



LT Holdings Limited
勒泰控股有限公司
(Incorporated in Hong Kong with limited liability)
(Stock Code: 112)

INTERIM REPORT
FOR THE SIX MONTHS ENDED 30TH JUNE, 2013

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CORPORATE INFORMATION

Directors

Executive Directors

Mr. Yang, Longfei (*Chairman*)

Ms. Dai, Hui

Mr. Chan, Tik Sang

Non-executive Directors

Mr. Lee, Vincent Marshall Kwan Ho

Mr. Lam, Kwong Wai

Mr. Yang, Shao Xing Max

Independent Non-executive Directors

Mr. Fan, Ren Da Anthony

Mr. Fan, Chun Wah Andrew

Mr. Lau, Yu Fung Wilson

Audit Committee

Mr. Fan, Chun Wah Andrew (*Chairman*)

Mr. Fan, Ren Da Anthony

Mr. Lau, Yu Fung Wilson

Remuneration Committee

Mr. Fan, Ren Da Anthony (*Chairman*)

Mr. Fan, Chun Wah Andrew

Mr. Lau, Yu Fung Wilson

Nomination Committee

Mr. Fan, Ren Da Anthony (*Chairman*)

Mr. Fan, Chun Wah Andrew

Mr. Lau, Yu Fung Wilson

Company Secretary

Lam, Yuen Ling Eva

Auditors

Deloitte Touche Tohmatsu

Principal Bankers

Bank of China (Hong Kong) Limited

Industrial and Commercial Bank of China Limited

Registered Office and Principal Place of Business

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51st Floor

The Center

99 Queen's Road Central

Central, Hong Kong

Registrar and Transfer Office

Tricor Secretaries Limited

26th Floor, Tesbury Centre

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Website

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Stock Code

112

Board Lot

2,000 Shares

Investor Relations

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REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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TO THE BOARD OF DIRECTORS OF LT HOLDINGS LIMITED
(FORMERLY KNOWN AS CHI CHEUNG INVESTMENT COMPANY, LIMITED)
(Incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of LT Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 5 to 16, which comprises the condensed consolidated statement of financial position as of 30th June, 2013 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, 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 these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Other Matters

The consolidated statement of financial position as at 31st December, 2012 and the relevant explanatory notes included in the consolidated financial statements for the year ended 31st December, 2012 were audited by another auditor who expressed an unmodified opinion on those statements on 25th March, 2013.

Without qualifying our review conclusion, we draw attention to the fact that the comparative condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period ended 30th June, 2012 and the relevant explanatory notes disclosed in these condensed consolidated financial statements have not been reviewed in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
22nd July, 2013

RESULTS

The board of directors (the “Board”) of LT Holdings Limited (the “Company”) is pleased to report the unaudited consolidated interim results of the Company and its subsidiaries (together, the “Group”) for the six months ended 30th June, 2013 (the “Period”) together with the comparative figures for the corresponding period in 2012 as follows.

These interim results have been reviewed by the Company’s Audit Committee and its Auditors.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30th June, 2013

	NOTES	Six months ended 30th June,	
		2013	2012
		HK\$’000	HK\$’000
		(Unaudited)	(Unaudited)
Continuing operation			
Revenue	4	<u>6,267</u>	<u>10,903</u>
Other income and gain		131	1
Administrative expenses		(7,624)	(1,658)
Finance costs		<u>(265)</u>	<u>-</u>
(Loss) profit before taxation	7	(1,491)	9,246
Income tax expense	8	<u>(235)</u>	<u>(1,557)</u>
(Loss) profit for the period from continuing operation		<u>(1,726)</u>	<u>7,689</u>
Discontinued operation			
Profit for the period from discontinued operation	6	175	3,335
Loss on disposal of a subsidiary	6	<u>(876)</u>	<u>-</u>
		<u>(701)</u>	<u>3,335</u>
(Loss) profit for the period attributable to owners of the Company		<u>(2,427)</u>	<u>11,024</u>
Other comprehensive (expense) income			
Fair value changes on available-for-sale financial assets that will be reclassified subsequently to profit or loss		<u>(2,647)</u>	<u>1,180</u>
Total comprehensive (expense) income for the period attributable to owners of the Company			
		<u><u>(5,074)</u></u>	<u><u>12,204</u></u>
(Loss) earnings per share (HK cents)	10		
Basic			
From continuing and discontinued operations		<u><u>(0.72)</u></u>	<u><u>3.25</u></u>
From continuing operation		<u><u>(0.51)</u></u>	<u><u>2.27</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30th June, 2013

