中國全通
CHINA ALL ACCESS

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

(incorporated in the Cayman Islands with limited liability)
Stock Code : 633

2012
Interim Report

CONTENTS

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Chan Yuen Ming
Mr. Shao Kwok Keung
Mr. Zhao Qing An
Mr. Xiu Zhi Bao

Independent Non-Executive Directors

Mr. Pun Yan Chak
Mr. Wong Che Man Eddy *(FCPA)*
Mr. Lam Kin Hung Patrick

AUTHORISED REPRESENTATIVES

Mr. Chan Yuen Ming
Mr. Shao Kwok Keung

AUDIT COMMITTEE

Mr. Wong Che Man Eddy *(Chairman)* *(FCPA)*
Mr. Pun Yan Chak
Mr. Lam Kin Hung Patrick

REMUNERATION COMMITTEE

Mr. Pun Yan Chak *(Chairman)*
Mr. Wong Che Man Eddy *(FCPA)*
Mr. Shao Kwok Keung

NOMINATION COMMITTEE

Mr. Lam Kin Hung Patrick *(Chairman)*
Mr. Wong Che Man Eddy *(FCPA)*
Mr. Shao Kwok Keung

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 805, Greenfield Tower,
Concordia Plaza,
1 Science Museum Road,
Kowloon
Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

AUDITORS

KPMG
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

LEGAL ADVISERS

Chiu & Partners
40th Floor, Jardine House
1 Connaught Place
Central
Hong Kong

PRINCIPAL BANKERS

Bank of Communications Co Ltd.,
Hong Kong Branch
2nd Floor, 563 Nathan Road
Kowloon
Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Union Registrars Limited
18th Floor
Fook Lee Commercial Centre
Town Place, 33 Lockhart Road
Wanchai
Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands

COMPANY WEBSITE

www.chinaallaccess.com

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of this year, the Company experienced longer project completion lead time mainly due to delay in finalizing the system configurations with some customers and longer supply lead time from some vendors. In view of this situation, the revenue for the period was approximately RMB130,417,000, representing a decrease of approximately 30% compared with the corresponding period last year. Nevertheless, with the encouraging amount of orders on hand, together with the increasing amount of business enquiries and requests for proposal, the Company expects its peak selling season in the second half of this year will deliver promising revenue which will let the Company achieve satisfactory full year operating performance for 2012.

The management believes that favourable state policies can benefit the Group. For example, the Ministry of Industry and Information Technology has released the "12th Five-Year Development Plan for Internet of Things" earlier this year. Moreover, the National Reform and Development Committee has released subsidy policy for the satellite application industry. As a leading communication application solution provider in China, the Company will substantially benefit from such favourable state policies, thus injecting new impetus to our development momentum.

In order to strengthen our competitiveness in the market, the Company has devoted large amount of resources on the development of new products and new application solutions. In the satellite communication segment, we have developed the Visual Information Management Platform. It is basically a soft platform which enables the rescue teams to integrate communication resources and obtain decision aids based on geographical information system. Besides, we also further enhanced the hardware design of satellite antenna, developed Satellite Network Management System and improved the integration process. In the wireless data communication segment, we have launched the Broadband Mobile E-Government Network Solution, which is based on advanced mobile technology and can provide more secured and higher quality communication service for government departments. In addition, we expanded the product range of our Intelligent Terminal Section to cater for more categories of public security workforce. The management believes they will become new revenue drivers in the next few years and stimulate sales of other products and solutions.

Application of IPO proceeds

The net proceeds from the Group's initial public offering in 2009 were approximately HK$403,470,000, net of related expenses. As of 30 June 2012, the Group had already applied approximately HK$223,940,000 in accordance with the intended use of proceeds as set out in the prospectus (the "Prospectus") of the Company dated 4 September 2009. The balance of approximately HK$179,530,000 of the net proceeds will be also applied in line with the intended uses as set out in the Prospectus.

FINANCIAL REVIEW

Revenue

Revenue decreased from approximately RMB186,442,000 for the six months ended 30 June 2011 to approximately RMB130,417,000 for the six months ended 30 June 2012, which represented a decrease of approximately 30%.

The decrease in revenue during the period under review as compared to the corresponding period last year was mainly attributable to the delay in completion of some projects which led to a substantial decrease in revenue. As a matter of seasonality of the business, the first half year is our low season. In view of the increasing orders on hand, the Group will strive to achieve more satisfactory full year result in the second half of this year.

The following sets out the review of our revenue for the six months ended 30 June 2012 by our major business segments:

- Provision of satellite communication application solutions and services exhibited a decrease in revenue from approximately RMB99,980,000 for the six months ended 30 June 2011 to approximately RMB82,427,000 for the six months ended 30 June 2012, representing a decrease of approximately 18%. The decrease was mainly due to the delay in completion of some projects. A big proportion of revenue of this segment was attributable to customers in the industries of civil defense, fire service and reserve duty, mainly in Fujian, Liaoning, Hebei, Shanxi, Zhejiang and Guangdong. In the first half of 2012, the Group continued to improve the satellite communication solutions by putting resources in research and development activities, including hardware design for satellite antenna, development of Satellite Network Management System, and improvement of integration process, etc.

- Provision of wireless data communication application solutions and services exhibited a decrease in revenue from approximately RMB83,876,000 for the six months ended 30 June 2011 to approximately RMB44,505,000 for the six months ended 30 June 2012, representing a decrease of approximately 47%. The decrease was mainly due to delay in shipment of some projects. The revenue of this segment was mainly attributable to the sales of our Intelligent Terminal Solution and Intelligent Monitoring System Solution. In the first half of 2012, the Group recorded sales of its Intelligent Terminal Solution to clients in the traffic police industry, gas industry and power supply industry, mainly in Sichuan, Beijing, Hebei and Zhejiang. Besides, the Group recorded sales of its Intelligent Monitoring System Solution to clients in the traffic surveillance industry, mainly in Hebei and Zhejiang.

