



Dore.

DORE HOLDINGS LIMITED
多金控股有限公司

Stock Code : 628

2012
Interim Report

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

Yeung Heung Yeung (*Chairman*)

Independent Non-executive Directors

Lee Siow Yue

Poon Wai Hoi, Percy

Tang Chi Ho, Francis

COMPANY SECRETARY

Chan Kwong Leung, Eric

AUDITORS

HLB Hodgson Impey Cheng Limited

Chartered Accountants

Certified Public Accountants

31/F, Gloucester Tower

The Landmark, 11 Pedder Street

Central, Hong Kong

PRINCIPAL BANKER

The Bank of East Asia, Limited

SOLICITORS

As to Hong Kong Law

Michael Li & Co.

As to Bermuda Law

Conyers Dill & Pearman

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3903, 39/F

Far East Finance Centre

16 Harcourt Road

Admiralty

Hong Kong

SHARE REGISTRARS

Principal Share Registrar and Transfer Office

Butterfield Fulcrum Group (Bermuda)

Limited

26 Burnaby Street

Hamilton HM11

Bermuda

Hong Kong Branch Share Registrar and Transfer Office

Union Registrars Limited

18th Floor, Fook Lee Commercial Centre

Town Place

33 Lockhart Road

Wanchai

Hong Kong

INVESTOR RELATIONS

www.dore-holdings.com.hk

The board (the “Board”) of directors (the “Directors”) of Dore Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (together, the “Group”) for the six months ended 30 September 2012 together with the comparative figures. The condensed consolidated interim financial statements are unaudited, but have been reviewed by the Company’s audit committee (the “Audit Committee”).

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2012

		Six months ended	
		30 September	
		2012	2011
		HK\$'000	HK\$'000
	<i>Notes</i>	(Unaudited)	(Unaudited)
Turnover	3	10,977	18,744
Cost of sales		<u>—</u>	<u>—</u>
Gross profit		10,977	18,744
Other revenue	4	6	4
Administrative expenses		(2,205)	(3,636)
Fair value changes on financial assets at fair value through profit or loss		<u>(8,010)</u>	<u>(23,031)</u>
Profit/(loss) from operations		768	(7,919)
Finance costs		<u>—</u>	<u>—</u>
Profit/(loss) before taxation		768	(7,919)
Taxation	6	<u>—</u>	<u>—</u>
Profit/(loss) for the period	5	768	(7,919)
Other comprehensive income for the period, net of tax		<u>—</u>	<u>—</u>
Total comprehensive income/(loss) for the period		<u>768</u>	<u>(7,919)</u>

**CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME** *(continued)*

For the six months ended 30 September 2012

	Six months ended	
	30 September	
	2012	2011
	HK\$'000	HK\$'000
<i>Notes</i>	(Unaudited)	(Unaudited)
Profit/(loss) for the period attributable to owners of the Company	768	(7,919)
	<u><u>768</u></u>	<u><u>(7,919)</u></u>
Total comprehensive income/(loss) attributable to owners of the Company	768	(7,919)
	<u><u>768</u></u>	<u><u>(7,919)</u></u>
Earnings/(loss) per share		
– Basic and diluted (HK cents)	0.04	(0.37)
	<u><u>0.04</u></u>	<u><u>(0.37)</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2012

