



Interim Report
中期報告

2012



BIO-DYNAMIC GROUP LIMITED
生物動力集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock code 股份代號: 00039

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The board of directors (the “Board”) of BIO-DYNAMIC GROUP LIMITED (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2012 together with comparative figures. The interim financial information has been reviewed by the audit committee of the Company and Ernst & Young, the auditor of the Company.

生物動力集團有限公司(「本公司」)董事會(「董事會」)宣佈本公司及其附屬公司(統稱「本集團」)截至二零一二年六月三十日止六個月的未經審核綜合業績，連同比較數字。中期財務資料已經本公司審核委員會及本公司核數師安永會計師事務所審閱。

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2012

簡明綜合收入報表

截至二零一二年六月三十日止六個月

		Six months ended 30 June	
		截至六月三十日止六個月	
		2012	2011
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
	Notes		
	附註		
REVENUE			
Cost of sales	5	96,271	249,091
		(84,792)	(238,189)
Gross profit		11,479	10,902
Other income	5	3,110	1,587
Selling and distribution costs		(15,299)	(13,751)
Administrative expenses		(39,460)	(30,152)
Finance costs	6	(3,282)	(1,973)
LOSS BEFORE TAX	7	(43,452)	(33,387)
Income tax expense	8	(109)	(207)
LOSS FOR THE PERIOD		(43,561)	(33,594)
Attributable to:			
Owners of the parent		(37,023)	(29,257)
Non-controlling interests		(6,538)	(4,337)
		(43,561)	(33,594)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	10	HK(3.1) cents港仙	HK(2.5) cents港仙

**CONDENSED CONSOLIDATED
STATEMENT OF COMPREHENSIVE
INCOME**

For the six months ended 30 June 2012

簡明綜合全面收益表

截至二零一二年六月三十日止六個月

		Six months ended 30 June	
		截至六月三十日止六個月	
		2012	2011
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
LOSS FOR THE PERIOD	期內虧損	(43,561)	(33,594)
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額	(3,440)	8,634
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	期內除稅後之其他全面收益/(虧損)	(3,440)	8,634
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	期內全面虧損總額	(47,001)	(24,960)
Attributable to:	下列應佔：		
Owners of the parent	母公司擁有人	(39,854)	(21,425)
Non-controlling interests	非控股權益	(7,147)	(3,535)
		(47,001)	(24,960)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2012

簡明綜合財務狀況表

於二零一二年六月三十日

			30 June 六月三十日 2012 (Unaudited) (未經審核) HK\$'000 千港元	31 December 十二月三十一日 2011 (Audited) (經審核) HK\$'000 千港元
	Notes 附註			
NON-CURRENT ASSETS		非流動資產		
Property, plant and equipment	11	物業、廠房及設備	321,725	339,888
Prepaid land lease payments		預付土地租金	32,107	32,997
Goodwill	12	商譽	4,073	4,073
Other intangible assets	13	其他無形資產	133,123	138,974
Total non-current assets		非流動資產總值	491,028	515,932
CURRENT ASSETS		流動資產		
Inventories		存貨	73,647	96,815
Trade and bills receivables	14	應收貿易賬款及票據	8,572	15,204
Prepayments, deposits and other receivables		預付款項、按金及其他應收款項	67,495	58,254
Due from related parties		應收關連人士款項	520	446
Pledged deposits		已抵押存款	6,415	27,418
Cash and cash equivalents		現金及現金等值物	7,416	16,489
Total current assets		流動資產總值	164,065	214,626
CURRENT LIABILITIES		流動負債		
Trade and bills payables	15	應付貿易賬款及票據	60,134	65,033
Other payables and accruals	16	其他應付款項及應計費用	91,007	109,982
Interest-bearing bank and other borrowings	17	計息銀行及其他借貸	56,276	69,216
Due to related parties		應付關連人士款項	22,646	18,106
Due to a non-controlling shareholder of a subsidiary		應付一間附屬公司非控股股東款項	30,680	31,012
Tax payable		應付稅項	6,733	7,124
Total current liabilities		流動負債總額	267,476	300,473
NET CURRENT LIABILITIES		流動負債淨額	(103,411)	(85,847)
TOTAL ASSETS LESS CURRENT LIABILITIES		資產總值減流動負債	387,617	430,085

			30 June 六月三十日 2012 (Unaudited) (未經審核) HK\$'000 千港元	31 December 十二月三十一日 2011 (Audited) (經審核) HK\$'000 千港元
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		387,617	430,085
NON-CURRENT LIABILITIES	非流動負債			
Deferred tax liabilities	遞延稅項負債		13,385	14,266
Deferred income	遞延收入		12,119	12,500
Total non-current liabilities	非流動負債總額		25,504	26,766
Net assets	資產淨值		362,113	403,319
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Issued capital	已發行股本	18	119,074	119,064
Reserves	儲備		195,585	229,654
			314,659	348,718
Non-controlling interests	非控股權益		47,454	54,601
Total equity	權益總額		362,113	403,319

CONDENSED CONSOLIDATED IN EQUITY STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 June 2012

截至二零一二年六月三十日止六個月

Attributable to owners of the parent 母公司擁有人應佔

	Issued capital 已發行股本 (Unaudited) (未經審核) HK\$'000 千港元	Share premium account 股份溢價賬 (Unaudited) (未經審核) HK\$'000 千港元	Share option reserve 購股權儲備 (Unaudited) (未經審核) HK\$'000 千港元	Merger reserve 合併儲備 (Unaudited) (未經審核) HK\$'000 千港元	Other reserve 其他儲備 (Unaudited) (未經審核) HK\$'000 千港元	Exchange fluctuation reserve 匯兌波動儲備 (Unaudited) (未經審核) HK\$'000 千港元	Accumulated losses 累計虧損 (Unaudited) (未經審核) HK\$'000 千港元	Total 總計 (Unaudited) (未經審核) HK\$'000 千港元	Non-controlling interests 非控股權益 (Unaudited) (未經審核) HK\$'000 千港元	Total equity 權益總額 (Unaudited) (未經審核) HK\$'000 千港元
At 1 January 2011 於二零一一年一月一日	114,545	681,555	13,745	(535)	22,800	27,563	(420,494)	439,179	65,644	504,823
Loss for the period 期內虧損	-	-	-	-	-	-	(29,257)	(29,257)	(4,337)	(33,594)
Other comprehensive loss for the period: 期內其他全面虧損： Exchange differences on translation of foreign operations 換算海外業務之匯兌差額	-	-	-	-	-	7,832	-	7,832	802	8,634
Total comprehensive loss for the period 期內全面虧損總額	-	-	-	-	-	7,832	(29,257)	(21,425)	(3,535)	(24,960)
Contribution from a non-controlling shareholder of a subsidiary 一間附屬公司非控股股東的出資	-	-	-	-	(22,800)	-	-	-	662	662
Issue of shares 發行股份	3,105	21,194	(1,174)	-	-	-	-	325	-	325
Equity-settled share option arrangements 股權結算購股權安排	-	-	6,451	-	-	-	-	6,451	-	6,451
At 30 June 2011 於二零一一年六月三十日	117,650	702,749	19,022	(535)	-	35,395	(449,751)	424,530	62,771	487,301

Attributable to owners of the parent
母公司擁有人應佔

	Issued capital 已發行股本 (Unaudited) (未經審核) HK\$'000 千港元	Share premium account 股份溢價賬 (Unaudited) (未經審核) HK\$'000 千港元	Share option reserve 購股權儲備 (Unaudited) (未經審核) HK\$'000 千港元	Merger reserve 合併儲備 (Unaudited) (未經審核) HK\$'000 千港元	Other reserve 其他儲備 (Unaudited) (未經審核) HK\$'000 千港元	Exchange fluctuation reserve 匯兌波動儲備 (Unaudited) (未經審核) HK\$'000 千港元	Accumulated losses 累計虧損 (Unaudited) (未經審核) HK\$'000 千港元	Total 總計 (Unaudited) (未經審核) HK\$'000 千港元	Non-controlling interests 非控股權益 (Unaudited) (未經審核) HK\$'000 千港元	Total equity 權益總額 (Unaudited) (未經審核) HK\$'000 千港元
At 1 January 2012 於二零一二年一月一日	119,064	712,926*	21,872*	(535)*	-*	41,432*	(546,041)*	348,718	54,601	403,319
Loss for the period 期內虧損	-	-	-	-	-	-	(37,023)	(37,023)	(6,538)	(43,561)
Other comprehensive loss for the period: 期內其他全面虧損: Exchange differences on translation of foreign operations 換算海外業務之匯兌差額	-	-	-	-	-	(2,831)	-	(2,831)	(609)	(3,440)
Total comprehensive loss for the period 期內全面虧損總額	-	-	-	-	-	(2,831)	(37,023)	(39,854)	(7,147)	(47,001)
Issue of shares 發行股份	10	18	(9)	-	-	-	-	19	-	19
Equity-settled share option arrangements 股權結算購股權安排	-	-	5,776	-	-	-	-	5,776	-	5,776
Transfer of share option reserve upon the lapse of share options 於購股權失效時轉銷購股權儲備	-	-	(204)	-	-	-	204	-	-	-
At 30 June 2012 於二零一二年六月三十日	119,074	712,944*	27,435*	(535)*	-*	38,601*	(562,860)*	314,659	47,454	362,113