Gross profit

The Group recorded gross profit of approximately RMB43,904,000 for the six months ended 30 June 2012, which represented a decrease of approximately 42% compared to the amount of RMB76,264,000 for the corresponding period of last year. Meanwhile, the gross profit margin decreased from approximately 41% for the six months ended 30 June 2011 to approximately 34% for the six months ended 30 June 2012. The changes were mainly due to the following factors in relation to our major business segments:

- Revenue from provision of satellite communication application solutions and services generated gross profit of approximately RMB36,500,000 and RMB28,282,000 for the six months ended 30 June 2011 and 30 June 2012 respectively, representing a decrease of approximately 23% for the six months ended 30 June 2012. Meanwhile, the gross profit margins for the six months ended 30 June 2011 and 30 June 2012 were approximately 37% and 34% respectively. The decrease in the gross profit margin was mainly due to the increase in product costs.

- Revenue from provision of wireless data communication application solutions and services generated gross profit of approximately RMB39,500,000 and RMB14,090,000 for the six months ended 30 June 2011 and 30 June 2012 respectively, representing a decrease of approximately 64%. Meanwhile, the gross profit margins for the six months ended 30 June 2011 and 30 June 2012 were approximately 47% and 32% respectively. The decrease in the gross profit margin was mainly resulted from the increased costs incurred in upgrading the specification of our Intelligent Terminal Solution and providing more technically advanced Intelligent Monitoring System Solution which will be evolved into Broadband Mobile E-Government Network Solution.

Other revenue

Other revenue increased from approximately RMB8,500,000 for the six months ended 30 June 2011 to approximately RMB13,001,000 for the six months ended 30 June 2012, which represented a growth of approximately 53%. It was mainly driven by the increase in bank interest income.

Other net income/loss

The Group recorded other net loss of approximately RMB978,000 for the six months ended 30 June 2012 as compared with other net income of approximately RMB4,609,000 for the six months ended 30 June 2011. It was mainly due to the devaluation in the exchange rates of RMB to HKD and USD.

Distribution costs and administrative expenses

Distribution costs and administrative expenses decreased from approximately RMB25,821,000 for the six months ended 30 June 2011 to approximately RMB21,724,000 for the six months ended 30 June 2012, representing a decrease of approximately 16%. Although some expenses such as rental fee and consultant fee increased, the total distribution costs and administrative expenses still decreased mainly because salary expenses decreased from approximately RMB12,791,000 for the six months ended 30 June 2011 to approximately RMB6,455,000 for the six months ended 30 June 2012, which represented a decrease of approximately 50%. The salary expenses for the first half of 2011 were higher because they included the amortized expenses for share options granted which amounted to approximately RMB6,794,000, while there was no such effect in the first half of 2012.

Finance costs

Finance costs increased from approximately RMB246,000 for the six months ended 30 June 2011 to approximately RMB352,000 for the six months ended 30 June 2012, representing a growth of approximately 43%. The finance costs were generated from mortgage loans raised to finance the purchase of office buildings and motor vehicles.

Income tax

Income tax decreased from approximately RMB9,183,000 for the six months ended 30 June 2011 to approximately RMB6,082,000 for the six months ended 30 June 2012, representing a decrease of approximately 34%. The effective tax rate was approximately 18% in the first half of 2012 and approximately 15% in the corresponding period of 2011. The financial year ended 31 December 2011 was the last year that the Group could enjoy the tax holiday benefit of "Two years 100% Tax Exemption and Three years 50% Tax Exemption" in the PRC, thus the nominal corporate income tax rate was 12.5% for the first half of 2011. Nevertheless, the Group started to enjoy "High-tech enterprise tax preference policy" in the PRC from the financial year ending 31 December 2012 onwards. Thus the the nominal corporate income tax rate was 15% for the first half of 2012.

Profit for the period

Profit for the period decreased from approximately RMB52,714,000 for the six months ended 30 June 2011 to approximately RMB27,066,000 for the six months ended 30 June 2012, representing a decrease of approximately 49%. The substantial decrease in profit for the period was mainly attributable to (i) the decrease in profit margin as a result of the increase in costs for completing system configuration of some projects and (ii) the delay in completion of some projects which led to a substantial decrease in revenue.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity, financial resources and capital structure

As at 30 June 2012, the Group had cash and cash equivalents of approximately RMB141,881,000 (as at 31 December 2011: approximately RMB241,383,000). As at 30 June 2012, the Group had interest-bearing borrowings of approximately RMB13,221,000 (as at 31 December 2011: approximately RMB14,689,000). The interest-bearing borrowings as at 30 June 2012 were mainly resulted from mortgage loans raised for financing the purchase of office premises in Hong Kong and Guangzhou.

As at 30 June 2012, the gearing ratio (calculated by dividing total interest-bearing borrowings by total assets) of the Group maintained at a low level and was approximately 1% (as at 31 December 2011: approximately 1%). As at 30 June 2012, the Group had current assets of approximately RMB1,447,263,000 (as at 31 December 2011: approximately RMB1,462,420,000). The current ratio (which is calculated by dividing current assets by current liabilities) was approximately 6.74 as at 30 June 2012 whilst the current ratio as at 31 December 2011 was approximately 6.94.

The Board's approach to managing liquidity is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

Foreign exchange exposure

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

Capital expenditure

During the period under review, the Group's total capital expenditure amounted to approximately RMB1,496,000 which was mainly for the purchase of office equipment and vehicles and the final payment for the research and development of Global Eye Camera.

Charge on assets

As at 30 June 2012, the assets of the Group with the following carrying amounts were pledged, which included: (i) Hong Kong office property of approximately HK$17,957,000 as security for the outstanding balance of a mortgage loan of approximately HK$11,709,000, and (ii) Guangzhou office property of approximately RMB9,112,000 for the outstanding balance of a mortgage loan of approximately RMB3,675,000.

Contingent liabilities

As at 30 June 2012, the Group had no material contingent liabilities.