	<i>NOTES</i>	30th June, 2013 HK\$'000 (Unaudited)	31st December, 2012 HK\$'000 (Audited)
Non-current assets			
Equipment	<i>11</i>	45	-
Available-for-sale financial assets	<i>12</i>	<u>64,309</u>	<u>66,603</u>
		<u>64,354</u>	<u>66,603</u>
Current assets			
Available-for-sale financial assets	<i>12</i>	7,812	31,454
Loan to a former fellow subsidiary	<i>13</i>	410,000	-
Loan to a fellow subsidiary	<i>13</i>	-	900,000
Debtors, deposits and prepayments	<i>14</i>	3,501	2,392
Time deposits, bank balances and cash	<i>14</i>	<u>395,047</u>	<u>33,487</u>
		<u>816,360</u>	<u>967,333</u>
Assets classified as held for sale	<i>16</i>	<u>-</u>	<u>44,689</u>
		<u>816,360</u>	<u>1,012,022</u>
Current liabilities			
Creditors and accruals	<i>15</i>	1,261	279
Amount due to a former fellow subsidiary		-	102
Tax liabilities		<u>1,385</u>	<u>1,694</u>
		<u>2,646</u>	<u>2,075</u>
Liabilities associated with assets classified as held for sale	<i>16</i>	<u>-</u>	<u>3,417</u>
		<u>2,646</u>	<u>5,492</u>
Net current assets		<u>813,714</u>	<u>1,006,530</u>
Total assets less current liabilities		<u>878,068</u>	<u>1,073,133</u>
Capital and reserves			
Share capital	<i>17</i>	3,388	3,388
Reserves		<u>574,680</u>	<u>1,069,745</u>
Total equity attributable to owners of the Company		<u>578,068</u>	<u>1,073,133</u>
Non-current liability			
Loan from the controlling shareholder	<i>18</i>	<u>300,000</u>	<u>-</u>
		<u>878,068</u>	<u>1,073,133</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th June, 2013

	Attributable to owners of the Company					Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Contribution from shareholders HK\$'000	Securities investments reserve HK\$'000 (Note)	Retained profits HK\$'000	
At 1st January, 2012 (Audited)	3,388	495,160	20,719	4,683	530,443	1,054,393
Profit for the period	-	-	-	-	11,024	11,024
Fair value changes on available-for-sale financial assets	-	-	-	1,180	-	1,180
Total comprehensive income for the period	-	-	-	1,180	11,024	12,204
Final dividend paid (note 9)	-	-	-	-	(3,388)	(3,388)
At 30th June, 2012 (Unaudited)	<u>3,388</u>	<u>495,160</u>	<u>20,719</u>	<u>5,863</u>	<u>538,079</u>	<u>1,063,209</u>
At 1st January, 2013 (Audited)	3,388	495,160	20,719	6,952	546,914	1,073,133
Loss for the period	-	-	-	-	(2,427)	(2,427)
Fair value changes on available-for-sale financial assets	-	-	-	(2,647)	-	(2,647)
Total comprehensive expense for the period	-	-	-	(2,647)	(2,427)	(5,074)
Special interim dividend paid (note 9)	-	-	-	-	(489,991)	(489,991)
Release upon completion of disposal of a subsidiary (Note)	-	-	(20,719)	-	20,719	-
At 30th June, 2013 (Unaudited)	<u>3,388</u>	<u>495,160</u>	<u>-</u>	<u>4,305</u>	<u>75,215</u>	<u>578,068</u>

Note: Contribution from shareholders represent the excess of the fair value of the net assets of a subsidiary acquired from Chinese Estates Holdings Limited ("Chinese Estates"), a former controlling shareholder, over the consideration paid in relation to the asset transaction completed on 7th November, 2003. For the six months ended 30th June, 2013, the Group disposed of that subsidiary. As a result, the contribution from shareholders was released to retained profits upon completion of disposal of the subsidiary. Details of the disposal were set out in note 6.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS*For the six months ended 30th June, 2013*

	<i>NOTE</i>	Six months ended 30th June,	
		2013	2012
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Net cash used in operating activities		(8,267)	(115)
Net cash from investing activities			
Interest received		7,201	11,112
Redemption on maturity of available-for-sale financial assets		23,268	11,645
Repayment from a former fellow subsidiary		490,000	-
Disposal of a subsidiary	5	36,824	-
Other investing cash flows		(47)	-
		<u>557,246</u>	<u>22,757</u>
Net cash from (used in) financing activities			
Loan from the controlling shareholder		300,000	-
Dividend paid		(489,522)	(3,388)
Other financing cash flows		(102)	(19)
		<u>(189,624)</u>	<u>(3,407)</u>
Net increase in cash and cash equivalents		359,355	19,235
Cash and cash equivalents at 1st January		33,487	12,284
Cash and cash equivalents included in assets classified as held for sale		3,534	-
Effect of foreign exchange rate changes		(1,329)	(8)
Cash and cash equivalents at 30th June, represented by time deposits, bank balances and cash		<u>395,047</u>	<u>31,511</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th June, 2013

1. GENERAL INFORMATION

LT Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) is engaged in securities investment and finance. The Group has operations mainly in Hong Kong.

The Company is a limited liability company incorporated and domiciled in Hong Kong. The Company has its primary listing on the Stock Exchange of Hong Kong Limited.

Following the completion of the share purchase agreement dated 5th December, 2012 entered into among Billion Up Limited, a wholly owned subsidiary of Chinese Estates, as the vendor, China Lerthai Commercial Real Estate Holdings Limited (“China Lerthai”) as the purchaser and Chinese Estates as guarantor, China Lerthai has become the controlling shareholder of the Company since 6th February, 2013 and has obtained control over the Board. Details of which were set out in the Company’s announcements dated 18th December, 2012 and 7th February, 2013.

