-
	5.6.2009	11.90	-	1,236,000	-	-	-	1,236,000	7.5.2011 to 6.5.2013	-
Sub-total			23,652,000	12,840,000	(48,000)	(1,120,000)	(15,000,000)	20,324,000		
			35,223,000	19,590,000	(48,000)	(3,870,000)	(15,000,000)	35,895,000		

Notes:

(a) The closing prices of the Company's shares preceding the dates on which the share options were granted on 9 April 2009 and 5 June 2009 were HK$7.20 and HK$11.58 respectively.

(b) The average closing reference price represented the average of the closing prices of the Company's shares immediately before the dates on which the options were exercised during the period, weighted by the number of options exercised.

(c) Mr. Choi Yuk Keung, Lawrence, Mr. Wong Yuet Leung, Frankie and Mr. Wong Kun To, Philip were previously granted share options in excess of their respective maximum individual entitlement of 1%.

(d) The vesting of share options granted to the eligible participants is subject to the vesting schedules and/or performance conditions as set out in their respective offer letters.

(e) The share options under the category "Others" as shown in the Annual Report 2008 have been re-classified under the category "Other Employees" as an invested entity has become a subsidiary of the Company during the period.

SUBSTANTIAL SHAREHOLDERS

Save as disclosed below and under the section headed "INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE" above, the Directors are not aware of any other person (other than a Director or chief executive of the Company or his/her respective associate(s)) who, at 30 June 2009, had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Long position in the shares of the Company

Name of shareholders	Capacity	Number of ordinary shares/underlying shares held	Approximate percentage of shareholding in the Company
John Zwaanstra	Interest of controlled corporation	91,787,571 (Note 1)	18.86%
Penta Investment Advisers Limited	Investment manager	91,787,571 (Note 1)	18.86%
Mercurius GP LLC	Founder of discretionary trust	48,159,967 (Note 2)	9.89%
Todd Zwaanstra	Trustee	48,159,967 (Note 2)	9.89%
Penta Asia Fund, Ltd.	Interest of controlled corporation	48,159,967 (Note 2)	9.89%
UBS AG	Beneficial owner/Holder of security interest in shares	38,524,996 (Note 3)	7.91%

Notes:

(1) Among the interests owned by these shareholders, 35,625,617 shares are cash settled derivative interests.

(2) Among the interests owned by these shareholders, 15,424,000 shares are cash settled derivative interests.

(3) Among the interests owned by this shareholder, 262,636 shares are physically settled derivative interests.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2009.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance through its continuous effort in improving its corporate governance practices and processes.

Compliance with Code on Corporate Governance Practices

The Company has complied with the Code on Corporate Governance Practices ("CG Code") set out in Appendix 14 to the Listing Rules throughout the period, except for the deviations from Code Provisions A.4.1 and B.1.3, which are explained below.

Code Provision A.4.1 of the CG Code stipulates that Non-executive Directors should be appointed for a specific term, subject to re-election. The Non-executive Directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election at annual general meetings in accordance with the Bye-laws of the Company. Arrangements have been put in place for appointments of any new Non-executive Director to be for a specific term in compliance with Code Provision A.4.1 of the CG Code.

Code Provision B.1.3 of the CG Code provides that the terms of reference of the Remuneration Committee should include, as a minimum, the specific duties to have the delegated responsibility to determine the specific remuneration packages of all Executive Directors and senior management. In 2008, the Remuneration Committee had reviewed its functions and considered that the delegated responsibility to determine the specific remuneration packages of senior management should be vested in the Executive Directors who have a better understanding of the level of expertise, experience and performance expected of the senior management in the daily business operations. The Remuneration Committee would continue to be primarily responsible for the determination and review of the remuneration packages of the Executive Directors. After due consideration, the Board had resolved to amend the terms of reference of the Remuneration Committee in 2008 to exclude from its scope of duties the delegated responsibility to determine the specific remuneration packages of senior management, which deviates from Code Provision B.1.3. Notwithstanding such deviation, the Remuneration Committee is still responsible for reviewing, approving and making recommendations to the Board on the guiding principles applicable to the determination of the remuneration and benefits of senior management.

Having reviewed the practice and procedures of remuneration committees in other jurisdictions, the Remuneration Committee had decided that it would be better practice for the Non-executive Directors to cease involvement in recommending their own remuneration and for such recommendations to be made to the Board by the Chairman of the Company taking the advice of external professionals as appropriate. This practice has been formally adopted and at the relevant Board meeting, the Non-executive Directors abstain from voting in respect of their own remuneration.