	Notes	As at 30 September 2012 HK\$'000 (Unaudited)	As at 31 March 2012 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment		9	10
Intangible assets	9	<u>113,539</u>	<u>113,539</u>
		<u>113,548</u>	<u>113,549</u>
Current assets			
Accounts receivable	10	1,641	2,240
Deposits and other receivables		124	187
Financial assets at fair value through profit or loss	11	19,439	22,619
Cash and bank balances		<u>115,328</u>	<u>110,399</u>
		<u>136,532</u>	<u>135,445</u>
Less: Current liabilities			
Accruals		<u>1,853</u>	<u>1,535</u>
Net current assets		<u>134,679</u>	<u>133,910</u>
Total assets less current liabilities		<u>248,227</u>	<u>247,459</u>
Net assets		<u>248,227</u>	<u>247,459</u>
Capital and reserves			
Share capital	12	21,549	21,549
Reserves		<u>226,678</u>	<u>225,910</u>
Equity attributable to owners of the Company		<u>248,227</u>	<u>247,459</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Reserves			Total reserves HK\$'000	Total equity HK\$'000
				Capital reserve HK\$'000	Revaluation reserve HK\$'000	Accumulated losses HK\$'000		
At 1 April 2011 (Audited)	21,549	594,310	569,044	85,889	638	(1,033,161)	216,720	238,269
Total comprehensive loss for the period	—	—	—	—	—	(7,919)	(7,919)	(7,919)
At 30 September 2011 (Unaudited)	<u>21,549</u>	<u>594,310</u>	<u>569,044</u>	<u>85,889</u>	<u>638</u>	<u>(1,041,080)</u>	<u>208,801</u>	<u>230,350</u>
At 1 April 2012 (Audited)	21,549	594,310	569,044	85,889	638	(1,023,971)	225,910	247,459
Total comprehensive income for the period	—	—	—	—	—	768	768	768
At 30 September 2012 (Unaudited)	<u>21,549</u>	<u>594,310</u>	<u>569,044</u>	<u>85,889</u>	<u>638</u>	<u>(1,023,203)</u>	<u>226,678</u>	<u>248,227</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2012

	Six months ended	
	30 September	
	2012	2011
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash generated from operating activities	4,923	14,995
Net cash generated from investing activities	6	—
Net increase in cash and cash equivalents	4,929	14,995
Cash and cash equivalents at the beginning of the period	110,399	76,248
Cash and cash equivalents at the end of the period	115,328	91,243
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	115,328	91,243

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2012

1. BASIS OF PREPARATION

These unaudited condensed consolidated interim 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 (“HKICPA”), and the disclosure requirements of Appendix 16 the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”). The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2012, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”). This condensed consolidated interim financial information was approved for issue on 26 November 2012.

This condensed consolidated interim financial information has not been audited.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accounting policies used in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those applied in the Group’s annual financial statements for the year ended 31 March 2012, except for the impact of the adoption of the new and revised Hong Kong Accounting Standards, Hong Kong Financial Reporting Standards and interpretations described below.

In the current interim period, the Group has applied for the first time, the following new and revised standards, amendments and interpretations (“new HKFRSs”) issued by the HKICPA, which are effective for the Group’s accounting period beginning on 1 April 2012.

HKAS 12 (Amendments)	Deferred Tax — Recovery of Underlying Assets
HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed dates for First-time Adopters
HKFRS 7 (Amendments)	Disclosure — Transfer of Financial Assets

The application of the above new HKFRSs in the current interim period has had no material effect on the condensed consolidated interim financial statements.

Impact of new and revised HKFRSs not yet effective

Amendments to HKFRSs	Annual Improvements 2009 – 2011 Cycle ²
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income ¹
HKAS 19 (as revised in 2011)	Employee Benefits ²
HKAS 27 (as revised in 2011)	Separate Financial Statements ²
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures ²
HKAS 32 (Amendments)	Presentation – Offsetting Financial Assets and Financial Liabilities ³
HKFRS 1 (Amendments)	Government Loans ²
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities ²
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ⁴
HKFRS 9	Financial Instruments ⁴
HKFRS 10	Consolidated Financial Statements ²
HKFRS 11	Joint Arrangements ²
HKFRS 12	Disclosure of Interest in Other Entities ²
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities – Transition Guidance ²
HKFRS 13	Fair Value Measurement ²
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine ²

¹ Effective for annual periods beginning on or after 1 July 2012

² Effective for annual periods beginning on or after 1 January 2013

³ Effective for annual periods beginning on or after 1 January 2014

⁴ Effective for annual periods beginning on or after 1 January 2015

The management is in the process of making an assessment of the impact of these new and revised HKFRSs to existing standards. The directors of the Company so far has concluded that the application of these new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

3. TURNOVER AND SEGMENT INFORMATION

The Group currently operates in one business segment in the gaming and entertainment segment receiving profit streams from gaming and entertainment related business. A single management team reports to the chief operating decision makers who comprehensively manages the entire business. Accordingly, the Group does not have separately reportable segments.

(a) Revenue from major services

All of the Group's revenue for the six months ended 30 September 2012 and 2011 are derived from profit streams from gaming and entertainment related business.