The condensed consolidated interim financial statements are presented in Hong Kong Dollars, which is the same as the functional currency of the Group.

2. BASIS OF PREPARATION

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

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for available-for-sale financial assets, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th June, 2013 are the same as those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31st December, 2012.

In the current interim period, the Group has applied, for the first time, the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009 - 2011 Cycle
HKFRS 7 (Amendments)	Disclosures - Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities: Transition Guidance
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
HKAS 19 (Revised in 2011)	Employee Benefits
HKAS 28 (Revised in 2011)	Investments in Associates and Joint Ventures
HK(IFRIC) - INT 20	Stripping Costs in the Production Phase of a Surface Mine

The following new and revised HKFRSs are relevant to the Group's condensed consolidated financial statements.

Amendments to HKAS 1 Presentation of items of other comprehensive income

The amendments to HKAS 1 "Presentation of Items of Other Comprehensive Income" introduce new terminology for the statement of comprehensive income. Under the amendments to HKAS 1, a "statement of comprehensive income" is renamed as a "statement of profit or loss and other comprehensive income". The amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The Group's "condensed consolidated statement of comprehensive income" is renamed as "condensed consolidated statement of profit or loss and other comprehensive income" and presentation of items of other comprehensive income has been modified accordingly.

HKFRS 13 Fair value measurement

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. Some of the disclosures are specifically required for financial instruments in the interim condensed consolidated financial statements. In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement requirements prospectively. The Group has provided these disclosures in note 19. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

The application of other new and revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

4. REVENUE

Continuing operation

Six months ended 30th June,

2013	2012
HK\$'000	HK\$'000
(Unaudited)	(Unaudited)

Revenue represents the aggregate amounts received and receivable, analysed as follows:

Interest income from available-for-sale debt securities	2,081	2,731
Interest income on loan to a fellow subsidiary	1,415	8,172
Interest income on loan to a former fellow subsidiary	2,771	-
	6,267	10,903

5. SEGMENT INFORMATION

The Group's reportable and operating segments under HKFRS 8 Operating Segments, based on information reported to the Chief operating decisive maker ("CODM"), being the Chairman of the Company, for the purposes of resource allocation and performance assessment are as follows:

- (i) Securities investments and finance (continuing operation); and
- (ii) Property leasing (discontinued operation)

The operating segment relating to property leasing was presented as a discontinued operation during the current interim period. Financial information for this discontinued operation is disclosed in note 6. After the discontinuance of the property leasing business, the CODM considers that there is only one operating segment in accordance with HKFRS 8 and reviews the consolidated statement of profit or loss and other comprehensive income of the Group as a whole for the period for the purpose of resource allocation and performance assessment. Furthermore, the CODM does not review segment assets and liabilities. Accordingly, no segment analysis is presented.

6. DISPOSAL OF A SUBSIDIARY (DISCONTINUED OPERATION)

On 5th December, 2012, the Group entered into a sale and purchase agreement with Super Kind Limited, Cosmos Success Limited, Wing Lee Development Limited, indirect wholly owned subsidiaries of Chinese Estates (collectively refer to as "Purchasers"), and Chinese Estates, the controlling shareholder of the Company before 6th February, 2013 (as guarantor of the Purchasers), to dispose of the entire issued share capital of View Success Investments Limited ("View Success"), the then indirect wholly-owned subsidiary of the Company, which was engaged in property leasing business and held certain car parking spaces at Gemstar Tower, for a total consideration of approximately HK\$41.5 million (the "Disposal"). Details of the Disposal were set out in the announcement and circular of the Company dated 18th December, 2012 and 5th January, 2013 respectively.

The Disposal was completed on 23rd January, 2013. Upon completion, the Group lost control over View Success and View Success ceased to be a subsidiary of the Company. As a result, the business segment of property leasing has been presented as discontinued operation for the current and preceding interim periods. The comparative information for the six months ended 30th June, 2012 was re-presented due to presentation of discontinued operation. Assets and liabilities of View Success were presented as assets classified as held for sale and liabilities associated with assets classified as held for sale respectively as at 30th June, 2013 and 31st December, 2012 (see note 16).

The profit (loss) from the discontinued operation for the current and preceding interim periods is analysed as follows:

	Six months ended 30th June,	
	2013	2012
	HK\$'000	HK\$'000
Profit for the period from discontinued operation	175	3,335
Loss on disposal of discontinued operation	(876)	-
	(701)	3,335

The results, net assets and cash flows of View Success are set out below:

- (a) The results from discontinued operation are as follows:

	Six months ended 30th June,	
	2013	2012
	HK\$'000	HK\$'000
Revenue	209	1,441
Costs of sales	(13)	(119)
Gross profit	196	1,322
Other income	-	1
Administrative expenses	(3)	(225)
Fair value changes on investment properties	-	2,900
Profit before taxation	193	3,998
Income tax expenses	(18)	(663)
Profit for the period from discontinued operation	175	3,335

