



建聯集團有限公司<sup>\*</sup>  
**Chinney Alliance Group Limited**

(Incorporated in Bermuda with limited liability)

Stock Code : 385

Interim Report 2013

<sup>\*</sup> For identification purpose only



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### *Executive Directors*

James Sai-Wing WONG (*Chairman*)  
 Yuen-Keung CHAN (*Vice Chairman and  
 Managing Director*)  
 James Sing-Wai WONG  
 Philip Bing-Lun LAM  
 Lawrence Koo-Siong CHONG

#### *Non-Executive Director*

Herman Man-Hei FUNG

#### *Independent Non-Executive Directors*

Yuen-Tin NG  
 Chi-Chiu WU  
 Alexander Yan-Zau FANG  
 Ronald James BLAKE

### AUDIT COMMITTEE

Yuen-Tin NG (*Chairman*)  
 Chi-Chiu WU  
 Herman Man-Hei FUNG

### REMUNERATION COMMITTEE

Chi-Chiu WU (*Chairman*)  
 Yuen-Tin NG  
 Herman Man-Hei FUNG

### COMPANY SECRETARY

Yun-Sang LO

### PRINCIPAL BANKERS

The Hongkong and Shanghai Banking  
 Corporation Limited  
 The Bank of East Asia, Limited  
 Shanghai Commercial Bank Limited  
 Wing Lung Bank Limited  
 Bank of China (Hong Kong) Limited

### AUDITORS

Ernst & Young

### PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

HSBC Securities Services (Bermuda) Limited  
 6 Front Street  
 Hamilton HM 11  
 Bermuda

### HONG KONG BRANCH SHARE REGISTRARS AND TRANSFER OFFICE

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

### REGISTERED OFFICE

Clarendon House  
 Church Street  
 Hamilton HM 11  
 Bermuda

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

23rd Floor  
 Wing On Centre  
 111 Connaught Road Central  
 Hong Kong

### STOCK CODE

00385

## CORPORATE INFORMATION

### BUSINESS ADDRESSES AND CONTACTS

#### Chinney Alliance Group Limited

23rd Floor  
Wing On Centre  
111 Connaught Road Central  
Hong Kong

Tel : (852) 2877-3307  
Fax : (852) 2877-2035  
Website : <http://chinneyalliancegroup.etnet.com.hk>  
E-mail : [general@chinneyhonkwok.com](mailto:general@chinneyhonkwok.com)

#### Kin Wing Engineering Company Limited Kin Wing Foundations Limited

Block A&B, 9th Floor  
Hong Kong Spinners Industrial Building, Phase VI  
481-483 Castle Peak Road  
Kowloon  
Hong Kong

Tel : (852) 2415-6509  
Fax : (852) 2490-0173  
Website : <http://www.kinwing.com.hk>  
E-mail : [kwecoltd@kinwing.com.hk](mailto:kwecoltd@kinwing.com.hk)

#### Shun Cheong Electrical Engineering Company Limited

Block C, 9th Floor  
Hong Kong Spinners Industrial Building, Phase VI  
481-483 Castle Peak Road  
Kowloon  
Hong Kong

Tel : (852) 2426-3123  
Fax : (852) 2481-3463  
E-mail : [general@scee.com.hk](mailto:general@scee.com.hk)

#### Westco Chinney Limited

Block C, 9th Floor  
Hong Kong Spinners Industrial Building, Phase VI  
481-483 Castle Peak Road  
Kowloon  
Hong Kong

Tel : (852) 2362-4301  
Fax : (852) 2412-1706  
Website : <http://www.westcochinney.com>  
E-mail : [wcl@westcochinney.com](mailto:wcl@westcochinney.com)

#### Chinney Construction Company, Limited

Block A&B, 9th Floor  
Hong Kong Spinners Industrial Building, Phase VI  
481-483 Castle Peak Road  
Kowloon  
Hong Kong

Tel : (852) 2371-0100  
Fax : (852) 2411-1402  
E-mail : [chinney@chinney.com.hk](mailto:chinney@chinney.com.hk)

#### DrilTech Ground Engineering Limited DrilTech Geotechnical Engineering Limited

Block A&B, 9th Floor  
Hong Kong Spinners Industrial Building, Phase VI  
481-483 Castle Peak Road  
Kowloon  
Hong Kong

Tel : (852) 2371-0008  
Fax : (852) 2744-1037  
Website : <http://www.driltech.com.hk>  
E-mail : [driltech@driltech.com.hk](mailto:driltech@driltech.com.hk)

#### Jacobson van den Berg (Hong Kong) Limited

8th Floor  
Hong Kong Spinners Industrial Building, Phase VI  
481-483 Castle Peak Road  
Kowloon  
Hong Kong

Tel : (852) 2828-9328  
Fax : (852) 2828-9408  
Website : <http://www.jvdb.com>  
E-mail : [info@jvdb.com](mailto:info@jvdb.com)

#### Chinney Alliance Engineering Limited

Block C, 9th Floor  
Hong Kong Spinners Industrial Building, Phase VI  
481-483 Castle Peak Road  
Kowloon  
Hong Kong

Tel : (852) 2880-3888  
Fax : (852) 2811-0974  
Website : <http://www.chinney-eng.com>  
E-mail : [focal@chinney-eng.com](mailto:focal@chinney-eng.com)

## REVIEW OF OPERATIONS

### RESULTS

The board of directors (the "Board") of Chinney Alliance Group Limited (the "Company", collectively with its subsidiaries, the "Group") is pleased to announce that the Group recorded a turnover of HK\$1,477 million for the six months ended 30 June 2013 (2012: HK\$1,301 million). The profit for the period was HK\$41.4 million (2012: HK\$8.0 million), which included fair value gains on equity investments of HK\$17.0 million (2012: HK\$2.6 million). These fair value gains included HK\$13.5 million realised gains on disposals of equity investments during the period and HK\$3.5 million unrealised gains on equity investments held as at end of the reporting period. The profit contributed from the Group's business operation, which was arrived by excluding the effect of fair value gains on equity investments, was HK\$24.4 million (2012: HK\$5.4 million).