* These reserve accounts comprise the consolidated reserves of HK\$195,585,000 (31 December 2011: HK\$229,654,000) in the interim condensed consolidated statement of financial position. 該等儲備賬目包含於中期簡明綜合財務狀況表之綜合儲備195,585,000港元(二零一一年十二月三十一日: 229,654,000港元)。

**CONDENSED CONSOLIDATED
STATEMENT OF CASH FLOWS**

For the six months ended 30 June 2012

簡明綜合現金流量表

截至二零一二年六月三十日止六個月

		Six months ended 30 June	
		截至六月三十日止六個月	
		2012	2011
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Net cash flows from operating activities	經營活動所得現金流量淨額	3,151	6,377
Net cash flows from/(used in) investing activities	投資活動所得/(所耗)現金流量淨額	5,502	(13,838)
Net cash flows used in financing activities	融資活動所耗現金流量淨額	(19,646)	(4,603)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值物減少淨額	(10,993)	(12,064)
Cash and cash equivalents at beginning of period	期初的現金及現金等值物	18,216	38,098
Effect of foreign exchange rate changes, net	外幣匯率變動的影響淨額	193	(1,118)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期末的現金及現金等值物	7,416	24,916
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值物結餘分析		
Cash and bank balances	現金及銀行結餘	7,416	24,916

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2012

中期簡明綜合財務報表附註

於二零一二年六月三十日

I. BASIS OF PRESENTATION

At 30 June 2012, the Group had net current liabilities of HK\$103,411,000, inclusive of bank and other borrowings, other payables and the amount due to a non-controlling shareholder of a subsidiary of HK\$56,276,000, HK\$85,192,000 and HK\$30,680,000, respectively, which were due for repayment or renewal within the next 12 months. The Group incurred a consolidated loss of HK\$43,561,000 for the six months ended 30 June 2012. The directors consider that these conditions were caused mainly by the deteriorating performance of a subsidiary of the Group in Harbin over the last few years.

In order to strengthen the capital base of the Group and to improve the Group's financial position, immediate liquidity and cash flows, and otherwise to sustain the Group as a going concern, Able Turbo Enterprises Limited, Mr. Jiang Jianjun and Orientelite Investments Limited, all of which are shareholders of the Company, have agreed to jointly and severally provide continuous financial support to the Group.

Furthermore, the directors intend to negotiate for the deferral of repayment or renewal of the other payables, bank and other borrowings and the amount due to a non-controlling shareholder of a subsidiary when they fall due.

I. 呈列基準

於二零一二年六月三十日，本集團流動負債淨額為103,411,000港元，當中包括銀行及其他借貸、其他應付款項及應付一間附屬公司非控股股東之款項分別為56,276,000港元、85,192,000港元及30,680,000港元，於未來十二個月到期償還或重續。截至二零一二年六月三十日止六個月，本集團產生綜合虧損43,561,000港元。董事認為此等狀況主要由於過去幾年本集團於哈爾濱的一間附屬公司的表現欠佳所致。

為加強本集團的資本基礎及改善本集團的財務狀況、即時流動性及現金流量，以及維持本集團持續經營，本公司股東Able Turbo Enterprises Limited、江建軍先生及Orientelite Investments Limited已同意共同及個別向本集團提供持續財政支持。

此外，董事擬於其他應付款項、銀行及其他借貸及應付一間附屬公司非控股股東款項到期時就延遲付款或重續進行磋商。

1. BASIS OF PRESENTATION (continued)

In light of the above, the directors are satisfied that the Group will be able to meet its financial obligations as and when they fall due for the foreseeable future, and are of the opinion that it is appropriate to prepare the financial statements on a going concern basis.

Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, and to provide for any further liabilities which might arise. The effect of these adjustments has not been reflected in the financial statements.

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2011.

1. 呈列基準 (續)

鑑於上述者，董事信納本集團於可預見未來將能如期履行其財務責任，並認為按持續經營基準編製財務報表乃屬恰當。

倘本集團無法繼續持續經營，則須作出調整，重列資產值至其可收回金額，並就可能產生的其他負債作出撥備。此等調整的影響並未反映在財務報表內。

2. 編製基準

未經審核中期簡明綜合財務報表乃根據香港會計師公會頒佈的香港會計準則（「香港會計準則」）第34號「中期財務報告」而編製。

中期簡明綜合財務報表並不包括年度財務報表所需的一切資料及披露事項，故應與本集團截至二零一一年十二月三十一日止年度的年度財務報表一併閱讀。

3. IMPACT OF REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2011, except for the adoption of the revised standards as of 1 January 2012, noted below:

HKFRS 1 Amendments	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
HKAS 12 Amendments	Amendments to HKAS 12 Income Taxes – Deferred Tax: Recovery of Underlying Assets
HKFRS 7 Amendments	Amendments to HKFRS 7 Financial Instruments: Disclosures – Transfers of Financial Assets

The adoption of the above revised standards has had no material effect on the accounting policies of the Group and the methods of computation in the interim condensed consolidated financial statements.

3. 經修訂香港財務報告準則的影響

除於二零一二年一月一日採納下列經修訂之準則外，編製中期簡明綜合財務報表所採納的會計政策與編製本集團截至二零一一年十二月三十一日止年度的年度財務報表所採納者相符。

香港財務報告 準則第1號 (修訂本)	香港財務報告準則 第1號首次採納 香港財務報告 準則—嚴重惡性 通脹及剔除首次 採納者的既定日期 之修訂
香港會計 準則第12號 (修訂本)	香港會計準則第12號 所得稅—遞延 稅項：收回相關 資產之修訂
香港財務報告 準則第7號 (修訂本)	香港財務報告準則 第7號金融工具： 披露—轉讓金融 資產之修訂

採納以上經修訂之準則對本集團之會計政策及中期簡明綜合財務報表之計算方法並無重大影響。

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- (a) the ethanol segment is engaged in the production and sale of ethanol products and ethanol by-products;
- (b) the wine and liquor segment is engaged in the sale and distribution of wine and liquor; and
- (c) the animal feed segment is engaged in the production and sale of forages.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment results. Segment results are measured consistently with the Group's loss before tax except that interest income, finance costs as well as head office and corporate expenses are excluded from such measurement.

No intersegment sale and transfer was transacted for the six months ended 30 June 2012 and 2011.

4. 經營分類資料

就管理而言，本集團乃根據產品及服務性質將業務單位分類，而可予申報經營分類乃下列三項：

- (a) 乙醇分部，從事生產及銷售乙醇產品及乙醇副產品；
- (b) 酒類分部，從事銷售及分銷酒類；及
- (c) 動物飼料分部，從事生產及銷售粗飼料。

管理層獨立監察本集團各經營分類之業績，以作出有關資源分配及表現評估之決策。分類表現乃根據可報告分類業績予以評估。分類業績乃貫徹以本集團之除稅前虧損計量，惟利息收入、融資成本以及總部及企業開支不包含於該計量。

於截至二零一二年及二零一一年六月三十日止六個月並無跨類銷售及轉撥。

4. OPERATING SEGMENT INFORMATION
(continued)

4. 經營分類資料(續)

		Ethanol 乙醇 (Unaudited) (未經審核) HK\$'000 千港元	Wine and liquor 酒類 (Unaudited) (未經審核) HK\$'000 千港元	Animal feed 動物飼料 (Unaudited) (未經審核) HK\$'000 千港元	Total 總計 (Unaudited) (未經審核) HK\$'000 千港元
Six months ended	截至二零一二年				
30 June 2012	六月三十日止六個月				
Segment revenue:	分類收益:				
Sales to external customers	銷售予外界客戶	26,188	70,083	-	96,271
Other revenue	其他收入	503	2,425	-	2,928
		26,691	72,508	-	99,199
Segment results	分類業績	(30,122)	416	(2,268)	(31,974)
<i>Reconciliation:</i>	<i>對賬:</i>				
Interest income	利息收入				182
Finance costs	融資成本				(3,282)
Corporate and other unallocated expenses	企業及其他未分配開支				(8,378)
Loss before tax	除稅前虧損				(43,452)

4. OPERATING SEGMENT INFORMATION
(continued)
4. 經營分類資料 (續)

		Ethanol	Wine and liquor	Animal feed	Total
		乙醇	酒類	動物飼料	總計
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Six months ended	截至二零一一年				
30 June 2011	六月三十日止六個月				
Segment revenue:	分類收益：				
Sales to external customers	銷售予外界客戶	176,363	72,728	–	249,091
Other revenue	其他收入	400	1,113	–	1,513
		<hr/>	<hr/>	<hr/>	<hr/>
		176,763	73,841	–	250,604
Segment results	分類業績	(20,530)	1,318	(3,152)	(22,364)
<i>Reconciliation:</i>	<i>對賬：</i>				
Interest income	利息收入				74
Finance costs	融資成本				(1,973)
Corporate and other unallocated expenses	企業及其他未分配開支				(9,124)
					<hr/>
Loss before tax	除稅前虧損				(33,387)
					<hr/> <hr/>

5. REVENUE AND OTHER INCOME

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of revenue and other income is as follows:

Revenue

Sale of goods

Other income

Government grants

Interest income

Others

收益

銷售貨品

其他收入

政府資助

利息收入

其他

5. 收益及其他收入

收益亦即本集團的營業額，指出售貨品的發票價值淨額，經計及退貨及貿易折扣。

收益及其他收入的分析如下：

Six months ended 30 June

截至六月三十日止六個月

2012 (Unaudited) (未經審核) HK\$'000 千港元	2011 (Unaudited) (未經審核) HK\$'000 千港元
--	--

96,271

249,091

249

244

182

74

2,679

1,269

3,110

1,587

6. FINANCE COSTS

Interest on bank loans and other loans wholly repayable within five years

須於五年內全數償還的銀行貸款及其他貸款的利息

6. 融資成本

Six months ended 30 June

截至六月三十日止六個月

2012 (Unaudited) (未經審核) HK\$'000 千港元	2011 (Unaudited) (未經審核) HK\$'000 千港元
--	--

3,282

1,973

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

Cost of inventories sold	已售存貨之成本
Depreciation	折舊
Amortisation of prepaid land lease payments	預付土地租金攤銷
Amortisation of other intangible assets	其他無形資產攤銷
Provision against inventories	存貨撥備

8. INCOME TAX

During the period, no Hong Kong profits tax has been provided as there was no assessable profit arising from Hong Kong. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in Mainland China in which the Group operates.