(b) The net assets of View Success at the date of disposal were as follows:

	HK\$'000
Investment properties	40,900
Debtors, deposits and prepayments	264
Bank balances and cash	3,796
Creditors and accruals	(159)
Deposits and receipts in advance	(875)
Tax liabilities	(26)
Deferred tax liabilities	(2,404)
	<hr/>
Net assets disposed of	41,496
Loss on disposal	(876)
	<hr/>
Total consideration, net of transaction costs	<u>40,620</u>
Satisfied by:	
Bank balances and cash	40,620
	<hr/>
	<u>40,620</u>
Net cash inflow arising on disposal:	
Total cash consideration received	41,496
Transaction costs paid	(876)
Bank balances and cash disposed of	(3,796)
	<hr/>
	<u>36,824</u>

(c) During the six months ended 30th June, 2013, the net cash flows from operating activities of View Success were HK\$262,000 (six months ended 30th June, 2012: HK\$1,481,000). There were no cash flows from financing and investing activities of View Success in current and preceding interim period.

7. (LOSS) PROFIT BEFORE TAXATION

	Continuing operation		Discontinued operation		Consolidated	
	Six months ended 30th June,		Six months ended 30th June,		Six months ended 30th June,	
	2013	2012	2013	2012	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Loss) profit before taxation has been arrived at after charging (crediting):						
Interest income from banks	(131)	(1)	-	-	(131)	(1)
Exchange loss, net	1,261	179	-	-	1,261	179
Depreciation	2	-	-	-	2	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

8. INCOME TAX EXPENSE

	Continuing operation		Discontinued operation		Consolidated	
	Six months ended 30th June,		Six months ended 30th June,		Six months ended 30th June,	
	2013	2012	2013	2012	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current tax:						
Hong Kong	235	1,557	18	663	253	2,220
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Hong Kong Profits Tax is calculated at 16.5% (2012: 16.5%) on the estimated assessable profits for the period.

12. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets comprise:

	At 30th June, 2013 HK\$'000 (Unaudited)	At 31st December, 2012 HK\$'000 (Audited)
Unlisted unsecured fixed rate notes	<u>72,121</u>	<u>98,057</u>
Analysis for reporting purposes as:		
Non-current	64,309	66,603
Current	<u>7,812</u>	<u>31,454</u>
	<u>72,121</u>	<u>98,057</u>

The fixed rate notes are unlisted securities and carry fixed interest at 5.50% to 6.50% (31st December, 2012: fixed interest at 4.75% to 6.50%) per annum and will mature from August 2013 to August 2019 (31st December, 2012: February 2013 to August, 2019). The fixed rate notes were designated as available-for-sale financial assets at initial recognition. Fair values of unlisted fixed rate notes were determined based on the quoted prices provided by custodian.

13. LOAN TO A FELLOW SUBSIDIARY/ FORMER FELLOW SUBSIDIARY

On 22nd September, 2011, the Company, as lender, entered into a renewed loan agreement with Longman Limited ("Longman"), a subsidiary of Chinese Estates, as borrower, and Chinese Estates, as guarantor, to grant a three year revolving facility of upto HK\$900 million to Longman at an interest rate of HIBOR plus 1.5% per annum ("Revolving Loan"). Details of the loan arrangement were set out in the Company's circular dated 12th October, 2011.

On 30th January, 2013, Longman repaid HK\$490 million of the Revolving Loan together with interest thereof to the Company. Longman ceased to be a fellow subsidiary of the Group since 6th February, 2013. The Company may call for repayment of the balance of the Revolving Loan at any time on demand. The management of the Group expected that the Revolving Loan will be repaid with one year from the end of reporting period and thus the Revolving Loan was classified as current asset as at 30th June, 2013.

14. DEBTORS, DEPOSITS AND PREPAYMENTS AND TIME DEPOSITS, BANK BALANCES AND CASH

There were no trade receivables included in debtors, deposits and prepayments as at 30th June, 2013 and 31st December, 2012.

The time deposits of the Group carry interests at prevailing market deposits rates with original maturity of less than one month.

15. CREDITORS AND ACCRUALS

There were no trade payables included in creditors and accruals as at 30th June, 2013 and 31st December, 2012.

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

On 5th December, 2012, the Group entered into a sale and purchase agreement with Purchasers and Chinese Estates to dispose of the entire issued share capital of View Success. Details of the Disposal were set out in note 6.