(b) Geographical segments

The Group operates in two principal areas — Gaming and entertainment business operates in Macau and administrative activities operate in Hong Kong.

The Group's revenue is solely generated from external customers in Macau.

The Group's information about its non-current assets by geographical location are detailed below:

	Non-current assets	
	As at	As at
	30 September	31 March
	2012	2011
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Macau	113,539	113,539
Hong Kong	9	10
	113,548	113,549

4. OTHER REVENUE

	For the six months ended	
	30 September	
	2012	2011
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest income	6	4

Other revenue analysed by categories of assets is as follows:

Financial instruments

Loans and receivables (including cash and bank balances)	6	4
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5. PROFIT/(LOSS) FOR THE PERIOD

The Group's profit/(loss) from operations is arrived at after charging:

	For the six months ended 30 September	
	2012	2011
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation	1	5
Minimum lease payments under operating leases in respect of land and buildings	—	62
	<u> </u>	<u> </u>

	For the six months ended 30 September	
	2012	2011
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Staff costs (excluding directors' remuneration)		
Salaries and wages	600	1,104
Pension scheme contribution	7	17
	<u> </u>	<u> </u>

6. TAXATION

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profits arising from Hong Kong during the period. The Group has no assessable profit under Hong Kong profits tax for the six months ended 30 September 2012 and 2011. The Group is not subject to any tax in Macau.

7. DIVIDENDS

The directors of the Company have not proposed any interim dividend for the six months ended 30 September 2012 (2011: Nil).

8. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share

The calculation of the basic earnings/(loss) per share attributable to the owners of the Company is based on the following data:

	For the six months ended	
	30 September	
	2012	2011
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit/(loss)		
Profit/(loss) attributable to owners of the Company for the purpose of basic earnings/(loss) per share	768	(7,919)
	768	(7,919)
	'000	'000
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	2,154,938	2,154,938
	2,154,938	2,154,938

Diluted earnings/(loss) per share

Diluted earnings/(loss) per share for the six months ended 30 September 2012 and 2011 were the same as the basic earnings/(loss) per share. No dilutive events existed during the period ended 30 September 2012 and 2011.

9. INTANGIBLE ASSETS

	Rights in sharing of profit streams HK\$'000
Cost	
At 1 April 2011, 31 March 2012, 1 April 2012 and 30 September 2012	1,495,278
Accumulated impairment	
At 1 April 2011, 31 March 2012, 1 April 2012 and 30 September 2012	1,381,739
Carrying amount	
At 30 September 2012 (Unaudited)	113,539
At 31 March 2012 (Audited)	113,539

Details of intangible assets are as follows:

	Nove Profit Agreement HK\$'000
At 1 April 2011, 31 March 2012, 1 April 2012 and 30 September 2012	113,539

Note:

The intangible assets represent the rights in sharing of profit streams, from junket business at the casinos' VIP rooms in Macau for an indefinite period of time. Such intangible assets are carried at cost less accumulated impairment losses. The recoverable amount of the intangible assets has been determined based on a value in use calculation.

No impairment loss was recognised during the six months ended 30 September 2012 and 2011 by reference to the valuation report issued by Messrs. Grant Sherman Appraisal Limited, independent qualified professional valuer, at 30 September 2012 and 31 March 2012 which valued the intangible assets on discounted cash flow method. The calculation uses cash flow projections based on financial budgets approved by the management covering a five-year period. The management considered that the junket business at this remaining casino's VIP room will not have further expansion, and the junket business are considered to be saturated in long run. Hence, the cash flow beyond the five-year period are extrapolated using a 0% growth rate (31 March 2012: 0%). This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Key assumptions for the discounted

cash flow method relate to the estimation of cash inflows/outflows which include gross margin, growth and discount rate, such estimation is based on past experience and management's expectations for the market development. The management believe that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount of the group of units to exceed the aggregate its recoverable amount. The discount rate applied was approximately 21.85% (31 March 2012: 25.53%). The management are of the opinion that there is no impairment needed for the year because profit generated from the junket business remained stable even with intensive competition.