7. 除稅前虧損

本集團除稅前虧損乃經扣除下列各項後計算得出：

Six months ended 30 June	
截至六月三十日止六個月	
2012	2011
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)
HK\$'000	HK\$'000
千港元	千港元
81,809	237,158
13,497	13,631
536	529
5,171	6,055
2,983	1,031

8. 所得稅

期內，由於並無產生自香港的應課稅溢利，故並無就香港利得稅計提撥備。其他地方的應課稅溢利稅項乃按本集團營運所在中國內地的現行稅率計算。

Current	即期
Deferred	遞延
Total tax charge for the period	期間稅項支出總額

Six months ended 30 June	
截至六月三十日止六個月	
2012	2011
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)
HK\$'000	HK\$'000
千港元	千港元
860	1,180
(751)	(973)
109	207

8. INCOME TAX (continued)

Under the new corporate income tax law of the People's Republic of China (the "PRC") effective from 1 January 2008, the tax rate applicable to domestic-invested enterprises and foreign-invested enterprises has been standardised at 25%. One of the Group's subsidiaries is exempted from PRC corporate income tax for its first two profit-making years (after deducting losses incurred in previous years) and is entitled to a 50% tax reduction for the succeeding three years. Although this subsidiary has no assessable profit since its date of establishment, based on the State Council Circular on the Implementation of Transitional Concession Policies for Corporate Income Tax (Guo Fa [2007] No. 39), this subsidiary should be subject to the first year exemption in 2008 whether or not it has assessable profit.

9. DIVIDENDS

The directors do not recommend the payment of any dividend for the six months ended 30 June 2012 (2011: Nil).

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic loss per share amounts is based on the loss for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 1,190,725,137 (2011: 1,147,961,742) in issue during the period.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2012 and 2011 in respect of a dilution as the share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

8. 所得稅(續)

根據自二零零八年一月一日起生效的中華人民共和國(「中國」)新企業所得稅法律，本地投資企業及外國投資企業的適用稅率已標準化為25%。本集團其中一間附屬公司於獲利的首兩年(經扣除往年產生的虧損)獲豁免繳納中國企業所得稅，其後三年享有50%稅項減免。雖然這間附屬公司自成立日期起並無應課稅溢利，惟根據國務院關於實行企業所得稅過渡性優惠政策的通知(國發[2007]第39號)，不論其是否有應課稅溢利，這間附屬公司應於二零零八年首年獲免稅。

9. 股息

董事不建議截至二零一二年六月三十日止六個月宣派任何股息(二零一一年：無)。

10. 母公司普通股權持有人應佔每股虧損

每股基本虧損金額乃根據母公司普通股權持有人應佔期內虧損及期內已發行普通股的加權平均數1,190,725,137股(二零一一年：1,147,961,742股)計算。

由於尚未行使購股權對所呈列的每股基本虧損金額具有反攤薄影響，故毋須對截至二零一二年及二零一一年六月三十日止六個月所呈列的每股基本虧損金額就攤薄作出調整。

11. PROPERTY, PLANT AND EQUIPMENT

11. 物業、廠房及設備

		30 June	31 December
		六月三十日	十二月三十一日
		2012	2011
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Carrying amount at 1 January	於一月一日的賬面值	339,888	348,878
Additions	添置	882	29,629
Disposals	出售	(1,891)	(336)
Impairment	減值	-	(27,013)
Depreciation provided during the period/year	期內/年內折舊撥備	(13,497)	(27,360)
Exchange realignment	匯兌調整	(3,657)	16,090
		<hr/>	<hr/>
Carrying amount at 30 June/ 31 December	於六月三十日/ 十二月三十一日的賬面值	321,725	339,888
		<hr/> <hr/>	<hr/> <hr/>
At 30 June/31 December:	於六月三十日/ 十二月三十一日：		
Cost	成本	465,531	471,601
Accumulated depreciation and impairment	累計折舊及減值	(143,806)	(131,713)
		<hr/>	<hr/>
Net carrying amount	賬面淨值	321,725	339,888
		<hr/> <hr/>	<hr/> <hr/>

12. GOODWILL

There was no movements in the Group's goodwill during the period.

Goodwill is tested for impairment annually (as at 31 December) and when circumstances indicate the carrying value may be impaired. During the six months ended 30 June 2012, no impairment loss has been recognised.

12. 商譽

本集團商譽於本期間並無變動。

商譽乃每年(於十二月三十一日)及當出現賬面值可能減值的情況時就減值作出測試。於截至二零一二年六月三十日止六個月，概無確認減值虧損。

13. OTHER INTANGIBLE ASSETS

13. 其他無形資產

		30 June	31 December
		六月三十日	十二月三十一日
		2012	2011
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Carrying amount at 1 January	於一月一日的賬面值	138,974	195,121
Amortisation provided during the period/year	期內／年內攤銷撥備	(5,171)	(12,119)
Impairment	減值	-	(47,298)
Exchange realignment	匯兌調整	(680)	3,270
		<hr/>	<hr/>
Carrying amount at 30 June/31 December	於六月三十日／十二月三十一日的賬面值	133,123	138,974
		<hr/> <hr/>	<hr/> <hr/>
At 30 June/31 December:	於六月三十日／十二月三十一日：		
Cost	成本	282,335	283,598
Accumulated amortisation and impairment	累計攤銷及減值	(149,212)	(144,624)
		<hr/>	<hr/>
Net carrying amount	賬面淨值	133,123	138,974
		<hr/> <hr/>	<hr/> <hr/>

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. During the six months ended 30 June 2012, no impairment provision on non-financial assets has been made.

本集團於各呈報日期評估是否有迹象顯示所有非金融資產出現減值。於截至二零一二年六月三十日止六個月，非金融資產概無作出減值撥備。

14. TRADE AND BILLS RECEIVABLES

Other than the cash and credit card sales, the Group allows a credit period which is generally one month, extending up to three months for major customers. Each customer has a maximum credit limit.

None of the trade and bills receivables is impaired. An aged analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date, is as follows:

14. 應收貿易賬款及票據

除現金及信用卡銷售外，本集團之信貸期一般為一個月，而重大客戶則會延長至最多三個月。每位客戶均設有最高信貸限額。

概無應收貿易賬款及票據為已減值。於報告期末，應收貿易賬款及票據按發票日期計算的賬齡分析如下：

		30 June	31 December
		六月三十日	十二月三十一日
		2012	2011
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Within 1 month	一個月內	7,946	12,783
1 to 2 months	一至兩個月	258	1,234
2 to 3 months	二至三個月	-	560
Over 3 months	超過三個月	368	627
		8,572	15,204

15. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

Within 1 month	一個月內
1 to 2 months	一至兩個月
2 to 3 months	二至三個月
Over 3 months	超過三個月

The trade and bills payables are non-interest-bearing and are normally settled on 30-day terms and 180-day terms, respectively.

15. 應付貿易賬款及票據

於報告期末之應付貿易賬款及票據按發票日期計算的賬齡分析如下：

30 June	31 December
六月三十日	十二月三十一日
2012	2011
(Unaudited)	(Audited)
(未經審核)	(經審核)
HK\$'000	HK\$'000
千港元	千港元
24,435	47,628
3,383	11,830
1,169	5,289
31,147	286
60,134	65,033

應付貿易賬款及票據均不計息，及分別一般按30日期限及180日期限結算。

16. OTHER PAYABLES AND ACCRUALS

16. 其他應付款項及應計費用

		30 June	31 December
		六月三十日	十二月三十一日
		2012	2011
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Other payables	其他應付款項	85,192	101,717
Accruals	應計費用	5,815	8,265
		91,007	109,982

Other payables are non-interest-bearing.

其他應付款項均不計息。

17. INTEREST-BEARING BANK AND OTHER BORROWINGS

17. 計息銀行及其他借貸

		30 June 2012			31 December 2011		
		二零一二年六月三十日			二零一一年十二月三十一日		
		Effective		Maturity	Effective		Maturity
		interest rate	HK\$'000		interest rate	HK\$'000	
		實際利率	千港元	到期日	實際利率	到期日	千港元
		(%)	(Unaudited)		(%)		(Audited)
			(未經審核)				(經審核)
Current	即期						
Bank loans – secured	銀行貸款－已抵押	7.57-7.87	2012	52,490	7.21-7.37	2012	65,396
Other loans – unsecured	其他貸款－無抵押	12.00	2012	3,786	6.25	2012	3,820
				56,276			69,216

The interest-bearing bank loans are due within one year and other loans are repayable on demand.