As at 31st December, 2012, the major classes of assets and liabilities of View Success reclassified as assets classified as held for sale and liabilities associated with assets classified as held for sale are as follows:

	HK\$'000
Assets classified as held for sale:	
Investment properties	40,900
Debtors, deposits and prepayments	255
Bank balances and cash	3,534
	<u>44,689</u>
Liabilities directly associated with assets classified as held for sale:	
Creditors and accruals	130
Deposits and receipts in advance	875
Tax liabilities	8
Deferred tax liabilities	2,404
	<u>3,417</u>

17. SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1st January, 2012, 31st December, 2012 and 30th June, 2013	<u>50,000,000</u>	<u>500,000</u>
Issued and fully paid:		
At 1st January, 2012, 31st December, 2012 and 30th June, 2013	<u>338,766</u>	<u>3,388</u>

18. LOAN FROM THE CONTROLLING SHAREHOLDER

On 17th June, 2013, the Company entered into a loan agreement with Mr. Yang Longfei, an executive director and controlling shareholder of the Company, pursuant to which Mr. Yang Longfei agreed to provide a loan with principal amount of HK\$300,000,000 to the Company. The loan is unsecured, interest bearing at three-month Hong Kong Inter-bank Offered Rate plus 5% and is repayable in full on the day falling 36 months from the date on which the loan is drawn down. On 25th June, 2013, the whole loan of HK\$300,000,000 was drawn down in RMB.

19. FAIR VALUE MEASUREMENT

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

20. MATERIAL RELATED PARTY TRANSACTION

During the interim period, other than the transactions disclosed in notes 6, 13 and 18, the Group had the following significant transactions with related parties:

	Six months ended 30th June,	
	2013	2012
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest income on loan to a fellow subsidiary	1,415	8,172
Interest expense on loan from the controlling shareholder	265	-

21. CAPITAL COMMITMENT

As at the end of the current interim period, the Group has committed to acquire leasehold improvement contract for but not provided in the condensed consolidated financial statements of HK\$264,000 (31st December, 2012 : nil).

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the Period (period ended 30th June, 2012: HK one cent per share).

FINANCIAL OPERATION REVIEW

Results

Continuing Operation

Revenue for the Period decreased to approximately HK\$6.3 million (period ended 30th June, 2012: HK\$10.9 million). Loss attributable to owners of the Company for the Period was approximately HK\$1.7 million compared to profit attributable to owners of the Company of approximately HK\$7.7 million with the corresponding period last year. The securities investments and finance segment generated revenue of approximately HK\$6.3 million during the Period (period ended 30th June, 2012: HK\$10.9 million).

Loss per share for the Period recorded at HK0.51 cents (period ended 30th June, 2012: Earnings per share HK2.27 cents).

Discontinued Operation

On 18th December, 2012, it was announced that the entire issued share capital of an indirect wholly-owned subsidiary of the Company, View Success Investments Limited (“View Success”), which held certain car parking spaces at Gemstar Tower situated at No. 23 Man Lok Street, Hung Hom, Kowloon, Hong Kong, was disposed of to an indirect wholly owned subsidiary of Chinese Estates Holdings Limited (“Chinese Estates”) at a total consideration of approximately HK\$41.5 million (the “Disposal”). A loss on disposal of approximately HK\$0.9 million was recorded during the Period which represented the transaction costs incurred by the Group. Details of the Disposal were set out in the announcement and circular of the Company dated 18th December, 2012 and 5th January, 2013 respectively.

The Disposal was completed on 23rd January, 2013. The business segment of property leasing has therefore been classified as discontinued operation for the Period.

For property leasing, rental income for the Period amounted to HK\$0.2 million (period ended 30th June, 2012: HK\$1.4 million). There was no change on fair value of investment properties during the Period (period ended 30th June, 2012: increase by HK\$2.9 million).

Loss per share for the Period recorded at HK0.21 cents (period ended 30th June, 2012: Earnings per share HK0.98 cents).

Net Asset Value

At 30th June, 2013, the Group's net assets attributable to owners of the Company amounted to HK\$578.1 million as compared to approximately HK\$1,073.1 million as at 31st December, 2012. The movement in net assets was mainly due to the loss incurred for the Period and payment of 2013 special interim dividend of approximately HK\$490.0 million. Net asset value per share to owners of the Company was approximately HK\$1.71 (31st December, 2012: HK\$3.17).

Liquidity and Financial Resources

The Group maintains a conservative approach to financial management, funding and treasury policies. At 30th June, 2013, total time deposits, bank balances and cash amounted to HK\$395 million (31st December, 2012: HK\$33.5 million).

The Group did not have any bank borrowings as at 30th June, 2013 (31st December, 2012: Nil), but it has a shareholder's loan of HK\$300 million as at 30th June, 2013 (31st December, 2012: Nil) which is repayable in full on the day falling 36 months from the date on which the loan is drawn down. On 25th June, 2013, the whole loan of HK\$300 million was drawn down and is classified under non-current liabilities. It carries interest at three-month HIBOR plus 5% per annum.

The Group's income for the Period was denominated in Hong Kong dollars, China Renminbi and United States dollars and no hedging for non-Hong Kong dollars assets or investments has been made during the Period.

Foreign Exchange Exposure

The Group's exposure to currency risk is attributable to the available-for-sale financial assets and bank balances of the Group which are denominated in foreign currencies of United State dollars and China Renminbi. The Group currently does not have a foreign currency hedging policy in respect of foreign currency exposure. However, the Group is in the process of reviewing its currency exposure and when appropriate will elect to hedge its currency risk.

Pledge of Assets

At 30th June, 2013 and 31st December, 2012, no assets were pledged by the Group to secure any banking facilities and borrowings and the Group did not have any obligations under banking facility documentation.