HUMAN RESOURCES

As at 30 June 2012, the Group had 238 employees (as at 30 June 2011: 218 employees). The Group offered to its employees competitive salary package, as well as contribution to defined contribution retirement plan. A share option scheme has also been adopted for employees of the Group and other eligible participants, the details of which are set out in the paragraph headed "Share Option Scheme" below.

PROSPECTS

Since the beginning of 2012, the Company has been actively looking for collaboration opportunities with technology partner in developing advanced communication solutions. This initiative resulted in the signing of the "Strategic Cooperation Framework Agreement" with Zhongxing Telecommunication Equipment Corporation ("ZTE") in July 2012. This framework agreement is expected to lay the foundation for a strategic relationship between the two companies in the aspects of the development of wireless data product, application service, network and system as well as future cooperation in the capital market. The agreement maps out a mutually beneficial alliance between the Company and ZTE across a broad range of sectors, from mobile communication, multimedia digital trunking communication, smart city project, to public emergency response and command systems. Complementarities between the two parties are geared towards providing technologically advanced solutions, safe and reliable network support and proactive services, all as an essential component of the development of China's national information network. The management believes the cooperation will enhance the Group's core competence in technology development to the next level and open up more business opportunity in future.

In view of fast growing market demand of TD-LTE based communication solutions, the Group will commit itself to develop new business in this sector in the next few years. By entering into the "Strategic Cooperation Framework Agreement" with ZTE, the Group intends to develop TD-LTE based communication solution leveraging on ZTE's strong technical strength. On this basis, the Group intends to establish a TD-LTE joint laboratory with ZTE in Beijing to develop new products.

Besides, the Group will continue to develop Mobile Broadband Command Center, which is a converged communication solution. By combining satellite communication technology and TD-LTE technology, the solution enables the execution team to quickly build a broadband mobile communication network in its emergency working area, so that execution team members can communicate with each other as well as collect and upload multimedia data in very fast speed. Further, the solution allows the transmission of large datasets collected at the front end to back end through satellite communication means. The Group expects this creative solution will be another revenue driver in the future.

In general, while maintaining existing business, the Group actively seeks new opportunities in the market. The management is very confident that the Group has a positive future outlook and will continue to deliver encouraging operating results to our shareholders.

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2012, the interests and short positions of the Directors and chief executives of the Company in any shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which had been notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register kept by the Company, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

Name of Director	**Entity in which interests were held**	**Capacity/ Nature of interest**	**Number and class of securities held** *(Note 1)*	**Approximate percentage of shareholding**
Mr. Chan Yuen Ming ("Mr. Chan")	The Company	Interest of a controlled corporation *(Note 2)*	423,410,000 ordinary shares (L)	34.80%
		Beneficial owner	1,000,000 ordinary shares (L)	0.08%

Notes:

1. The letter "L" denotes a long position in the shares or underlying shares of the Company or any of its associated corporations.

2. These shares of the Company ("Shares") were held by Creative Sector Limited, the entire issued share capital of which was owned by Mr. Chan. Mr. Chan was deemed to be interested in all the Shares in which Creative Sector Limited was interested by virtue of the SFO.

Save as disclosed above, as at 30 June 2012, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register kept by the Company, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 30 June 2012, the interests and short positions of each person, other than a director or chief executive of the Company, in the Shares or underlying Shares of the Company as recorded in the register kept by the Company under section 336 of the SFO were as follows:

Name of shareholder	Capacity/ Nature of interest	Number and class of securities held *(Note 1)*	Approximate percentage of shareholding
Creative Sector Limited	Beneficial owner	423,410,000 ordinary Shares (L)	34.80%
Atlantis Capital Holdings Limited ("Atlantis")	Interest of controlled corporations *(Note 2)*	150,051,000 ordinary Shares (L)	12.33%
Ms. Liu Yang	Interest of controlled corporations *(Note 3)*	150,051,000 ordinary Shares (L)	12.33%
Chengwei CAA Holdings Limited ("Chengwei")	Beneficial owner	104,742,000 ordinary Shares (L)	8.61%
Chengwei Ventures Evergreen Fund, L.P.	Interest of a controlled corporation *(Note 4)*	104,742,000 ordinaryShares (L)	8.61%

Name of shareholder	Capacity/ Nature of interest	Number and class of securities held *(Note 1)*	Approximate percentage of shareholding
Chengwei Ventures Evergreen Management, LLC	Investment manager *(Note 5)*	104,742,000 ordinary Shares (L)	8.61%
EXL Holdings LLC	Interest of a controlled corporation *(Note 6)*	104.742,000 ordinary Shares (L)	8.61%
Mr. Li Eric Xun	Interest of a controlled corporation *(Note 6)*	104,742,000 ordinaryShares (L)	8.61%
Ms. Li Yijing Zhu	Interest of spouse *(Note 7)*	104,742,000 ordinary Shares (L)	8.61%

Notes:

(1) The letter "L" denotes a person's long position in the Shares or underlying Shares of the Company.

(2) Based on the corporate substantial shareholder notice filed by Atlantis on 9 September 2011, Atlantis were deemed to be interested in 150,051,000 Shares. These Shares were deemed to be held by Atlantis through Atlantis Fund Management (Ireland) Limited, Atlantis Investment (London) Limited and Atlantis Investment Management (Hong Kong) Limited (such companies were 100% directly controlled by Atlantis).

(3) Based on the individual substantial shareholder notice filed by Ms. Liu Yang on 9 September 2011, Ms. Liu Yang was deemed to be interested in 150,051,000 Shares. These Shares were deemed to be held by Ms. Liu Yang through Atlantis, Atlantis Fund Management (Ireland) Limited, Atlantis Investment Management (London) Limited, Atlantis Investment Management (Hong Kong) Limited and Riverwood Asset Management (Cayman) Limited (such companies were 100% directly or indirectly controlled by Ms. Liu Yang).