計息銀行貸款均於一年內到期，而其他貸款須應要求償還。

17. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

As at 30 June 2012, the Group's bank loan of HK\$48,828,000 (31 December 2011: HK\$49,355,000) is secured by mortgages over the Group's property, plant and equipment and leasehold land, which had an aggregate carrying value at the end of the reporting period of approximately HK\$67,883,000 (31 December 2011: HK\$65,446,000) and HK\$15,913,000 (31 December 2011: HK\$16,265,000), respectively. The Group's bank loan of HK\$3,662,000 (31 December 2011: HK\$3,702,000) is secured by a property held by a related party.

As at 31 December 2011, the Group's bank loan of HK\$12,339,000 was secured by the bank deposit of HK\$20,776,000 held by the Group.

The Group's bank and other borrowings are denominated in RMB and bear interest at fixed interest rates. The carrying amounts of the Group's borrowings approximate to their fair values.

17. 計息銀行及其他借貸(續)

於二零一二年六月三十日，本集團之銀行貸款48,828,000港元(二零一一年十二月三十一日：49,355,000港元)乃以本集團於報告期末總賬面值分別約為67,883,000港元(二零一一年十二月三十一日：65,446,000港元)及15,913,000港元(二零一一年十二月三十一日：16,265,000港元)之物業、廠房及設備及租賃土地之按揭作抵押。本集團之銀行貸款3,662,000港元(二零一一年十二月三十一日：3,702,000港元)乃以一名關連人士所持有之一項物業作抵押。

於二零一一年十二月三十一日，本集團的銀行貸款12,339,000港元乃以本集團所持有的銀行存款20,776,000港元作抵押。

本集團的銀行及其他借貸以人民幣計值，按固定利率計息。本集團借貸的賬面值與其公平值相若。

18. SHARE CAPITAL

Authorised:
4,000,000,000
(31 December 2011:
4,000,000,000) ordinary
shares of HK\$0.1 each

法定：
4,000,000,000股
(二零一一年
十二月三十一日：
4,000,000,000股)
每股面值0.1港元之普通股

Issued and fully paid:
1,190,742,397
(31 December 2011:
1,190,642,397) ordinary
shares of HK\$0.1 each

已發行及繳足股款：
1,190,742,397股
(二零一一年
十二月三十一日：
1,190,642,397股)
每股面值0.1港元之普通股

30 June 六月三十日	31 December 十二月三十一日
2012	2011
(Unaudited)	(Audited)
(未經審核)	(經審核)
HK\$'000	HK\$'000
千港元	千港元

400,000

400,000

119,074

119,064

During the six months ended 30 June 2012, the subscription rights attaching to 100,000 share options were exercised at the subscription price of HK\$0.19 per share, resulting in the issue of 100,000 shares of HK\$0.1 each for a total cash consideration, before expenses, of HK\$19,000. An amount of HK\$18,000 was transferred from the share option reserve to the share premium account upon the exercise of the share options.

於截至二零一二年六月三十日止六個月，100,000份購股權附帶的認購權按認購價每股0.19港元獲行使，導致按總現金代價（扣除開支前）19,000港元發行100,000股每股面值0.1港元的股份。於行使該等購股權後，18,000港元之款項自購股權儲備轉撥至股份溢價賬。

19. OPERATING LEASE ARRANGEMENTS

The Group leases certain of its properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to five years.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

Within one year	一年內
In the second to fifth years	第二年至第五年

19. 經營租賃安排

本集團根據經營租賃安排租賃若干物業。物業租賃協定為一至五年租期。

於報告期末，本集團根據不可撤銷經營租約須支付未來最低租金總額如下：

30 June 六月三十日	31 December 十二月三十一日
2012 (Unaudited) (未經審核)	2011 (Audited) (經審核)
HK\$'000 千港元	HK\$'000 千港元
4,163	3,474
4,029	4,456
8,192	7,930

20. COMMITMENTS

In addition to the operating lease commitments detailed in note 19 above, the Group had the following capital commitments at the end of the reporting period:

Contracted, but not provided for: 已訂約但未撥備：	
Plant and machinery 廠房及機器	

20. 承擔

除上文附註19所述的經營租賃承擔外，於報告期末，本集團之資本承擔如下：

30 June 六月三十日	31 December 十二月三十一日
2012 (Unaudited) (未經審核)	2011 (Audited) (經審核)
HK\$'000 千港元	HK\$'000 千港元
8,412	-

21. RELATED PARTY TRANSACTIONS

- (a) The Group had the following transactions with related parties during the period:

Rental paid to companies under significant influence by a director of the Company	向受本公司一名董事重大影響的公司支付租金	(i)	366	573
Interest expense to a shareholder	向一名股東支付利息費用	(ii)	8	—
			374	573

Notes:

- (i) The office and warehouse rental expenses were made according to market prices.
- (ii) The interest expense to a shareholder arose from the loans advanced from Orientelite Investments Limited which was unsecured and bore interest at 3-month HIBOR+1% per annum (2011: Nil)

21. 關連人士交易

- (a) 本集團於期內與關連人士有以下交易：

Six months ended 30 June
截至六月三十日止六個月

	2012	2011
	(Unaudited)	(Unaudited)
	(未經審核)	(未經審核)
Notes	HK\$'000	HK\$'000
附註	千港元	千港元
(i)	366	573
(ii)	8	—
	374	573

附註：

- (i) 辦公室及倉庫租金開支乃根據市價作出。
- (ii) 向一名股東支付的利息費用產生自Orientelite Investments Limited提供之貸款，其為無抵押，並按年利率三個月香港銀行同業拆息+1厘計息（二零一一年：無）。

21. RELATED PARTY TRANSACTIONS (continued)

- (b) Other transactions with related parties
During the six months ended 30 June 2012, the Group's bank loan of HK\$3,662,000 (2011: Nil) was secured by a property held by Guangzhou TianTian Friendship Co., Ltd., a company under significant influence by a director of the Company.
- (c) Compensation of key management personnel of the Group:

21. 關連人士交易(續)

- (b) 與關連人士的其他交易
於截至二零一二年六月三十日止六個月，本集團之銀行貸款3,662,000港元(二零一一年：無)以受本公司一名董事重大影響的公司廣州天天友誼食品有限公司所持有之一項物業作抵押。
- (c) 本集團主要管理人員之補償

		Six months ended 30 June	
		截至六月三十日止六個月	
		2012	2011
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Short term employee benefits	短期僱員福利	718	444
Post-employment benefits	退休福利	5	5
Equity-settled share option expense	以股權結算之購股權開支	2,599	1,519
		<hr/>	<hr/>
Total compensation paid to key management personnel	支付主要管理人員之補償總額	3,322	1,968
		<hr/> <hr/>	<hr/> <hr/>

22. APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the board of directors of the Company on 16 August 2012.

22. 批准財務報表

中期簡明綜合財務報表已於二零一二年八月十六日獲本公司董事會批准及授權刊發。

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

中期財務資料審閱報告



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To the board of directors of BIO-DYNAMIC GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

致生物動力集團有限公司董事會 (於開曼群島註冊成立的有限公司)

INTRODUCTION

We have reviewed the interim condensed consolidated financial statements set out on pages 2 to 27, which comprise the condensed consolidated statement of financial position of BIO-DYNAMIC GROUP LIMITED and its subsidiaries as at 30 June 2012 and the related condensed consolidated income statement, statement of comprehensive income, changes in equity and cash flows for the six months then ended, and the explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants.

The directors are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards, or accept liability to any other person for the contents of this report.

引言

我們已審閱載於第2至第27頁之中期簡明綜合財務報表，當中包括生物動力集團有限公司及其附屬公司於二零一二年六月三十日之簡明綜合財務狀況表及截至該日止六個月期間有關的簡明綜合收入報表、簡明綜合全面收益表、簡明綜合權益變動表及簡明綜合現金流量表及其他附註解釋。根據香港聯合交易所有限公司證券上市規則，上市公司必須符合上市規則中的相關規定和香港會計師公會頒布的香港會計準則第34號「中期財務報告」(「香港會計準則第34號」)的規定編製中期財務報告。

董事須負責根據香港會計準則第34號編製及呈列該等中期簡明綜合財務報表。我們的責任是根據我們的審閱對該等中期簡明綜合財務報表作出結論。我們按照雙方協定的應聘條款，僅向全體董事會報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Without qualifying our conclusion, we draw attention to note 1 to the interim condensed consolidated financial statements which indicates that the Group incurred a consolidated net loss of HK\$43,561,000 during the six months ended 30 June 2012, and, as at that date, the Group's consolidated current liabilities exceeded its consolidated current assets by HK\$103,411,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

Ernst & Young
Certified Public Accountants

16 August 2012

審閱範圍

我們已根據香港會計師公會頒佈的香港審閱委聘準則第2410號「獨立核數師對中期財務資料的審閱」進行審閱。中期財務資料審閱工作包括主要向負責財務會計事項的人員詢問，並作出分析和其他審閱程序。由於審閱的範圍遠較按照香港審計準則進行審核的範圍為小，所以不能保證我們會注意到在審核中可能會被發現的所有重大事項。因此，我們不會發表任何審核意見。

結論

根據我們的審閱工作，我們並沒有注意到任何事項，使我們相信中期簡明綜合財務報表在所有重大方面並無按照香港會計準則第34號的規定編製。

我們並無作出保留結論，惟我們注意到中期簡明綜合財務報表附註1所示，貴集團於截至二零一二年六月三十日止六個月產生綜合虧損淨額43,561,000港元，而貴集團於該日的綜合流動負債超逾其綜合流動資產103,411,000港元。此等狀況顯示存在重大不明朗因素，可能對貴集團持續經營之能力產生重大影響。

安永會計師事務所
執業會計師

二零一二年八月十六日

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

For the six months ended 30 June 2012 (the "Period"), the Group's revenue was approximately HK\$96.3 million, representing a decrease of 61.4% over the corresponding period last year. Loss attributable to owners of the parent was approximately HK\$37.0 million, representing an increase of 26.5% over the corresponding period last year. Loss per share for the Period was HK3.1 cents (2011: HK2.5 cents).