Capital Commitments and Contingent Liabilities

As at 30th June, 2013, the Group had a capital expenditure contracted for but not provided in the consolidated financial statements in respect of leasehold improvements of approximately HK\$0.3 million. The Group did not have any material capital commitments as at 31st December, 2012.

The Group did not have any material contingent liabilities as at 30th June, 2013 and 31st December, 2012 respectively.

Financial and Interest Income/Expenses

Interest income for the Period increased to HK\$6.3 million (period ended 30th June, 2012: HK\$10.9 million) within which included imputed interest expense from fixed rate notes of HK\$0.1 million (period ended 30th June, 2012: imputed interest income from floating and fixed rate notes HK\$0.1 million).

Interest expenses for the Period amounted to approximately HK\$0.3 million (Period ended 30th June, 2012: nil).

Remuneration Policies and Share Option Scheme

At 30th June, 2013, the Group employed a total of 7 members of staff which included senior management, managerial and support staff. The total salaries and related costs excluding directors' emoluments amounted to approximately HK\$1.0 million for the Period.

The remuneration packages of the senior management are recommended by the directors of the respective companies and approved by the Board by reference to their respective responsibilities and accountability, target achievements, business results and market competitiveness of the Group. The remuneration packages of the managerial and support staff are determined by the directors of the respective company.

At 31st December, 2012, the Group did not employ any member of staff. The total staff cost excluding directors' emoluments for the period ended 30th June, 2012 of approximately HK\$0.9 million represented by the staff cost recharged by the then fellow subsidiaries of the Company.

No share option scheme was adopted for the Period.

Property Valuation

No property valuation has been carried out in respect of the investment properties of View Success, a company ceased to be a subsidiary of the Group on 23rd January, 2013, in preparing our 2013 interim results. Property valuation as at 31st December, 2012 was carried out by B.I. Appraisals. The valuation was based on either direct comparison approach assuming the property is capable of being sold in its existing state with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant markets, or investment method by taking into account the current passing rents and the reversionary income potential of the properties.

The Group's investment properties were valued at HK\$40.9 million as at 31st December, 2012, an increase in fair value of HK\$2.9 million was recognised in the unaudited condensed consolidated statement of comprehensive income for the period ended 30th June, 2012.

BUSINESS REVIEW

The financial returns from the loan to Longman Limited, an indirect wholly-owned subsidiaries of Chinese Estate and certain long and short term fixed rate notes (the "FRNs") constituted the primary source of income of the Group, whereas the car parking license income from the discontinued operation formed the secondary source during the Period under review.

Finance and Securities Investment

During the Period, the HK\$900 million lent to Longman Limited, an indirect wholly-owned subsidiary of Chinese Estates, under the three-year revolving loan (“Revolving Loan”) facility at the annual interest rate of HIBOR plus 1.5% per annum. On 30th January, 2013, Longman Limited repaid portion of the Revolving Loan with a sum of HK\$490 million together with interest thereof to the Company. Accordingly, the Revolving Loan brought to the Group an interest income in the sum of approximately HK\$4.2 million.

During the Period, FRNs in the principal sum of US\$3 million was redeemed. Overall, the Group’s investment in FRNs with the aggregate principal sum of US\$8.5 million as at 30th June, 2013 generated an interest income of HK\$2 million during the Period. The fair value of the FRNs amounted to HK\$72.1 million as at 30th June, 2013, representing a net decrease of approximately HK\$26 million in comparison with the fair value of HK\$98.1 million as at 31st December, 2012.

PROSPECTS

China Lerthai became the controlling shareholder and has obtained control of the Board of the Company since 6th February, 2013. After review of the operation of the Company by the executive Directors, the Group intends to expand its business into property investment and development alongside its existing business of securities investment and finance. The Group is actively identifying suitable land acquisition opportunities for future development. The Company is also identifying a suitable chief executive officer candidate to be in charge of the Group’s property investment and development business. Although China Lerthai has a long history in developing commercial properties in China, we may tap into international markets as well. This should give diversification and a hedge against our future domestic businesses, in order to bring good returns to our shareholders.

DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS IN THE SECURITIES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at 30th June, 2013, the directors (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 Securities and Futures Ordinance (the “SFO”)) as recorded in the register kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 (the “Model Code”) to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) is as follow:

Name	Number of Shares (ordinary share)	Capacity	Percentage of Issued Share Capital (approximately)
Mr. Yang Longfei (Note)	254,055,888 (L)	Interest of Controlled Corporation	75%

(L): Long position

Note: The 254,055,888 Shares held by China Lerthai Commercial Real Estate Holdings Limited, and Mr. Yang Longfei beneficially owns the entire issued share capital of China Lerthai Commercial Real Estate Holdings Limited. By virtue of the SFO, Mr. Yang Longfei is deemed to be interested in the 254,055,888 Shares held by China Lerthai Commercial Real Estate Holdings Limited.