(4) Chengwei Ventures Evergreen Fund, L.P. held approximately 89.28% of the issued share capital in Chengwei and therefore Chengwei Ventures Evergreen Fund, L.P. was deemed to be interested in all the Shares in which Chengwei was interested by virtue of the SFO.

(5) Chengwei Ventures Evergreen Fund, L.P. was an investment fund managed by Chengwei Ventures Evergreen Management, LLC and therefore Chengwei Ventures Evergreen Management, LLC was deemed to be interested in all the Shares in which Chengwei Ventures Evergreen Fund, L.P. was interested by virtue of the SFO.

(6) EXL Holdings LLC, which was owned as to 50% by Mr. Li Eric Xun, held approximately 37% of the issued share capital in Chengwei Ventures Evergreen Management, LLC. Therefore, EXL Holdings, LLC was deemed to be interested in all the Shares in which Chengwei Ventures Evergreen Management, LLC was interested by virtue of the SFO, and Mr. Li Eric Xun was deemed to be interested in all the Shares in which EXL Holdings, LLC was interested by virtue of the SFO.

(7) Ms. Li Yijing Zhu was deemed to be interested in all the Shares in which Mr. Li Eric Xun, her spouse, was interested by virtue of the SFO.

Save as disclosed above, as at 30 June 2012, no person (other than a Director or chief executive of the Company) had an interest or short position in the Shares or underlying Shares of the Company that were recorded in the register kept by the Company under Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2012, save as disclosed in note 14 (b)(i) to the unaudited interim financial report, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities for the six months ended 30 June 2012.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the six months ended 30 June 2012, there was no material acquisition or disposal of subsidiaries or associated companies by the Company.

SHARE OPTION SCHEME

A share option scheme (the "Share Option Scheme") was conditionally approved by resolutions of the shareholders of the Company on 28 August 2009. On 28 June 2012, the Company refreshed the general scheme limit under the Share Option Scheme, the details of which were set out in the circular of the Company dated 12 June 2012.

During the six months ended 30 June 2012, there was no outstanding share option under the Share Option Scheme and no share option was granted, exercised, cancelled or lapsed under the Share Option Scheme.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Save for the deviation from code provision A.1.8 (which came into effect on 1 April 2012) of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, none of the Directors is aware of any information that would reasonably indicate that the Company is not or was not, at any time during the six months ended 30 June 2012, in due compliance with the code provisions of the CG Code.

Pursuant to code provision A.1.8 of the CG Code, the Company should arrange appropriate insurance cover in respect of legal action against its Directors. The Company has not arranged such insurance coverage for its Directors as of the six months ended 30 June 2012 as the management was of the opinion that sound and effective corporate governance within the Group would suffice in monitoring and mitigating legal and compliance risks. Nevertheless, in order to offer fuller protection to the Directors, the management is currently under discussions to arrange appropriate insurance coverage for Directors in the future.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry on all Directors, all Directors have confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by the Directors adopted by the Company during the six months ended 30 June 2012.

REVIEW BY THE AUDIT COMMITTEE

The audit committee of the Board has reviewed the unaudited interim results of the Group for the six months ended 30 June 2012.

INTERIM DIVIDEND

The Board recommends the payment of an interim dividend of HK2.0 cents per share for the six months ended 30 June 2012 (for the six months ended 30 June 2011: HK2.0 cents). The interim dividend will be paid to shareholders of the Company whose names appear on the register of members of the Company on 19 October 2012. It is expected that the interim dividend will be paid on or about 30 October 2012.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 17 October 2012 to 19 October 2012 (both days inclusive), during which period no transfer of shares will be effected for the purpose of determining the qualification for entitlement to the interim dividend. In order to qualify for the proposed interim dividend for the six months ended 30 June 2012, all share transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office in Hong Kong, Union Registrars Limited at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, for registration not later than 4:00 p.m. on 16 October 2012.

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

Hong Kong
30 August 2012

Consolidated income statement

for the six months ended 30 June 2012 - unaudited
(Expressed in Renminbi)

		Six months ended 30 June	
	Note	**2012**	2011
		RMB'000	RMB'000
Revenue	3	**130,417**	186,442
Cost of sales		**(86,513)**	(110,178)
Gross profit		**43,904**	76,264
Other revenue		**13,001**	8,500
Other net (loss)/income		**(978)**	4,609
Distribution costs		**(3,738)**	(3,261)
Administrative expenses		**(17,986)**	(22,560)
Profit from operations		**34,203**	63,552
Finance costs	5(a)	**(352)**	(246)
Share of losses of an associate		**(703)**	(1,409)
Profit before taxation	5	**33,148**	61,897
Income tax	6	**(6,082)**	(9,183)
Profit for the period		**27,066**	52,714

Consolidated income statement *(Continued)*

for the six months ended 30 June 2012 - unaudited
(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2012	2011
		RMB'000	RMB'000
Attributable to:			
Equity shareholders of the Company		**27,140**	52,837
Non-controlling interests		**(74)**	(123)
Profit for the period		**27,066**	52,714
Earnings per share			
Basic (RMB)	7(a)	**0.022**	0.045
Diluted (RMB)	7(b)	**0.022**	0.045

The accompany notes form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 14(a).

Consolidated statement of comprehensive income

for the six months ended 30 June 2012 - unaudited
(Expressed in Renminbi)

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
Profit for the period	**27,066**	52,714
Other comprehensive income for the period		
Exchange differences on translation of financial statements of subsidiaries outside The People's Republic of China (the "PRC"), net of nil tax	**1,103**	(6,516)
Total comprehensive income for the period	**28,169**	46,198
Attributable to:		
Equity shareholders of the Company	**28,243**	46,321
Non-controlling interests	**(74)**	(123)
Total comprehensive income for the period	**28,169**	46,198

The accompany notes form part of this interim financial report.