During the Period, the Group's wine and liquor business constituted the key business of the Group. The increase in loss attributable to owners of the parent was mainly due to the increase in loss of the Group's ethanol business.

SEGMENTAL INFORMATION

Ethanol business

The Group's ethanol business is principally engaged in the production and sale of ethanol products and ethanol by-products in the PRC. Currently, Harbin China Distillery Co., Limited ("Harbin Distillery"), a 75% owned subsidiary of the Group, manages and operates an ethanol production facility located in Harbin, PRC. This ethanol production facility is designed to have an annual production capacity of 60,000 tonnes.

During the Period, the ethanol business recorded revenue of approximately HK\$26.2 million, down 85.2% over the corresponding period last year and accounted for 27.2% (2011: 70.8%) of the total revenue. The substantial decrease in revenue was mainly attributable to the temporary suspension of the Group's ethanol production facility since February 2012. Due to elevated corn prices, Harbin Distillery temporarily suspended its production process to reduce the cash outflow and operating loss. Gross loss for the Period was approximately HK\$7.5 million (2011: HK\$7.6 million).

管理層討論及分析

概要

於截至二零一二年六月三十日止六個月（「期內」），本集團收益約為96,300,000港元，較上年同期減少61.4%。母公司擁有人應佔虧損約為37,000,000港元，較上年同期增加26.5%。期內每股虧損為3.1港仙（二零一一年：2.5港仙）。

於期內，本集團酒類業務為本集團主要業務。母公司擁有人應佔虧損增加主要由於本集團的乙醇業務虧損增加所致。

分類資料

乙醇業務

本集團的乙醇業務主要為於中國生產及銷售乙醇產品及乙醇副產品。目前，本集團擁有75%權益之附屬公司哈爾濱中國釀酒有限公司（「哈爾濱釀酒」）管理及經營一位於中國哈爾濱的乙醇生產設施。此生產設施的設計年產能為60,000噸。

於期內，乙醇業務錄得收益約26,200,000港元，較上年同期下降85.2%，佔總收益之27.2%（二零一一年：70.8%）。收益大幅減少主要由於本集團自二零一二年二月起暫停本集團乙醇生產設施的運作。由於玉米價格上漲，哈爾濱釀酒暫停其生產工序，以減少現金流出及經營虧損。期內的毛損約為7,500,000港元（二零一一年：7,600,000港元）。

In order to improve the profitability of the Group's ethanol business, Harbin Distillery plans to have a plant modification in mid August 2012. The modification will enable the production facility to produce anhydrous ethanol in addition to consumable ethanol. Anhydrous ethanol has higher selling price than consumable ethanol and an increase in oil price would increase the demand for anhydrous ethanol. The modification is expected to be completed by mid November 2012 and Harbin Distillery will recommence its operations thereafter. Meanwhile, Harbin Distillery will actively look for ways to reduce the cost of raw materials so as to alleviate the pressure of increasing corn prices.

Harbin Distillery is also seeking to produce ethanol with kenaf to improve its competitiveness. In late June 2012, Harbin Distillery has signed a letter of intent with a Shanghai high-tech enterprise and two corporate partners for a kenaf cellulose ethanol production demonstration project. The demonstration project is expected to lay foundation for the future industrialisation of kenaf cellulose ethanol.

Wine and liquor business

The Group's wine and liquor business is principally engaged in the sale and distribution of wine and liquor in the PRC. Currently, the Group operates a retail and distribution network for selling wine and liquor in Guangzhou, Harbin and Hunan province of the PRC. As at 30 June 2012, the Group had 26 wine and liquor specialty stores and 20 franchise stores in Guangzhou. The Group is the exclusive distributor of Diancang Jiugui, Xiaoxiangquan under 250ml and Meiming Wenshi in China until May 2020.

為改善本集團乙醇業務的盈利能力，哈爾濱釀酒計劃於二零一二年八月中對設備進行改造。有關改造將令生產設施除生產食用酒精外亦能夠生產無水酒精。無水酒精擁有較食用酒精較高的售價，而油價上漲將令無水酒精的需求增加。改造預期於二零一二年十一月中完成，而哈爾濱釀酒於其後將開始運作。與此同時，哈爾濱釀酒將積極尋找減低原材料成本的方法，以減輕玉米價格日益上漲的壓力。

哈爾濱釀酒亦尋求以紅麻生產乙醇，以改善其競爭力。於二零一二年六月底，哈爾濱釀酒與一間上海高科技企業及兩名企業夥伴就紅麻纖維素乙醇生產示範項目簽訂意向書。示範項目預期為未來紅麻纖維素乙醇工業化生產奠定基礎。

酒類業務

本集團的酒類業務主要為於中國銷售及分銷酒類。目前，本集團於中國廣州、哈爾濱及湖南省經營銷售酒類的零售及分銷網絡。於二零一二年六月三十日，本集團於廣州擁有26間酒類專賣店及20間加盟店。本集團為典藏酒鬼、250毫升以下小湘泉及美名問世的中國獨家經銷商，直至二零二零年五月為止。

During the Period, the wine and liquor business recorded revenue of approximately HK\$70.1 million, down 3.6% over the corresponding period last year and accounted for 72.8% (2011: 29.2%) of the total revenue. During the Period, the Group focused on gross margin improvement in Guangzhou and network expansion in Harbin and Hunan province. Hence, the revenue from the operations in Harbin and Hunan province increased but the revenue from the operation in Guangzhou decreased, and a net decrease in revenue resulted. Despite the decrease in revenue, gross profit margin of this business improved from 25.4% to 27.1%, mainly attributed to price increases on selected products for the operation in Guangzhou. Gross profit was approximately HK\$19.0 million, representing an increase of 2.8% over the corresponding period last year.

The Group will continue to improve the product mix and focus on higher margin products to grow its business. Apart from strengthening the established markets, the Group will strive to expand its retail and distribution network to other parts of Guangdong province of the PRC.

Animal feed business

The Group's animal feed business will principally engage in the production and sale of forages. The Group holds an intellectual property which involves a technique and know-how to produce high-protein forages from crop stalks.

In November 2011, the Group has reached preliminary agreement with two farms in Heilongjiang province on the framework for collaboration. A forage production facility will be built within the farms so that the products will be efficiently processed near the source of raw materials (i.e. crop stalks). During the Period, the Group has modified the preliminary agreement to specify the cost and quality of crop stalks provided by the farm, and the responsibility of each party. The Group is finalising a joint venture agreement with a farm.

於期內，酒類業務錄得收益約70,100,000港元，較上年同期下降3.6%，佔總收益之72.8%（二零一一年：29.2%）。於本期間，本集團專注於廣州的毛利率改善及哈爾濱及湖南省的網絡擴展。因此，來自哈爾濱及湖南省業務的收益增加，但來自廣州業務的收益減少，並引致收益淨額減少。儘管收益減少，惟此業務的毛利率由25.4%改善至27.1%，主要由於廣州業務的經甄選產品價格上升所致。毛利約為19,000,000港元，較上年同期增加2.8%。

本集團將繼續改善產品組合並專注較高收益率的產品以增長其業務。除增強既有市場外，本集團將竭力擴展其零售及分銷網絡至中國廣東省的其他地方。

動物飼料業務

本集團的動物飼料業務將主要為生產及銷售粗飼料。本集團持有一項知識產權，其涉及將農作物秸稈生產成高蛋白質粗飼料之技術及專門。

於二零一一年十一月，本集團與黑龍江省兩個農場就合作框架達成初步協議。粗飼料生產設施將座落於農場內，以便靠近原材料來源（即農作物秸稈）使有效加工。期內，本集團已修訂初步協議，訂明農場所提供農作物秸稈的成本及品質以及各方的責任。本集團正在與農場敲定合營企業協議。

The Group will continue to pursue additional potential locations for future facilities, which involve consideration of a number of criteria including availability of raw materials and infrastructure, potential strategic partnerships, logistics and other market factors.

FINANCIAL REVIEW

The Group's total revenue for the Period was approximately HK\$96.3 million, representing a decrease of 61.4% over the corresponding period last year. The decrease was mainly attributable to the decrease in revenue of ethanol business.

Gross profit of the Group was approximately HK\$11.5 million, representing an increase of 5.3% over the corresponding period last year. Overall gross profit margin increased from 4.4% to 11.9%. The increase was because the higher margin wine and liquor business constituted the key business of the Group during the Period.

Selling and distribution costs was approximately HK\$15.3 million, representing an increase of 11.3% over the corresponding period last year and 15.9% (2011: 5.5%) of the Group's revenue. The increase was mainly due to the expansion of the distribution network in Harbin and Hunan province. The substantial increase in selling and distribution costs to revenue ratio was because the wine and liquor business has relatively higher selling and distribution costs to revenue ratio than ethanol business.