The junket licences associated with the rights in sharing of profit streams is renewable annually by the Macau Government. The directors of the Company are not aware of any expected impediment with respect to the renewal of licences and consider that the possibility of failing in licence renewal is remote. Therefore, the directors of the Company consider that the intangible assets are treated as having indefinite useful lives.

10. ACCOUNTS RECEIVABLE

The Group's trading terms with its customers are mainly on credit. The Group receives the profit streams within 15 days of the subsequent month. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed by senior management regularly.

An aged analysis of the Group's accounts receivable as at the end of the reporting date, based on invoice date, is as follows:

	As at 30 September 2012 HK\$'000 (Unaudited)	As at 31 March 2012 HK\$'000 (Audited)
Within 15 days	1,641	2,240

Included in the Group's accounts receivable balance, no debtors are past due at the date of these condensed consolidated interim financial statements (at 31 March 2012: Nil). The Group does not hold any collateral over these balances.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 September 2012 HK\$'000 (Unaudited)	As at 31 March 2012 HK\$'000 (Audited)
Financial assets at fair value through profit or loss comprise:		
Held for trading:		
– Equity securities listed in Hong Kong	19,439	22,619

The fair values of the listed equity securities are determined based on the quoted market bid prices available on The Stock Exchange of Hong Kong Limited.

12. SHARE CAPITAL

	Number of ordinary shares		Share capital	
	30 September 2012 '000	31 March 2012 '000	30 September 2012 HK\$'000 (Unaudited)	31 March 2012 HK\$'000 (Audited)
Authorised				
At the beginning and the end of the period/year, ordinary shares of HK\$0.01 each	60,000,000	60,000,000	600,000	600,000
Issued and fully paid				
At the beginning and the end of the period/year, ordinary shares of HK\$0.01 each	2,154,938	2,154,938	21,549	21,549

13. COMMITMENTS

The Group and the Company did not have any significant capital commitments as at 30 September 2012 (at 31 March 2012: Nil).

14. CONTINGENT LIABILITIES

The Group and the Company had no material contingent liabilities as at 30 September 2012 (at 31 March 2012: Nil).

15. EVENTS AFTER THE REPORTING PERIOD

The Group and the Company did not have any significant event after the reporting period.

16. RELATED PARTIES TRANSACTIONS

Save as disclosed elsewhere in the condensed consolidated interim financial statements, during the six months ended 30 September 2012 and 2011, the Group had not entered into any transactions with related parties which, in the opinion of the directors, were carried out in the ordinary course of the Group's business.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the period under review, the Group continues to engage in the VIP junkets activity for the VIP gaming room in The Venetian, Macau. The Group have been facing intense competition in the gaming sector in Macau as there has been growing number gaming rooms as well as similar VIP junkets in Macau in recent years as more Casinos were opened.

FINANCIAL REVIEW

For the six months ended 30 September 2012, the Group was engaged in the gaming and entertainment sector, and securities trading.

For the six months ended 30 September 2012, turnover of the Group was approximately HK\$10,977,000 representing a 41.4% decrease over the corresponding figure of approximately HK\$18,744,000 in 2011. The decrease in the Group's revenue was mainly attributable to the worsening of business environment and intense competition.

Same to previous corresponding period, as the Group's revenue is derived from the sharing of profit streams from investments in gaming and entertainment related business in Macau, there is no cost directly associated with it and hence, no cost of sales has been recorded. Gross margin is 100%. The Group's operating cost is related to administrative expenses.

Administrative expenses was approximately HK\$2,205,000 for the six months ended 30 September 2012, representing a 39.4% decrease from approximately HK\$3,636,000 for the correspondence period last year. The decrease was due to the decrease in legal and professional fees and salary expenses.

Apart from the revenue and profit derived from the gaming sector, the Group has a loss of approximately HK\$8,010,000 (six months ended 30 September 2011: approximately HK\$23,031,000) in relation to the changes of fair value of the financial assets that the Group has invested in. The changes of fair value were mainly caused by the general downturn of the stock market in recent months.

As a result, the Group has made a profit of approximately HK\$768,000 for the six months ended 30 September 2012, a turnaround of the loss in the correspondence period last year of approximately HK\$7,919,000.

Basic and diluted earnings per share for the period under review were HK0.04 cents (six months ended 30 September 2011: loss per share of HK0.37 cents).