Save as disclosed above, none of the Directors or chief executives of the Company had or was deemed to have any interests or short position in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

During the Period, none of the Directors or chief executives of the Company, nor their spouses or children under the age of 18 years, were granted or had exercised any right to subscribe for any securities of the Company or its associated corporations.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SECURITIES OF THE COMPANY

As at 30th June, 2013, so far as are known to any Director or chief executive of the Company, the following parties (other than a Director or chief executive of the Company) were recorded in the register kept by the Company under section 336 of the SFO, or as otherwise notified to the Company, as being directly or indirectly interested or deemed to be interested in 5% or more of the issued share capital of the Company:

Name	Number of Shares (ordinary share)	Capacity	Percentage of Issued Share Capital (approximately)
China Lerthai Commercial Real Estate Holdings Limited	254,055,888	Beneficial owner	75%

Save as disclosed above, as at 30th June, 2013, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the Shares, underlying shares and debentures 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 THE COMPANY'S LISTED SECURITIES

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

REVIEW BY AUDIT COMMITTEE

The interim results for the Period are unaudited and but are reviewed by the auditors of the Company. The audit committee of the Company, which comprised all the independent non-executive Directors of the Company, has reviewed with management the accounting principles and practices adopted by the Group and the unaudited condensed consolidated financial statements for the Period.

The Company's external auditor, Deloitte Touche Tohmatsu, has conducted a review of the interim financial information of the Group for the Period 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.

DISCLOSURE OF ADVANCE TO AN ENTITY UNDER RULE 13.20 OF THE LISTING RULES

As at 30th June, 2013, pursuant to Rule 13.20 of the Listing Rules, the Group had made advance of HK\$410 million at HIBOR plus 1.5% per annum to Longman Limited, a wholly-owned subsidiary of Chinese Estates, the former holding company of the Company. The loan had been granted for the capital expenditure and general working capital of Chinese Estates and its subsidiaries. The loan is a three year revolving facility, with Chinese Estates acting as the guarantor, but is unsecured, and repayable on demand with maturity date on 2nd November, 2014.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance in order to ensure high transparency and protection of interests of the shareholders and the Company as a whole. The Company has adopted the code provisions and certain recommended best practices (with amendments from time to time) as set out in the Corporate Governance Code and Corporate Governance Report (the “CG Code”) under Appendix 14 to the Listing Rules.

Upon review of the corporate governance practice of the Company, the Board believed that the Company has applied the principles in the CG Code and complied with the code provisions of the CG Code during the Period. None of the Directors was aware of any information that would reasonably indicate that the Company was during the Period non-compliant with the code provisions of the CG Code, except for the deviations as follows:

Under code provision A.1.8 of the CG Code, a company should arrange appropriate insurance cover in respect of legal action against its directors. The Board, in consideration of the streamlined businesses of the Company with low risks, regarded that taking out of the directors’ and officers’ insurance (“D&O insurance”) would involve expenses out of proportion to the value to the Shareholders and therefore no D&O insurance cover was renewed upon expiry of its policy during the period from 1st January, 2013 to 27th March, 2013. With the completion of change of control in the Company from Chinese Estates to China Lerthai Commercial Real Estate Holdings Limited (“China Lerthai”), the Company has arranged for appropriate insurance covering the liabilities of the Directors that may arise out the corporate activities since 28th March, 2013, therefore, the Company now complies with the CG Code. The insurance coverage is reviewed on an annual basis.

Under code provision A.2.1 of the CG Code, the role of chairman and chief executive (the “CEO”) should be separate and should not be performed by the same individual. Although Mr. Yang, Longfei was appointed as the Chairman to replace Mr. Matthew Cheong, Veng-va on 28th February, 2013, the office of the CEO was remained vacant. However, the Board will keep reviewing the current structure of the Board from time to time and should candidate with suitable knowledge, skill and experience be identified, the Company will make appointment to fill the post as appropriate.

Under code provision C.2.2 of the CG Code, the board of directors of a company should consider the adequacy of resources, staff qualifications and experience, training programmes and budget of a company’s accounting and financial reporting function, as part of internal control of a company in the annual review. Under code provision C.3.3(g) of the CG Code, the terms of reference of audit committee of a company should include the duty to discuss the internal control system with the management to ensure that the management has performed its duty to have an effective internal control system and such discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the company’s accounting and financial reporting function. Although the Company did not engage any staff before the completion of change of control in the Company from Chinese Estates to China Lerthai, the Board had secured the assistance of Chinese Estates to provide and to share with its accounting and financial reporting resources, including human resources, accounting programmes and other information system facilities to ensure that the Company had fulfilled the legal and the Listing Rules’ requirements on the preparation of financial reporting and internal control. The Board believed that the arrangement with Chinese Estates would substantially reduce the cost of the Company in accounting, financial reporting and internal controls functions. With the completion of change of control in the Company from Chinese Estates to China Lerthai, the Company has engaged an external accounting professional to manage the Company’s accounting and financial reporting. The Company has employed new employees and would allocate adequate resources, budget and training programmes to the new employees to maintain an efficient, effective and independent accounting and financial reporting system and internal control system.