Consolidated balance sheet

at 30 June 2012 - unaudited
(Expressed in Renminbi)

	Note	At 30 June 2012 RMB'000	At 31 December 2011 (Audited) RMB'000
Non-current assets			
Property, plant and equipment	8	**65,179**	71,122
Intangible assets	9	**29,682**	2,070
Goodwill		**367**	367
Interest in an associate		**18,000**	18,703
Prepayment for technology development		—	27,021
Trade and other receivables	10	**15,418**	15,334
Deferred tax assets		**1,569**	1,280
		130,215	135,897
Current assets			
Inventories		**22,549**	13,309
Trade and other receivables	10	**472,833**	482,228
Banks deposits with original maturities over three months		**810,000**	725,500
Cash and cash equivalents	11	**141,881**	241,383
		1,447,263	1,462,420

Consolidated balance sheet *(Continued)*

at 30 June 2012 - unaudited
(Expressed in Renminbi)

	Note	At 30 June 2012 RMB'000	At 31 December 2011 (Audited) RMB'000
Current liabilities			
Trade and other payables	12	**149,986**	172,607
Bank loans	13	**736**	970
Dividends payable	14(a)	**49,598**	—
Income tax payable		**14,419**	37,078
		214,739	210,655
Net current assets		**1,232,524**	1,251,765
Total assets less current liabilities		**1,362,739**	1,387,662
Non-current liabilities			
Bank loans	13	12,485	13,719
Deferred tax liabilities		5,477	6,577
		17,962	20,296
NET ASSETS		1,344,777	1,367,366

Consolidated balance sheet *(Continued)*

at 30 June 2012 - unaudited

(Expressed in Renminbi)

	Note	**At 30 June 2012**	At 31 December 2011 (Audited)
		RMB'000	RMB'000
CAPITAL AND RESERVES	14		
Share capital		10,657	10,664
Reserves		1,332,536	1,355,044
Total equity attributable to equity shareholders of the Company		1,343,193	1,365,708
Non-controlling interests		1,584	1,658
TOTAL EQUITY		1,344,777	1,367,366

The accompany notes form part of this interim financial report.

Consolidated statement of changes in equity

for the six months ended 30 June 2012 - unaudited
(Expressed in Renminbi)

	Note	Attributable to equity shareholders of the Company										Non-controlling interests	Total equity
		Share capital	Share premium	Capital redemption reserve	Contributed surplus	Capital reserve	Statutory general reserve	Translation reserve	Share-based compensation reserve	Retained profits	Total		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2011		9,141	339,177	–	164,155	115,585	26,662	(4,438)	4,273	199,983	854,538	1,849	856,387
Changes in equity for the six months ended 30 June 2011:													
Issuance of shares		1,353	361,283	–	–	–	–	–	–	–	362,636	–	362,636
Share issue costs		–	(11,275)	–	–	–	–	–	–	–	(11,275)	–	(11,275)
Dividends approved in respect of the previous year	14(a)	–	(50,097)	–	–	–	–	–	–	–	(50,097)	–	(50,097)
Equity-settled share -based transactions		–	–	–	–	–	–	–	6,794	–	6,794	–	6,794
Total comprehensive income for the period		–	–	–	–	–	–	(6,516)	–	52,837	46,321	(123)	46,198
Balance at 30 June 2011		10,494	639,088	–	164,155	115,585	26,662	(10,954)	11,067	252,820	1,208,917	1,726	1,210,643

Consolidated statement of changes in equity *(Continued)*

for the six months ended 30 June 2012 - unaudited

(Expressed in Renminbi)

	Note	Attributable to equity shareholders of the Company											
		Share capital	Share premium	Capital redemption reserve	Contributed surplus	Capital reserve	Statutory general reserve	Translation reserve	Share-based compensation reserve	Retained profits	Total	Non-controlling interests	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2012		10,664	656,058	88	164,155	115,585	47,606	(16,803)	–	388,355	1,365,708	1,658	1,367,366
Changes in equity for the six months ended 30 June 2012:													
Repurchase of own shares	14(b)												
– par value paid		(7)	–	–	–	–	–	–	–	–	(7)	–	(7)
– premium paid		–	(1,153)	–	–	–	–	–	–	–	(1,153)	–	(1,153)
– transfer between reserves		–	–	7	–	–	–	–	–	(7)	–	–	–
Dividends approved in respect of the previous year	14(a)	–	(49,598)	–	–	–	–	–	–	–	(49,598)	–	(49,598)
Total comprehensive income for the period		–	–	–	–	–	–	1,103	–	27,140	28,243	(74)	28,169
Balance at 30 June 2012		10,657	605,307	95	164,155	115,585	47,606	(15,700)	–	415,488	1,343,193	1,584	1,344,777

The accompany notes form part of this interim financial report.

Condensed consolidated statement of cash flows

for the six months ended 30 June 2012 - unaudited
(Expressed in Renminbi)

	Note	Six months ended 30 June 2012 RMB'000	2011 RMB'000
Cash generated from operations		**1,736**	49,666
Tax paid		**(30,130)**	(12,639)
Net cash (used in)/generated from operating activities		**(28,394)**	37,027
Net cash used in investing activities		**(69,512)**	(147,840)
Net cash (used in)/generated from financing activities		**(3,063)**	302,042
Net (decrease)/increase in cash and cash equivalents		**(100,969)**	191,229
Cash and cash equivalents at 1 January	11	**241,383**	557,294
Effect of foreign exchange rates changes		**1,467**	(6,180)
Cash and cash equivalents at 30 June	11	**141,881**	742,343

The accompany notes form part of this interim financial report.

Notes to the unaudited interim financial report

(Expressed in Renminbi unless otherwise indicated)

1 Basis of preparation

This interim financial report of China All Access (Holdings) Limited (the "Company") and its subsidiaries (together referred to as the "Group") has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 30 August 2012.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2011 annual financial statements of the Company.

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

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2011 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

Notes to the unaudited interim financial report *(Continued)*

(Expressed in Renminbi unless otherwise indicated)

1 Basis of preparation *(Continued)*

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG's independent review report to the board of directors is included on pages 51 to 52.