LIQUIDITY AND FINANCIAL RESOURCES

During the period, the Group funded its operation mainly through internal resources. Financial position of the Group has remained reasonable during the period. At 30 September 2012, the Group has total assets of approximately HK\$250,080,000 (at 31 March 2012: HK\$248,994,000), current liabilities of approximately HK\$1,853,000 (at 31 March 2012: HK\$1,535,000) and did not have any non-current liabilities (at 31 March 2012: Nil).

Equity attributable to owners of the Company at 30 September 2012 was approximately HK\$248,227,000 (at 31 March 2012: HK\$247,459,000). The increase was mainly due to the profit during the period.

At 30 September 2012, the cash and cash equivalents of the Group amounted to approximately HK\$115,328,000 (at 31 March 2012: HK\$110,399,000) and the Group's current ratio was 73.7 (at 31 March 2012: 88.2).

At 30 September 2012, the total liabilities of the Group amounted to approximately HK\$1,853,000 (at 31 March 2012: HK\$1,535,000). The Group's gearing ratio at 30 September 2012, expressed as a percentage of total liabilities over total equity was 0.0075 (at 31 March 2012: 0.0062).

CAPITAL STRUCTURE

During the six months ended 30 September 2012, there is no change to the share capital of the Company. At 30 September 2012, the Company issued share capital of HK\$21,549,385.71 divided into 2,154,938,571 shares of HK\$0.01 each.

CHARGES ON GROUP ASSETS

At 30 September 2012, none of the Group's assets was pledged to any financial institution for facilities (at 31 March 2012: Nil).

CONTINGENT LIABILITIES

At 30 September 2012, the Group had no contingent liabilities (at 31 March 2012: Nil).

FOREIGN EXCHANGE EXPOSURE

The Group continues to adopt a conservative treasury policy with all bank deposits in Hong Kong dollars, keeping a minimum exposure to foreign exchange risks. As a majority of the inflow and outflow is denominated in Hong Kong dollars, the Group has not adopted any hedging policy or entered into any derivative products which are considered not necessary for the Group's treasury management activities.

EMPLOYEES

At 30 September 2012, the Group has a total of 4 employees (other than Directors) (at 31 March 2012: 4 employees). Total staff costs (including directors' emoluments) during the period amounted to approximately HK\$816,000 (six months ended 30 September 2011: HK\$1,284,000).

Employees were remunerated on the basis of their performance, experience and prevailing industry practices. The Group's remuneration policies and packages were reviewed by the Remuneration Committee and the Board on a regular basis. As an incentive for the employees, bonuses and cash awards may also be given to employees based on individual performance evaluation. The Group has also implemented a share option scheme to reward eligible employees (including executive Directors) according to their individual performance. During the period, no employees of the Group were granted options under the share option scheme of the Company.

PROSPECTS

The Directors consider that the Macau VIP gaming business is facing very intense competition. More casinos are opened and affect the business of the Group, especially the operating scale of the Group is very small as compared to the major players in the market.

Whilst the Company has continuously placed priority on stabilizing the existing gaming businesses of the Group, it has also been actively seeking possible investment opportunities to diversify its businesses as well as to broaden its revenue base. The Company will also seek ways to strengthen our capital base to enhance the flexibility and capability for future investment.

OTHER INFORMATION

INTERIM DIVIDEND

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

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND SHARE OPTIONS

As at 30 September 2012, the interests and short positions of the Directors and the chief executive of the Company and their associates in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of The Securities and Futures Ordinance (“SFO”)) which have 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, or which were recorded in the register required to be kept 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 (the “Model Code”) as set out in Appendix 10 to the Listing Rules were as follows:

Long position:

Ordinary shares of HK\$0.01 each (the “Shares”) of the Company

Name	Capacity	Interest in Shares	Interest in underlying shares	Total interest	Percentage of the issued share capital of the Company
Yeung Heung Yeung	Interest of controlled corporation	349,000,000	Nil	349,000,000	16.20%

Note: Sur Limited held 349,000,000 Shares. As Sur Limited is wholly and beneficially owned by Mr. Yeung Heung Yeung, the executive Director and chairman of the Company, Mr. Yeung Heung Yeung is deemed to be interested in 349,000,000 Shares.