Audit Committee

The Audit Committee comprises the three Independent Non-executive Directors and the Non-executive Director. The Audit Committee has reviewed the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2009, including the accounting principles and practices adopted by the Group, and has also considered selected auditing, internal control, and financial reporting matters of the Group, in conjunction with the Company's external auditor.

Remuneration Committee

The Remuneration Committee comprises the three Independent Non-executive Directors, the Non-executive Director and the Chairman of the Board. The Remuneration Committee has reviewed the remuneration packages of the Executive Directors as well as the annual bonus and share option grant recommendations for executives and management staff based on the performance in the financial year 2008.

Compliance with the Model Code

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding Directors' securities transactions. Following specific enquiry by the Company, the Directors of the Company have confirmed that they have complied with the required standard set out in the Model Code during the period under review.

CHANGES IN INFORMATION OF DIRECTORS UNDER RULE 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in the information of the Directors of the Company since the date of the Annual Report 2008 or (as the case may be) the date of announcement for the appointment of Directors issued by the Company subsequent to the date of the Annual Report 2008 are set out as follows:

Name of Directors	Details of changes
Mr. Lo Hong Sui, Vincent	• China Central Properties Limited, of which Mr. Lo is the chairman, has been delisted on the AIM of the London Stock Exchange plc since 18 June 2009
Mr. Wong Yuet Leung, Frankie	• China Central Properties Limited, of which Mr. Wong is a non-executive director, has been delisted on the AIM of the London Stock Exchange plc since 18 June 2009 • Ceased to be a member of the Shui On Provident and Retirement Scheme of the Company registered under the Occupational Retirement Schemes Ordinance and became a member of the Shui On Retirement Protection Scheme set up by the Company in compliance with the Mandatory Provident Fund Schemes Ordinance
Mrs. Lowe Hoh Wai Wan, Vivien	• Ceased to act as a member of the Occupational Deafness Compensation Board
Professor Michael Enright	• Appointed as a director of Harvard Business School Alumni Association of Hong Kong

The amount of emoluments of the Directors of the Company for the six months ended 30 June 2009 are set out in note 29(g) to the condensed consolidated financial statements.

CORPORATE INFORMATION

BOARD

Executive Directors

Mr. Lo Hong Sui, Vincent (Chairman)
Mr. Choi Yuk Keung, Lawrence (Vice-Chairman)
Mr. Wong Yuet Leung, Frankie (Chief Executive Officer)
Mr. Wong Kun To, Philip
Mr. Wong Fook Lam, Raymond (Chief Financial Officer)
Mrs. Lowe Hoh Wai Wan, Vivien

Non-executive Director

Professor Michael Enright

Independent Non-executive Directors

Mr. Anthony Griffiths
Mr. Gerrit de Nys
Ms. Li Hoi Lun, Helen

AUDIT COMMITTEE

Mr. Anthony Griffiths (Chairman)
Mr. Gerrit de Nys
Ms. Li Hoi Lun, Helen
Professor Michael Enright

REMUNERATION COMMITTEE

Mr. Anthony Griffiths (Chairman)
Mr. Gerrit de Nys
Ms. Li Hoi Lun, Helen
Professor Michael Enright
Mr. Lo Hong Sui, Vincent

NOMINATION COMMITTEE

Mr. Lo Hong Sui, Vincent (Chairman)
Mr. Wong Yuet Leung, Frankie
Professor Michael Enright
Mr. Anthony Griffiths
Mr. Gerrit de Nys
Ms. Li Hoi Lun, Helen

COMPANY SECRETARY

Ms. Tsang Yuet Kwai, Anita

AUDITOR

Deloitte Touche Tohmatsu

REGISTERED OFFICE

Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

34th Floor, Shui On Centre
6-8 Harbour Road, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

The Bank of Bermuda Limited
6 Front Street, Hamilton HM 11, Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Standard Limited
26th Floor, Tesbury Centre
28 Queen's Road East, Wanchai, Hong Kong

PRINCIPAL BANKERS

Hang Seng Bank Limited
Standard Chartered Bank (Hong Kong) Limited
The Bank of East Asia, Limited
CITIC Ka Wah Bank Limited
BNP Paribas

STOCK CODE

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