The financial information relating to the financial year ended 31 December 2011 that is included in the interim financial report as being previously reported information does not constitute the Company's financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2011 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 28 March 2012.

2 Changes in accounting policies

The HKICPA has issued a few amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. These developments have had no material impact on the Group's financial statements.

The HKFRSs that will be effective or are available for voluntary early adoption in the annual financial statements for the year ending 31 December 2012 may be affected by the issuance of additional interpretations or other changes announced by the HKICPA subsequent to the date of issuance of the interim financial report. Therefore, the policies that will be applied in the Group's financial statements for the year ending 31 December 2012 cannot be determined with certainty at the date of issuance of the interim financial report.

Notes to the unaudited interim financial report *(Continued)*

(Expressed in Renminbi unless otherwise indicated)

3 Segment reporting

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

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

— Provision of wireless data communication application solutions and services: including system design, installation, testing, software development, provision of application services for wireless data communication, as well as distribution of wireless terminals and equipment.

— Provision of call centre application solutions and services: including software development, technical support and quality control for call centres.

Notes to the unaudited interim financial report *(Continued)*

(Expressed in Renminbi unless otherwise indicated)

3 Segment reporting *(Continued)*

(a) Segment results, assets and liabilities

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

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

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

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

Notes to the unaudited interim financial report *(Continued)*

(Expressed in Renminbi unless otherwise indicated)

3 Segment reporting *(Continued)*

(a) Segment results, assets and liabilities (Continued)

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

	Provision of satellite communication application solutions and services		Provision of wireless data communication application solutions and services		Provision of call centre application solutions and services		Total	
For six months ended 30 June	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Revenue from external customers (note)	**82,427**	99,980	**44,505**	83,876	**3,485**	2,586	**130,417**	186,442
Reportable segment profit	**27,913**	36,201	**12,000**	37,819	**2,775**	1,679	**42,688**	75,699
Depreciation for the period	**344**	253	**28**	29	**134**	354	**506**	636
Additions to non-current segment assets during the period	**—**	2,575	**594**	27,055	**—**	14	**594**	29,644
	At 30 June 2012	At 31 December 2011 (Audited)	**At 30 June 2012**	At 31 December 2011 (Audited)	**At 30 June 2012**	At 31 December 2011 (Audited)	**At 30 June 2012**	At 31 December 2011 (Audited)
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Reportable segment assets	**291,591**	230,925	**201,467**	258,727	**4,792**	7,191	**497,850**	496,843
Reportable segment liabilities	**61,483**	66,860	**27,186**	33,356	**—**	—	**88,669**	100,216

Notes to the unaudited interim financial report *(Continued)*

(Expressed in Renminbi unless otherwise indicated)

3 Segment reporting *(Continued)*

(a) Segment results, assets and liabilities (Continued)

Note: Major customers

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

For six months ended 30 June	Provision of satellite communication application solutions and services		Provision of wireless data communication application solutions and services		Total	
	2012	2011	**2012**	2011	**2012**	2011
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Customer A	**27,478**	—	—	—	**27,478**	—
Customer B	—	18,723	—	8,682	—	27,405
	27,478	18,723	—	8,682	**27,478**	27,405

Notes to the unaudited interim financial report *(Continued)*

(Expressed in Renminbi unless otherwise indicated)

3 Segment reporting *(Continued)*

(b) Reconciliation of reportable segment profit, assets and liabilities

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
Profit		
Reportable segment profit derived from the Group's external customers	**42,688**	75,699
Other revenue	**13,001**	8,500
Other net (loss)/income	**(978)**	4,609
Depreciation	**(6,425)**	(5,575)
Finance costs	**(352)**	(246)
Share of losses of an associate	**(703)**	(1,409)
Unallocated head office and corporate expenses (note(i))	**(14,083)**	(19,681)
Consolidated profit before taxation	**33,148**	61,897

Notes to the unaudited interim financial report *(Continued)*

(Expressed in Renminbi unless otherwise indicated)

3 Segment reporting *(Continued)*

(b) Reconciliation of reportable segment profit, assets and liabilities (Continued)

	At 30 June 2012	At 31 December 2011 (Audited)
	RMB'000	RMB'000
Assets		
Reportable segment assets	**497,850**	496,843
Unallocated head office and corporate assets (note(ii))	**1,079,628**	1,101,474
Consolidated total assets	**1,577,478**	1,598,317
Liabilities		
Reportable segment liabilities	**88,669**	100,216
Unallocated head office and corporate liabilities (note(iii))	**144,032**	130,735
Consolidated total liabilities	**232,701**	230,951

Notes to the unaudited interim financial report *(Continued)*

(Expressed in Renminbi unless otherwise indicated)

3 Segment reporting *(Continued)*

(b) Reconciliation of reportable segment profit, assets and liabilities (Continued)

Note:

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

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

(iii) Unallocated head office and corporate liabilities mainly include bank loans, value-added tax payable, income tax payable, deferred tax liabilities and dividends payable which are not specifically attributable to individual segments.

(c) Geographic segments

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

4 Seasonality of operations

The Group's operations are subject to cyclical fluctuations during a year. Generally, higher sales are experienced during the second half of a year because most customers' annual budgets are prepared during the first quarter and normally carry out their procurement activities during the second half of the year after their budgets are finalised.

Notes to the unaudited interim financial report *(Continued)*

(Expressed in Renminbi unless otherwise indicated)

5 Profit before taxation

Profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
(a) Finance costs		
Interest on borrowings	**325**	207
Other finance costs	**27**	39
	352	246
(b) Other items		
Cost of inventories	**75,986**	99,840
Depreciation of property, plant and equipment	**6,931**	6,211
Impairment loss on trade and other receivables	**1,800**	1,577

Notes to the unaudited interim financial report *(Continued)*

(Expressed in Renminbi unless otherwise indicated)

6 Income tax

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
Current tax – PRC corporate income tax	**7,471**	10,654
Deferred taxation	**(1,389)**	(1,471)
	6,082	9,183

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

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

(b) No provision for Hong Kong Profits Tax has been made as the Group did not have assessable profits subject to Hong Kong Profits Tax for the six months ended 30 June 2012 and 2011.