Under code provision C.3.7 of the CG Code, the terms of reference of the audit committee of a company should require it to review arrangements that the employees of the company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The audit committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action. Before the completion of change of control in the Company from Chinese Estates to China Lerthai, as the Company did not have any employee, the Board considered that it might not cause material effect on the functions of financial reporting, internal control or other related matters without the relevant arrangements in place. With the completion of change of control in the Company from Chinese Estates to China Lerthai, the Company has engaged external accounting professional and employed employees to manage the Company's financial reporting and internal control. Consideration is being given for preparation of the procedure and arrangements to allow the external accounting professional and employees who are handling with the accounting matters of the Company to raise concerns about possible improprieties in financial reporting, internal control and other related matters in confidence.

Under code provision F.1.1 of the CG Code, the company secretary of a company should be an employee of the listed company and should have day-to-day knowledge of the company's affairs. Upon the resignation of Mr. Lam, Kwong Wai with effective from 6th February, 2013, Ms. Lam, Yuen Ling Eva has been appointed as the Company Secretary and is delegated by an external service provider. The external service provider's primary contact person in the Company is Ms. Dai, Hui, an executive Director. Therefore, the code provision F.1.1 of the CG Code is complied with.

Upon the close of the mandatory cash offer on 28th February, 2013, there were 66,270,099 Shares of the Company, representing approximately 19.56% of the total issued share capital of the Company, held by the public (as defined in the Listing Rules) and therefore, the Company cannot fulfill the minimum public float requirement under Rule 8.08(1)(a) of the Listing Rules. A waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules for the period from 28th February, 2013 up to and including 31st May, 2013 has been granted by the Stock Exchange. On 30th April, 2013, China Lerthai, the controlling shareholder of the Company, completed a selling down of 18,440,000 Shares, approximate 5.443% of the total issued share capital of the Company in order to comply with the requirement of at least 25% of the issued share capital of the Company being held by the public under Rule 8.08(1)(a) of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as a code of conduct regarding securities transactions by the directors. The Company has also adopted a code of conduct regarding securities transactions by the relevant employees on terms no less exacting than the required standard set out in the Model Code (the "Employees' Code"). Having made specific enquiry of all Directors and the relevant employees, all Directors and relevant employees confirmed that they have complied with the required standard set out in the Model Code and the Employees' Code throughout the Period.

DISCLOSURE OF CHANGE OF INFORMATION OF DIRECTORS UNDER RULES 13.51(2) AND 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B(1) of the Listing Rules, the change of information on the Directors are as follows:

Mr. Yang, Longfei has been appointed as the director of the six subsidiaries of the Company, namely LT International Investment Holdings Limited on 21st May, 2013, LT Commercial Holdings Limited on 15th May, 2013, LT Real Estate Holdings Limited on 21st May, 2013, LT Investment Limited on 6th June, 2013, LT Commercial Limited on 6th June, 2013 and LT Real Estate Limited on 6th June, 2013 respectively.

Mr. Yang, Longfei was entitled to an emolument of HK\$250,000 per month (on a 13-month basis which equals to HK\$3,250,000 in aggregate per year) as the Chairman with effect from 26th March, 2013 and the emolument to be the executive Director was adjusted from HK\$150,000 per annum to HK\$180,000 per annum, which was determined with reference to the duties and responsibilities of an executive Director, with effect from 27th March, 2013.

Ms. Dai, Hui has been appointed as the head of the Treasury Department of Chi Cheung Management Service Limited and the director of LT Global Investment, which are the two subsidiaries of the Company on 26th March, 2013 and 11th July, 2013 respectively.

The emolument of Ms. Dai, Hui as an executive Director was adjusted from HK\$150,000 per annum to HK\$180,000 per annum, which was determined with reference to the duties and responsibilities of an executive Director, with effect from 27th March, 2013.

Mr. Lee, Vincent Marshall Kwan Ho has ceased to be the Vice-Chairman of Standing Committee of the Hong Kong Association For The Promotion of Peaceful Reunification of China in June 2013.

The emolument of Mr. Lam, Kwong Wai as a non-executive Director was adjusted from HK\$150,000 per annum to HK\$180,000, which was determined with reference to the duties and responsibilities of a non-executive Director, with effect from 27th March, 2013.

The emolument of Mr. Fan, Ren Da Anthony as an independent non-executive Director was adjusted from HK\$180,000 per annum to HK\$260,000 per annum, which was determined with reference to the duties and responsibilities of the chairmen of the nomination and remuneration committee of the Company, with effect from 11th June, 2013.

The emolument of Mr. Fan, Chun Wah Andrew as an independent non-executive Director was adjusted from HK\$180,000 per annum to HK\$260,000 per annum, which was determined with reference to the duties and responsibilities of the chairman of the audit committee of the Company, with effect from 11th June, 2013.

Mr. Yang, Shao Xing Max has been appointed as the director of LT Global Investment, a subsidiary of the Company on 11th July, 2013.

APPRECIATION

I would like to take this opportunity to thank the shareholders for their continuous support, and my fellow directors and those who have worked for the Group for their valuable contribution.

On behalf of the Board of
LT Holdings Limited
Yang, Longfei
Chairman and Executive Director

Hong Kong, 22nd July, 2013