Save as disclosed above, as at 30 September 2012, none of the Directors or chief executive of the Company nor their associates had any interest 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 to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SHARE OPTION SCHEME

The Company had adopted a share option scheme and which was expired on 6 July 2012. On 28 September 2012, the Company adopted a new share option scheme (the "Scheme"), which was approved by the shareholders of the Company at the annual general meeting of the Company held on 28 September 2012. During the period, no share options were granted under the Scheme.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2012, as far as known to the Directors, the following persons or entities (not being a Director or a chief executive of the Company) who had interests or short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions:

Ordinary Shares of HK\$0.01 each of the Company:

Name	Note	Capacity	Interest in Shares	Interest in underlying shares	Total interest	Percentage of the issued share capital of the Company
Ng Cheuk Fai		Beneficial owner	352,941,176	Nil	352,941,176	16.38%
Yeung Heung Yeung	1	Interest of controlled corporation	349,000,000	Nil	349,000,000	16.20%
Sur Limited	1	Beneficial owner	349,000,000	Nil	349,000,000	16.20%

Note 1: Sur Limited held 349,000,000 Shares. As Sur Limited is wholly and beneficially owned by Mr. Yeung Heung Yeung, the executive Director and chairman of the Company, Mr. Yeung Heung Yeung is deemed to be interested in 349,000,000 Shares.

Save as disclosed above, as at 30 September 2012, the Company has not been notified by any person (other than Directors or the chief executive of the Company) who had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within knowledge of the Directors, as at the date of hereof, the Company has maintained the prescribed public float under the Listing Rules.

MAJOR LITIGATION AND ARBITRATION PROCEEDINGS

The Group had no major litigation or arbitration during the six months ended 30 September 2012.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

In the opinion of the Board, the Company had complied with all code provisions set out in the Corporate Governance Code ("CG Code") as set out in Appendix 14 of the Listing Rules during the six months ended 30 September 2012, except for the following deviations:

Chairman and Chief Executive

Code A.2.1 of CG Code provides, inter alia, that the roles of chairman and chief executive should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

The Company does not officially have a position of chief executive officer, but Mr. Yeung Heung Yeung has been assuming the roles of chief executive officer of the Company. In this regard, the Company has deviated from Code A.2.1 of CG Code.

The Board believes that the roles of chairman and chief executive in the same person, Mr. Yeung Heung Yeung, can provide the Group with strong and consistent leadership and allow for more effective and efficient business planning and decision as well as execution of long term business strategies.

Appointments, Re-election and Removal of Directors

Code A.4.1 of CG Code provides that non-executive Directors should be appointed for a specific term, subject to re-election.

Ms. Lee Shiow Yue, Mr. Poon Wai Hoi, Percy and Mr. Tang Chi Ho, Francis, being the independent non-executive Directors, were not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Bye-laws.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiry of all Directors, the Directors confirmed that they had complied with the required standard set out in the Model Code for the six months ended 30 September 2012.

AUDIT COMMITTEE

The Company has an Audit Committee which was established in accordance with the requirements of the CG Code as set out in Appendix 14 of the Listing Rules. The primary duties of the Audit Committee is for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. These interim financial statements have been reviewed by the Audit Committee. The Audit Committee comprises three independent non-executive Directors, namely Ms. Lee Shiow Yue, Mr. Poon Wai Hoi, Percy (Chairman) and Mr. Tang Chi Ho, Francis.

The Audit Committee has reviewed the interim report and the unaudited condensed consolidated interim financial statements for the six months ended 30 September 2012 and agreed to the accounting principles and practices adopted by the Company.

BOARD OF DIRECTORS

As at the date hereof, the executive Director is Mr. Yeung Heung Yeung, and the independent non-executive Directors are Mr. Poon Wai Hoi, Percy, Mr. Tang Chi Ho, Francis and Ms. Lee Shiow Yue.

APPRECIATION

On behalf of the Board, I would like to express our gratitude to our shareholders for their continuing support, and extend our sincere appreciation to all management and staff for their ongoing dedication, commitments and contributions.

By order of the Board
Dore Holdings Limited
Yeung Heung Yeung
Chairman

Hong Kong, 26 November 2012