(c) Pursuant to the income tax rules and regulations of the PRC, the subsidiaries of the Group in the PRC are liable to PRC corporate income tax at a rate of 25% during the six months ended 30 June 2012 (for the six months ended 30 June 2011: 25%), except for Hebei Noter Communication Technology Company Limited ("Hebei Noter") which enjoys a preferential tax rate of 15% as a high-tech enterprise (for the six months ended 30 June 2011: 12.5%).

Notes to the unaudited interim financial report *(Continued)*

(Expressed in Renminbi unless otherwise indicated)

7 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2012 is based on the profit attributable to ordinary equity shareholders of the Company of RMB27,140,000 (for the six months ended 30 June 2011: RMB52,837,000) and the weighted average of 1,217,283,000 ordinary shares (for the six months ended 30 June 2011: 1,173,633,000 ordinary shares) in issue during the six months ended 30 June 2012.

(b) Diluted earnings per share

The calculation of diluted earnings per share for the six months ended 30 June 2012 is based on the profit attributable to ordinary equity shareholders of the Company of RMB27,140,000 (for the six months ended 30 June 2011: RMB52,837,000) and the weighted average of 1,217,283,000 ordinary shares (for the six months ended 30 June 2011: 1,187,194,000 ordinary shares). The diluted earnings per share for the six months ended 30 June 2012 is the same as the basic earnings per share as there was no dilutive instruments during the six months ended 30 June 2012.

8 Property, plant and equipment

Acquisitions

During the six months ended 30 June 2012, the Group acquired items of property, plant and equipment with a cost of RMB905,000 (for the six months ended 30 June 2011: RMB10,395,000).

Notes to the unaudited interim financial report ***(Continued)***

(Expressed in Renminbi unless otherwise indicated)

9 Intangible assets

The addition in intangible assets represents the technical know-how called “Global Eye” vision technology with a cost of RMB27,612,000 which was transferred from prepayment for technology development upon the completion of development during the period.

10 Trade and other receivables

	At 30 June 2012	At 31 December 2011 (Audited)
	RMB’000	RMB’000
Non-current		
Trade receivables	**15,418**	15,334
Current		
Trade receivables	**397,549**	420,860
Less: Allowance for doubtful debts	**(5,536)**	(3,736)
	392,013	417,124
Performance guarantee deposit (note)	**29,879**	29,759
Interest receivables	**9,971**	14,165
Other receivables, prepayments and deposits	**40,970**	21,180
	472,833	482,228

Notes to the unaudited interim financial report *(Continued)*

(Expressed in Renminbi unless otherwise indicated)

10 Trade and other receivables *(Continued)*

Note:

On 28 February 2008, Hebei Noter and Sky Communication Group Company Limited ("SkyComm") entered into a long term co-operation agreement for a period of five years until December 2012. Pursuant to the long term co-operation agreement, Hebei Noter provided a lump sum up to RMB30,000,000 to SkyComm as a performance guarantee deposit which is subject to an annual adjustment in the manner as specified therein. The performance guarantee deposit is to secure SkyComm during the operations in case of the Group's failure in performance to its customers. Such performance guarantee deposit will be refunded to Hebei Noter when the retention period of the projects for which SkyComm acts as the agent for the Group has expired. The amount is discounted at a rate generally available for discounting similar instruments with commercial banks in the PRC based on the expected timing of refund.

As at 30 June 2012, the total performance guarantee deposit provided to SkyComm amounted to RMB30,000,000 (2011: RMB30,000,000), whose present value at that date was RMB29,879,000 (2011: RMB29,759,000) and is expected to be recovered within one year from the balance sheet date.

Notes to the unaudited interim financial report *(Continued)*

(Expressed in Renminbi unless otherwise indicated)

10 Trade and other receivables *(Continued)*

Ageing analysis

Included in trade and other receivables are trade debtors (net of allowance for doubtful debts) with the following ageing analysis:

	At 30 June 2012 RMB'000	At 31 December 2011 (Audited) RMB'000
Current	**99,222**	313,566
Less than 1 month past due	**38,771**	38,169
1 to 3 months past due	**70,986**	19,906
More than 3 months but less than 12 months past due	**193,819**	58,291
More than 12 months past due	**4,633**	2,526
Amounts past due	**308,209**	118,892
Trade debtors, net of allowance for doubtful debts	**407,431**	432,458
Representing:		
Non-current trade receivables	**15,418**	15,334
Current trade receivables	**392,013**	417,124
	407,431	432,458

Notes to the unaudited interim financial report *(Continued)*

(Expressed in Renminbi unless otherwise indicated)

11 Cash and cash equivalents

Cash and cash equivalents in the consolidated balance sheet and condensed consolidated statement of cash flows comprise of:

	At 30 June 2012	At 31 December 2011 (Audited)
	RMB'000	RMB'000
Cash at bank and in hand	**141,881**	241,383

12 Trade and other payables

	At 30 June 2012	At 31 December 2011 (Audited)
	RMB'000	RMB'000
Trade creditors	**47,758**	62,001
Receipts in advance	**42,082**	38,628
Other payables and accruals	**60,146**	71,978
	149,986	172,607

Notes to the unaudited interim financial report *(Continued)*

(Expressed in Renminbi unless otherwise indicated)

12 Trade and other payables *(Continued)*

Included in trade and other payables are trade creditors with the following ageing analysis:

	At 30 June 2012 RMB'000	At 31 December 2011 (Audited) RMB'000
Due within 1 month or on demand	**46,326**	60,916
Due after 1 month but within 3 months	**1,149**	829
Due after 3 months but within 6 months	**146**	14
Due after 6 months but within 12 months	**137**	242
	47,758	62,001

13 Bank loans

At 30 June 2012, the bank loans comprise of:

	Note	At 30 June 2012 RMB'000	At 31 December 2011 (Audited) RMB'000
Mortgage loans	(i)	**13,221**	13,521
Auto loan	(ii)	—	1,168
Total bank loans		**13,221**	14,689

Notes to the unaudited interim financial report *(Continued)*

(Expressed in Renminbi unless otherwise indicated)

13 Bank loans *(Continued)*

Note:

(i) At 30 June 2012, the mortgage loans are secured by the Group's buildings, with carrying value of approximately RMB22,066,000 (2011: buildings with carrying value of approximately RMB23,970,000).