Administrative expenses was approximately HK\$39.5 million, representing an increase of 30.9% over the corresponding period last year. The increase was mainly due to the depreciation provided during the temporary suspension of the Group's Harbin production facility.

本集團將繼續就未來設施物色額外潛在位置，當中涉及若干標準的考慮，包括是否可獲得原材料及基礎建設、潛在策略夥伴關係、物流及其他市場因素。

財務回顧

本集團於期內的總收益約為96,300,000港元，較上年同期減少61.4%。減少主要由於乙醇業務的收益減少所致。

本集團毛利約為11,500,000港元，較上年同期增加5.3%。整體毛利率自4.4%上升至11.9%。增加乃由於較高利潤率的酒類業務於期內構成本集團的主要業務。

銷售及分銷成本約為15,300,000港元，較上年同期增加11.3%，佔本集團收益之15.9%（二零一一年：5.5%）。增加主要由於擴展哈爾濱及湖南省的分銷網絡。銷售及分銷成本對收益的比率大幅增加乃由於酒類業務較乙醇業務擁有相對較高的銷售及分銷成本對收益的比率。

行政開支約為39,500,000港元，較上年同期增加30.9%。增加乃主要由於本集團哈爾濱生產設施暫停運作期間所計提的折舊所致。

Finance cost was approximately HK\$3.3 million, representing an increase of 66.3% over the corresponding period last year. The increase was due to increase in interest rates.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the Period, the issued share capital of the Company increased by 100,000 shares to 1,190,742,397 shares due to the exercise of share options by a director. Apart from options to subscribe for shares in the Company, there were no other capital instruments in issue.

As at 30 June 2012, the Group had equity attributable to owners of the parent of approximately HK\$314.7 million (31 December 2011: HK\$348.7 million). Net current liabilities of the Group as at 30 June 2012 amounted to approximately HK\$103.4 million (31 December 2011: HK\$85.8 million). The Group's unpledged cash and cash equivalents as at 30 June 2012 amounted to approximately HK\$7.4 million (31 December 2011: HK\$16.5 million), which were denominated in Hong Kong dollars and Renminbi.

融資成本約為3,300,000港元，較上年同期增加66.3%。增加乃由於利率增加所致。

流動資金、財務資源及資本架構

由於一名董事行使購股權，本公司已發行股本於期內增加100,000股股份至1,190,742,397股股份。除可認購本公司股份之購股權外，並無發行其他資本工具。

於二零一二年六月三十日，本集團的母公司擁有人應佔權益約為314,700,000港元（二零一一年十二月三十一日：348,700,000港元）。本集團於二零一二年六月三十日的流動負債淨額約為103,400,000港元（二零一一年十二月三十一日：85,800,000港元）。本集團於二零一二年六月三十日的無抵押現金及現金等值物約為7,400,000港元（二零一一年十二月三十一日：16,500,000港元），乃以港元及人民幣計值。

As at 30 June 2012, the Group's total borrowings amounted to approximately HK\$109.6 million (31 December 2011: HK\$118.3 million). The Group's borrowings included bank loans of approximately HK\$52.5 million (31 December 2011: HK\$65.4 million), other borrowings of approximately HK\$3.8 million (31 December 2011: HK\$3.8 million), amounts due to related parties of approximately HK\$22.6 million (31 December 2011: HK\$18.1 million) and an amount due to a non-controlling shareholder of a subsidiary of approximately HK\$30.7 million (31 December 2011: HK\$31.0 million). Around 95.3% of the borrowings are denominated in Renminbi with the rest in Hong Kong dollars. The bank loans bear interest rates ranging between 7.57% and 7.87% (31 December 2011: 7.21% and 7.37%). Other borrowings bear interest rate of 12.00% (31 December 2011: 6.25%). Except for the loans of approximately HK\$5.1 million from Orientelite Investments Limited, a shareholder of the Company, which bear interest at 3-month HIBOR+1%, the remaining amounts due to related parties and a non-controlling shareholder of a subsidiary are interest-free. The gearing ratio of the Group as at 30 June 2012, calculated as net debt divided by equity attributable to owners of the parent plus net debt, was 44.0% (31 December 2011: 41.7%).

於二零一二年六月三十日，本集團總借貸約為109,600,000港元(二零一一年十二月三十一日：118,300,000港元)。本集團借貸包括銀行貸款約52,500,000港元(二零一一年十二月三十一日：65,400,000港元)、其他借貸約3,800,000港元(二零一一年十二月三十一日：3,800,000港元)、應付關連人士款項約22,600,000港元(二零一一年十二月三十一日：18,100,000港元)，及應付一附屬公司非控股股東款項約30,700,000港元(二零一一年十二月三十一日：31,000,000港元)。約95.3%的借貸以人民幣計值，而餘下以港元計值。銀行貸款利息介乎7.57厘至7.87厘(二零一一年十二月三十一日：7.21厘至7.37厘)。其他借貸利息的息率為12.00厘(二零一一年十二月三十一日：6.25厘)。除本公司股東Orientelite Investments Limited提供之貸款約5,100,000港元乃按三個月香港銀行同業拆息+1厘計息外，餘下應付關連人士及一間附屬公司的非控股股東款項均為免息。於二零一二年六月三十日，本集團之資產負債比率為44.0%(二零一一年十二月三十一日：41.7%)，按負債淨額除以母公司擁有人應佔權益加負債淨額計算。

Having considered the Group's current unpledged cash and cash equivalents, bank and other borrowings and the financial support from shareholders, the management believes that the Group's financial resources are sufficient for its day-to-day operations.

The Group did not use financial instruments for financial hedging purposes during the Period.

The Group's business transactions, assets and liabilities are principally denominated in Renminbi and Hong Kong dollars. Fluctuations in Renminbi may impact the Group's results and net asset value as the Company's consolidated financial statements are presented in Hong Kong dollars. The Group's treasury policy is to manage its foreign currency exposure only when its potential financial impact is material to the Group. The Group will continue to monitor its foreign exchange position and, if necessary, utilise hedging tools, if available, to manage its foreign currency exposure.

經考慮本集團現有無抵押現金及現金等值物、銀行與其他借貸及股東提供的財政支持，管理層相信本集團具備足夠財務資源作日常營運所需。

期內，本集團並無採用金融工具作對沖用途。

本集團的業務交易、資產及負債主要以人民幣及港元計值。因本公司的綜合財務報表以港元呈列，故人民幣波動可能影響本集團的業績及資產淨值。本集團的財政政策是僅於其潛在影響對本集團而言屬重大的情況下管理外幣風險承擔。本集團將繼續監察其外匯狀況及（如有需要）採用對沖工具（如有），以管理外幣風險承擔。

CHARGE ON ASSETS AND CONTINGENT LIABILITIES

As at 30 June 2012, certain of the Group's property, plant and equipment, leasehold land and bank deposits with aggregate net book value of approximately HK\$90.2 million (31 December 2011: HK\$109.1 million) were pledged to banks to secure the Group's bank loans and bills payable.

As at 30 June 2012, the Group had no material contingent liabilities (31 December 2011: Nil).

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2012, the Group had approximately 493 (2011: 549) employees in Hong Kong and the PRC with total staff costs amounted to approximately HK\$20.9 million (2011: HK\$20.7 million). Remuneration of employees is offered at competitive standards, generally structured with reference to market terms and individual qualifications. The Company has adopted a share option scheme and the purpose of which is to provide incentives to participants for their contribution to the Group, and to enable the Group to recruit and retain quality employees to serve the Group on a long-term basis.

資產抵押及或然負債

於二零一二年六月三十日，本集團銀行貸款及應付票據以本集團賬面淨值合共約90,200,000港元（二零一一年十二月三十一日：109,100,000港元）的若干物業、廠房及設備、租賃土地以及銀行存款作抵押。

於二零一二年六月三十日，本集團概無任何重大或然負債（二零一一年十二月三十一日：無）。

僱員及薪酬政策

於二零一二年六月三十日，本集團於香港及中國約有493名僱員（二零一一年：549名），總員工成本約為20,900,000港元（二零一一年：20,700,000港元）。僱員薪酬維持於具競爭力的水平，一般根據市況及個別員工的資歷釐定。本公司已採納購股權計劃，目的是提供獎勵予參與者，表揚其對本集團的貢獻，使本集團能招聘及挽留優質僱員長期為本集團服務。

OTHER INFORMATION

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 30 June 2012, the interests and short positions of the directors in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Long positions in ordinary shares of the Company:

其他資料

董事於股份及相關股份的權益及淡倉

於二零一二年六月三十日，根據記錄於證券及期貨條例（「證券及期貨條例」）第352條本公司須予保存之登記名冊所載，或根據上市發行人董事進行證券交易之標準守則須知會本公司及香港聯合交易所有限公司（「聯交所」）之資料，各董事於本公司或其相聯法團（定義見證券及期貨條例第XV部）股本及相關股份之權益及淡倉如下：

於本公司普通股之好倉：

Name of director 董事姓名	Number of shares held, capacity and nature of interest 持有股份數目、身份及權益性質			Total 總額	Percentage of the Company's issued share capital 佔本公司 已發行股本 之百分比
	Directly beneficially owned 直接實益擁有	Through spouse 透過配偶			
Mr. Lo Peter 路嘉星先生	4,820,000	-		4,820,000	0.40
Mr. Sun David Lee 孫如暉先生	2,170,000	230,000		2,400,000	0.20
Mr. Qu Shuncaï 屈順才先生	3,680,000	-		3,680,000	0.31
Mr. Yeung Ting-Lap 楊鼎立先生					
Derek Emory	100,000	-		100,000	0.01
Mr. Zuchowski Sam Zuchowski Sam先生	100,000	-		100,000	0.01
	<u>10,870,000</u>	<u>230,000</u>		<u>11,100,000</u>	<u>0.93</u>