At 30 June 2012, the mortgage loan amounting to HK$11,709,000 (approximately RMB9,545,000) (2011: HK$11,930,000, approximately RMB9,672,000) was guaranteed by the Company.

(ii) The auto loan was repaid by the Group in February 2012.

At 30 June 2012, the bank loans were repayable as follows:

	At 30 June 2012	At 31 December 2011 (Audited)
	RMB'000	RMB'000
Current portion		
Within 1 year	**736**	970
Non-current portion		
After 1 year but within 2 years	**769**	1,067
After 2 years but within 5 years	**2,524**	3,057
After 5 years	**9,192**	9,595
	12,485	13,719
Total bank loans	**13,221**	14,689

Notes to the unaudited interim financial report ***(Continued)***

(Expressed in Renminbi unless otherwise indicated)

14 Capital, reserves and dividends

(a) Dividends

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

	Six months ended 30 June	
	2012	2011
	HK$'000	HK$'000
Interim dividend declared after the interim period, of HK2.0 cents per ordinary share (for the six months ended 30 June 2011: HK2.0 cents per ordinary share)	**24,336**	23,950
	RMB'000	RMB'000
Equivalent to	**19,904**	19,627

The interim dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

Notes to the unaudited interim financial report *(Continued)*

(Expressed in Renminbi unless otherwise indicated)

14 Capital, reserves and dividends *(Continued)*

(a) Dividends (Continued)

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

	Six months ended 30 June	
	2012	2011
	HK$'000	HK$'000
Final dividend attributable to the financial year ended 31 December 2011, approved during the following interim period, of HK5.0 cents per ordinary share (for the year ended 31 December 2010: HK5.0 cents per ordinary share)	**60,841**	59,875
	RMB'000	RMB'000
Equivalent to	**49,598**	50,097

The final dividend attributable to the financial year ended 31 December 2011 was approved at the annual general meeting held on 28 June 2012 and was subsequently paid on 12 July 2012.

Notes to the unaudited interim financial report *(Continued)*

(Expressed in Renminbi unless otherwise indicated)

14 Capital, reserves and dividends *(Continued)*

(b) Share capital

	As at 30 June 2012 Shares '000	As at 30 June 2012 Amount HK$'000	As at 31 December 2011 Shares '000 (Audited)	As at 31 December 2011 Amount HK$'000 (Audited)
Authorised:	**100,000,000**	**1,000,000**	100,000,000	1,000,000
Ordinary shares, issued and fully paid:				
At the beginning of the period/year	**1,217,728**	**12,177**	1,037,500	10,375
Issuance of shares	—	—	160,000	1,600
Shares repurchased (note 14(b)(i))	**(904)**	**(9)**	(10,772)	(108)
Shares issued under Share Option Scheme	—	—	31,000	310
At the end of the period/year	**1,216,824**	**12,168**	1,217,728	12,177
		RMB'000		RMB'000
Equivalent to		**10,657**		10,664

Notes to the unaudited interim financial report *(Continued)*

(Expressed in Renminbi unless otherwise indicated)

14 Capital, reserves and dividends *(Continued)*

(b) Share capital (Continued)

Note:

(i) During the interim period, the Company repurchased its own ordinary shares on The Stock Exchange of Hong Kong Limited as follows:

Month/year	Number of shares repurchased	Highest price paid per share	Lowest price paid per share	Aggregate price paid
		HK$	HK$	HK$'000
April 2012	904,000	1.59	1.57	1,431
				RMB'000
Equivalent to				1,160

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

Notes to the unaudited interim financial report *(Continued)*

(Expressed in Renminbi unless otherwise indicated)

15 Commitments

(a) Capital commitments outstanding not provided for in the interim financial report were as follows:

	At 30 June 2012	At 31 December 2011 (Audited)
	RMB'000	RMB'000
Contracted for	**—**	443

(b) At 30 June 2012, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

	At 30 June 2012	At 31 December 2011 (Audited)
	RMB'000	RMB'000
Within 1 year	**3,510**	2,787
After 1 year but within 5 years	**7,178**	7,332
After 5 years	**492**	656
	11,180	10,775

The Group is the lessee in respect of a number of properties. The leases typically run for an initial period of one to ten years, with an option to renew the leases when all the terms are renegotiated. Leasing arrangements with related parties are set out in note 16. None of the leases include contingent rentals.

Notes to the unaudited interim financial report ***(Continued)***

(Expressed in Renminbi unless otherwise indicated)

16 Related party transactions

During the current period, the Group paid rental expense of RMB91,000 (for the six months ended 30 June 2011: RMB91,000) to the Company's controlling shareholder, Mr. Chan Yuen Ming, for office premises owned by him.

17 Non-adjusting post balance sheet event

After the balance sheet date, the directors proposed an interim dividend. Further details are disclosed in note 14(a).

KPMG

Review report to the board of directors of
China All Access (Holdings) Limited
(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 18 to 50 which comprises the consolidated balance sheet of China All Access (Holdings) Limited (the "Company") as of 30 June 2012 and the related consolidated income statement, consolidated statement of comprehensive income and consolidated statement ofv changes in equity and condensed consolidated statement of cash flows for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion 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.

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 the interim financial report consists of making enquiries, 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.

Review report to the board of directors of
China All Access (Holdings) Limited *(Continued)*
(Incorporated in the Cayman Islands with limited liability)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2012 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
30 August 2012