Long positions in share options of the Company:**於本公司購股權之好倉：**

Name of director 董事姓名		Number of options directly beneficially owned 直接實益擁有之購股權數目
Mr. Lo Peter	路嘉星先生	5,340,000
Mr. Han Dong	韓東先生	10,000,000
Mr. Sun David Lee	孫如暉先生	1,680,000
Mr. Qu Shuncaï	屈順才先生	4,500,000
Mr. Yeung Ting-Lap Derek Emory	楊鼎立先生	200,000
Dr. Loke Yu	陸海林博士	150,000
Mr. Zuchowski Sam	Zuchowski Sam先生	300,000
Mr. Zhang Yonggen	張永根先生	200,000
		22,370,000

Save as disclosed above, as at 30 June 2012, none of the directors had registered an interest or short position in the shares, underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

除上述所披露者外，於二零一二年六月三十日，各董事概無於本公司或其任何相聯法團之股份或相關股份中，擁有根據證券及期貨條例第352條須予記錄，或根據上市發行人董事進行證券交易之標準守則須知會本公司及聯交所之權益或淡倉。

SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants for their contribution to, and continuing efforts to promote the interests of, the Group. The Scheme was adopted on 23 May 2007 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. Details of the Scheme are set out in the published annual report of the Company for the year ended 31 December 2011.

The following table discloses movements in the Company's share options outstanding during the six months ended 30 June 2012:

Name or category of participant 參與者名稱或類別	Number of share options 購股權數目				Date of grant of share options* 授出日期*	Exercise period of share options 購股權行使期限	Exercise price of share options** 購股權行使價** HK\$ per share 港元 每股	Price of the Company's shares at grant date 本公司股份於授出日期之價格 HK\$ per share 港元 每股
	At 1 January 2012 於二零一二年一月一日	Exercised during the period 期內行使	Lapsed during the period 期內失效	At 30 June 2012 於二零一二年六月三十日				
Directors 董事								
Mr. Lo Peter 路嘉星先生	1,660,000	-	-	1,660,000	31-10-08	31-10-09 – 30-10-12	0.288	0.28
	840,000	-	-	840,000	26-4-10	26-4-11 – 25-4-14	0.73	0.71
	840,000	-	-	840,000	26-4-10	26-4-12 – 25-4-15	0.73	0.71
	1,000,000	-	-	1,000,000	13-9-10	13-9-11 – 12-9-14	0.83	0.83
	1,000,000	-	-	1,000,000	13-9-10	13-9-12 – 12-9-15	0.83	0.83
	5,340,000	-	-	5,340,000				

購股權計劃

本公司設有一項購股權計劃（「該計劃」），旨在就合資格參與者為本集團所作貢獻及持續努力促進本集團利益提供鼓勵及獎賞。該計劃於二零零七年五月二十三日採納，除非已作註銷或作出修訂，該計劃將由採納日期起10年內一直生效。有關該計劃之詳情已於本公司截至二零一一年十二月三十一日止年度已刊發之年報中載列。

下表披露於截至二零一二年六月三十日止六個月未行使的本公司購股權變動：

Name or category of participant 參與者 名稱或類別	Number of share options 購股權數目				Date of grant of share options* 購股權 授出日期*	Exercise period of share options 購股權 行使期限	Exercise price of share options** 購股權 行使價** HK\$ per share 港元 每股	Price of the Company's shares at grant date 本公司 股份於 授出日期 之價格 HK\$ per share 港元 每股
	At 1 January 2012 於 二零一二年 一月一日	Exercised during the period 期內行使	Lapsed during the period 期內失效	At 30 June 2012 於 二零一二年 六月三十日				
Mr. Han Dong 韓 東先生	5,000,000	-	-	5,000,000	10-10-11	10-10-12 – 9-10-15	0.66	0.66
	5,000,000	-	-	5,000,000	10-10-11	10-10-13 – 9-10-16	0.66	0.66
	10,000,000	-	-	10,000,000				
Mr. Sun David Lee 孫如暉先生	1,000,000	-	-	1,000,000	31-10-08	31-10-09 – 30-10-12	0.288	0.28
	340,000	-	-	340,000	26-4-10	26-4-11 – 25-4-14	0.73	0.71
	340,000	-	-	340,000	26-4-10	26-4-12 – 25-4-15	0.73	0.71
	1,680,000	-	-	1,680,000				
Mr. Qu Shuncaï 屈順才先生	2,250,000	-	-	2,250,000	13-9-10	13-9-11 – 12-9-14	0.83	0.83
	2,250,000	-	-	2,250,000	13-9-10	13-9-12 – 12-9-15	0.83	0.83
	4,500,000	-	-	4,500,000				
Mr. Yeung Ting-Lap Derek Emory 楊鼎立先生	50,000	-	-	50,000	26-4-10	26-4-11 – 25-4-14	0.73	0.71
	50,000	-	-	50,000	26-4-10	26-4-12 – 25-4-15	0.73	0.71
	50,000	-	-	50,000	13-9-10	13-9-11 – 12-9-14	0.83	0.83
	50,000	-	-	50,000	13-9-10	13-9-12 – 12-9-15	0.83	0.83
	200,000	-	-	200,000				
Dr. Loke Yu 陸海林博士	50,000	-	-	50,000	26-4-10	26-4-12 – 25-4-15	0.73	0.71
	50,000	-	-	50,000	13-9-10	13-9-11 – 12-9-14	0.83	0.83
	50,000	-	-	50,000	13-9-10	13-9-12 – 12-9-15	0.83	0.83
	150,000	-	-	150,000				

Name or category of participant 參與者名稱或類別	Number of share options 購股權數目				Date of grant of share options* 購股權授出日期*	Exercise period of share options 購股權行使期限	Exercise price of share options** 購股權行使價** HK\$ per share 港元 每股	Price of the Company's shares at grant date 本公司股份於授出日期之價格 HK\$ per share 港元 每股
	At 1 January 2012 於二零一二年一月一日	Exercised during the period 期內行使	Lapsed during the period 期內失效	At 30 June 2012 於二零一二年六月三十日				
Mr. Zuchowski Sam Zuchowski Sam先生	100,000	(100,000)	-	-	11-2-09	11-2-09 – 10-2-12	0.19	0.187
	100,000	-	-	100,000	11-2-09	11-2-10 – 10-2-13	0.19	0.187
	50,000	-	-	50,000	26-4-10	26-4-11 – 25-4-14	0.73	0.71
	50,000	-	-	50,000	26-4-10	26-4-12 – 25-4-15	0.73	0.71
	50,000	-	-	50,000	13-9-10	13-9-11 – 12-9-14	0.83	0.83
	50,000	-	-	50,000	13-9-10	13-9-12 – 12-9-15	0.83	0.83
	400,000	(100,000)	-	300,000				
Mr. Zhang Yonggen 張永根先生	100,000	-	-	100,000	4-5-11	4-5-12 – 3-5-15	1.152	1.15
	100,000	-	-	100,000	4-5-11	4-5-13 – 3-5-16	1.152	1.15
	200,000	-	-	200,000				
	22,470,000	(100,000)	-	22,370,000				
Ex-directors*** 前董事***								
Mr. Zhao Difei 趙濂飛先生	250,000	-	-	250,000	13-9-10	13-9-11 – 12-9-14	0.83	0.83
	250,000	-	-	250,000	13-9-10	13-9-12 – 12-9-15	0.83	0.83
	500,000	-	-	500,000				
Mr. Fu Hui 符輝先生	2,250,000	-	-	2,250,000	26-4-10	26-4-11 – 25-4-14	0.73	0.71
	2,250,000	-	-	2,250,000	26-4-10	26-4-12 – 25-4-15	0.73	0.71
	1,000,000	-	-	1,000,000	10-10-11	10-10-12 – 9-10-15	0.66	0.66
	1,000,000	-	-	1,000,000	10-10-11	10-10-13 – 9-10-16	0.66	0.66
	6,500,000	-	-	6,500,000				
7,000,000	-	-	7,000,000					

Name or category of participant 參與者 名稱或類別	Number of share options 購股權數目				Date of grant of share options* 購股權 授出日期*	Exercise period of share options 購股權 行使期限	Exercise price of share options** 購股權 行使價** HK\$ per share 港元 每股	Price of the Company's shares at grant date 本公司 股份於 授出日期 之價格 HK\$ per share 港元 每股
	At 1 January 2012	Exercised during the period	Lapsed during the period	At 30 June 2012				
	於 二零一二年 一月一日	期內行使	期內失效	於 二零一二年 六月三十日				
Other employees								
其他僱員								
In aggregate	1,660,000	-	-	1,660,000	31-10-08	31-10-09 – 30-10-12	0.288	0.28
總額	680,000	-	-	680,000	26-4-10	26-4-11 – 25-4-14	0.73	0.71
	680,000	-	-	680,000	26-4-10	26-4-12 – 25-4-15	0.73	0.71
	2,900,000	-	-	2,900,000	12-7-10	12-7-11 – 11-7-14	0.62	0.62
	3,400,000	-	(500,000)	2,900,000	12-7-10	12-7-12 – 11-7-15	0.62	0.62
	3,250,000	-	-	3,250,000	13-9-10	13-9-11 – 12-9-14	0.83	0.83
	3,250,000	-	-	3,250,000	13-9-10	13-9-12 – 12-9-15	0.83	0.83
	5,000,000	-	-	5,000,000	10-10-11	10-10-12 – 9-10-15	0.66	0.66
	5,000,000	-	-	5,000,000	10-10-11	10-10-13 – 9-10-16	0.66	0.66
	<u>25,820,000</u>	<u>-</u>	<u>(500,000)</u>	<u>25,320,000</u>				
Consultants								
顧問								
In aggregate	4,750,000	-	-	4,750,000	13-9-10	13-9-11 – 12-9-14	0.83	0.83
總額	4,750,000	-	-	4,750,000	13-9-10	13-9-12 – 12-9-15	0.83	0.83
	<u>9,500,000</u>	<u>-</u>	<u>-</u>	<u>9,500,000</u>				
	<u>64,790,000</u>	<u>(100,000)</u>	<u>(500,000)</u>	<u>64,190,000</u>				

Notes to the table of share options outstanding during the period:

期內未行使購股權列表附註：

- * The vesting period of the share options is from the date of grant until the commencement of the exercise period.
- ** The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
- *** Mr. Zhao Difei and Mr. Fu Hui retired/resigned as executive directors of the Company on 3 May 2012 and 1 June 2012, respectively. According to the Scheme, the share options granted to them may be exercised within three months of the date of retirement/resignation.
- **** The weighted average closing price of the Company's shares immediately before the exercise dates of the share options was HK\$0.77 per share.

- * 購股權的歸屬期為由授出日起直至行使期開始為止。
- ** 購股權行使價可在供股或紅股發行或本公司股本之其他類似變動情況下作出調整。
- *** 趙濼飛先生及符輝先生分別於二零一二年五月三日及二零一二年六月一日退任／辭任本公司執行董事。根據該計劃，授予彼等之購股權可於退任／辭任日期後三個月內行使。
- **** 緊接購股權行使日期前本公司股份之加權平均收市價為每股0.77港元。

No share option was granted during the six months ended 30 June 2012. The Group recognised a share option expense of approximately HK\$5,776,000 (2011: HK\$6,451,000) during the six months ended 30 June 2012.

截至二零一二年六月三十日止六個月，並無購股權授出。截至二零一二年六月三十日止六個月，本集團確認購股權開支約5,776,000港元(二零一一年：6,451,000港元)。

Save as disclosed above, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the directors or their respective spouses or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

除上文所披露外，於期內任何時間，任何董事或彼等各自的配偶或未滿十八歲的子女概無獲授透過收購本公司股份或債券獲取利益的權利，彼等亦無行使任何有關權利；本公司、其控股公司或其任何附屬公司或同系附屬公司概無訂立任何安排，致使董事可收購任何其他法人團體的有關權利。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 June 2012, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions:

Name 名稱	Capacity and nature of interest 身份及權益性質	Number of ordinary shares held 持有普通股數目	Percentage of the Company's issued share capital 佔本公司 已發行股本 之百分比
China Enterprise Capital Limited (Note 1) (附註1)	Interest of controlled corporations 受控制法團權益	233,532,263	19.61
Orientelite Investments Limited (Note 1) (附註1)	Beneficial owner 實益擁有人	195,000,000	16.37
	Interest of a controlled corporation 受控制法團權益	38,532,263	3.24
Chen Hua (Note 2) 陳華 (附註2)	Interest of controlled corporations 受控制法團權益	160,000,000	13.44
Able Turbo Enterprises Limited (Note 2) (附註2)	Beneficial owner 實益擁有人	90,427,737	7.60
	Interest of a controlled corporation 受控制法團權益	69,572,263	5.84
China Food and Beverage Group Limited (Note 2) (附註2)	Beneficial owner 實益擁有人	69,572,263	5.84
Jiang Jianjun 江建軍	Beneficial owner 實益擁有人	141,326,000	11.87
Liang Kui Di 梁葵弟	Beneficial owner 實益擁有人	64,700,000	5.43
Sun Lian 孫戀	Beneficial owner 實益擁有人	61,248,000	5.14

主要股東及其他人士於股份及相關股份的權益

於二零一二年六月三十日，以下佔本公司已發行股本5%或以上的權益已記錄於本公司根據證券及期貨條例第336條而存置的權益登記冊內：

好倉：

Notes:

1. China Enterprise Capital Limited owns 100% of Orientelite Investments Limited and Orientelite Investments Limited through its 100% subsidiary, CEC Agricapital Group Limited, owns 3.24% of the issued share capital of the Company. Accordingly, China Enterprise Capital Limited is taken under the SFO to be interested in the shares in which Orientelite Investments Limited and CEC Agricapital Group Limited have an interest. Orientelite Investments Limited is taken under the SFO to be interested in the shares in which CEC Agricapital Group Limited has an interest.
2. Chen Hua owns more than one-third of the issued share capital of Able Turbo Enterprises Limited and Able Turbo Enterprises Limited owns 100% of China Food and Beverage Group Limited. Accordingly, Chen Hua is taken under the SFO to be interested in the shares in which Able Turbo Enterprises Limited and China Food and Beverage Group Limited have an interest.

Save as disclosed above, as at 30 June 2012, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

附註：

1. China Enterprise Capital Limited擁有Orientelite Investments Limited的100%權益，而Orientelite Investments Limited透過其擁有100%權益的附屬公司CEC Agricapital Group Limited擁有本公司已發行股本的3.24%。因此，根據證券及期貨條例，China Enterprise Capital Limited被視為於Orientelite Investments Limited及CEC Agricapital Group Limited擁有權益之股份中擁有權益。根據證券及期貨條例，Orientelite Investments Limited被視為於CEC Agricapital Group Limited擁有權益之股份中擁有權益。
2. 陳華擁有Able Turbo Enterprises Limited三分之一以上的已發行股本，而Able Turbo Enterprises Limited擁有China Food and Beverage Group Limited的100%權益。因此，根據證券及期貨條例，陳華被視為於Able Turbo Enterprises Limited及China Food and Beverage Group Limited擁有權益之股份中擁有權益。

除上文所披露外，於二零一二年六月三十日，概無任何人士（除本公司董事外，彼等的有關權益載於上文「董事於股份及相關股份的權益及淡倉」一節）於本公司的股份或相關股份中擁有根據證券及期貨條例第336條須予登記的權益或淡倉。

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2012.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code on ethics and securities transactions, which incorporates a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules. Specified employees who are likely to be in possession of unpublished price-sensitive information of the Company are also subject to the compliance with the code. Based on specific enquiry of the Company's directors, the directors have complied with the required standard set out in the code on ethics and securities transactions throughout the six months ended 30 June 2012.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with all code provisions of the Code on Corporate Governance Practices during the period from 1 January 2012 to 31 March 2012 and the Corporate Governance Code ("CG Code") during the period from 1 April 2012 to 30 June 2012 as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, save as disclosed as follows. In respect of code provision A.6.7 of the CG Code, Mr. Derek Emory Ting-Lap Yeung, the non-executive director of the Company, was not in a position to attend the annual general meeting of the Company held on 3 May 2012 due to his overseas commitment.

購買、贖回或出售本公司上市證券

於截至二零一二年六月三十日止六個月期間，本公司或其任何附屬公司概無購買、贖回或出售任何本公司上市證券。

證券交易之標準守則

本公司已採納一項道德及證券交易守則，其中載列有關董事進行證券交易的操守守則，其條款並不遜於上市規則之上市發行人的董事進行證券交易之標準守則之要求。可能擁有本公司未公佈而對股價敏感之資料之特定僱員亦須遵守該守則。根據對本公司董事作出的特定垂詢，董事於截至二零一二年六月三十日止六個月期間一直遵守道德及證券交易守則所規定的準則。

遵守企業管治守則

本公司已於二零一二年一月一日至二零一二年三月三十一日期間遵守香港聯合交易所有限公司證券上市規則附錄十四所載之企業管治常規守則的所有守則條文及於二零一二年四月一日至二零一二年六月三十日期間遵守企業管治守則（「企業管治守則」），惟以下披露者除外。就企業管治守則的守則條文A.6.7條而言，本公司非執行董事楊鼎立先生因處理海外事務而未能出席本公司於二零一二年五月三日舉行之股東週年大會。

DISCLOSURE OF INFORMATION ON DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the information of the directors since the date of 2011 Annual Report of the Company are set out as follows:

Mr. Zhao Difei and Mr. Li Jian Quan retired as executive directors of the Company at the conclusion of the annual general meeting held on 3 May 2012.

Mr. Fu Hui resigned as an executive director of the Company with effect from 1 June 2012.

Mr. Qu Shuncaï and Mr. Huang Qingxi were appointed as executive director and non-executive director of the Company, respectively, with effect from 1 June 2012.

有關董事之資料披露

根據上市規則第13.51B(1)條，自二零一一年年報日期起本公司董事資料之變動載列如下：

趙滌飛先生及李建權先生於二零一二年五月三日舉行之股東週年大會結束時退任本公司執行董事。

符輝先生已辭任本公司執行董事，自二零一二年六月一日起生效。

屈順才先生及黃慶璽先生分別獲委任為本公司執行董事及非執行董事，自二零一二年六月一日起生效。

By order of the Board

Peter Lo
Chairman

承董事會命
主席
路嘉星

Hong Kong, 16 August 2012

香港，二零一二年八月十六日