### INTERIM DIVIDEND

The Board does not propose the payment of an interim dividend for the six months ended 30 June 2013 (2012: Nil).

### BUSINESS REVIEW AND PROSPECTS

#### *Trading of plastics and chemicals products*

The plastic trading division contributed a turnover of HK\$224 million (2012: HK\$216 million) with operating profit of HK\$3.6 million (2012: HK\$3.7 million), principally from Jacobson van den Berg (Hong Kong) Limited. The external markets remain sluggish. The fear of liquidity and interest rate adjustment will have an adverse effect on the world economy in the second half of the year, which will have an impact on the division's customers and business. The division strives to maintain liquidity and continues to expand the business presence in Mainland China, which performs better than the traditional US and Euro markets.

#### *Building related contracting services*

Shun Cheong Investments Limited and its subsidiaries ("Shun Cheong") contributed turnover of HK\$419 million (2012: HK\$337 million) and an operating profit of HK\$4.6 million (2012: HK\$1.4 million). The improvement of the results was mainly attributable to the increase in turnover and some projects did not reach the stage to recognise profit in accordance with the Group's accounting policies in same period of last year. The division's projects included electrical and mechanical works for residential and industrial development projects and maintenance contracts for both the public and private sectors. As at 30 June 2013, the division had outstanding contracts on hand of HK\$1,326 million.

#### *Building construction*

The division recorded a turnover of HK\$249 million (2012: HK\$300 million) with an operating profit of HK\$4.5 million (2012: HK\$4.8 million) which was mainly contributed from its principal subsidiary Chinney Construction Company, Limited. The turnover and profit for the period were mainly contributed from some school projects and revitalisation of a historic building. As at 30 June 2013, the division had outstanding contracts on hand of HK\$654 million. There were additional HK\$97 million worth of contracts awarded after 30 June 2013 by the division.

## REVIEW OF OPERATIONS

### **BUSINESS REVIEW AND PROSPECTS** *(continued)*

#### ***Foundation piling and ground investigation***

The principal subsidiaries of the division include Kin Wing Engineering Company Limited, Kin Wing Foundations Limited and DrillTech Ground Engineering Limited. Turnover for the period was HK\$574 million (2012: HK\$435 million) and operating profit was HK\$33.4 million (2012: HK\$8.9 million). The turnover and profit were mainly contributed from several foundation piling projects for private residential developments. The improvement in profit margin is mainly due to better tender prices and costs control. The outstanding contracts on hand were HK\$1,338 million as at 30 June 2013 with additional HK\$198 million worth of projects awarded after period end.

#### ***Other businesses***

Other businesses include the holding of properties for the Group's own use and Chinney Alliance Engineering Limited which engages in the distribution of aviation system and energy saving products. These businesses contributed a turnover of HK\$11.5 million (2012: HK\$12.9 million) and an operating loss of HK\$4.9 million (2012: HK\$2.9 million). The progress of the Hong Kong International Airport projects was slower than expected and thus the income from these projects was deferred.

The Group's share of the profits and losses of associates recorded a marginal profit for the period under review. The two associates of the Group are Jiangxi Kaitong New Materials Company Limited which is engaged in the manufacturing of stainless steel and plastic compound pipes in Mainland China, and Fineshade Investments Limited which has an investment in a real estate property consisting of three buildings known as Binjiang Intelligence Port located in Hangzhou, the People's Republic of China ("PRC") for rental income.

### **FINANCIAL REVIEW**

#### ***Liquidity and financial resources***

Total interest-bearing debts of the Group amounted to HK\$279.0 million as at 30 June 2013 (31 December 2012: HK\$230.9 million), of which HK\$270.1 million or 97% (31 December 2012: HK\$217.9 million or 94%) were classified as current liabilities, which included bank and other borrowings with repayment on demand clause amounted to HK\$32.7 million (31 December 2012: HK\$38.3 million) which will be repaid after one year according to the lenders' repayment schedules. The current portion of the interest-bearing debts would be HK\$237.4 million or 85% (31 December 2012: HK\$179.6 million or 78%) based on lenders' repayment schedules. Trust receipt loans of HK\$134.1 million (31 December 2012: HK\$130.6 million) were included in the current portion of bank and other borrowings. The increase in trust receipt loans was mainly due to the purchase of materials and equipment for installation for the projects of Shun Cheong, the Group's building services division. Current ratio of the Group as at 30 June 2013, measured by total current assets over total current liabilities, was 1.1 (31 December 2012: 1.1). Total unpledged cash and bank balances as at 30 June 2013 was HK\$244.5 million (31 December 2012: HK\$165.2 million). The increase in unpledged bank balances was mainly due to funds generated from operations and short-term bank borrowings drawn. During the period under review, the capital expenditure of the Group amounted to HK\$60.7 million which was mainly for purchases of plant and machinery by the Group's foundation piling division.

The Group had a total of HK\$576.3 million undrawn banking facilities at period end available for its working capital, trade finance and issue of surety/performance bonds. The gearing ratio of the Group, measured by total interest-bearing borrowings of HK\$279.0 million over the equity attributable to the holders of the Company of HK\$670.3 million, was 41.6% as at 30 June 2013 (31 December 2012: 35.8%).

## REVIEW OF OPERATIONS

### FINANCIAL REVIEW *(continued)*

#### ***Funding and treasury policy***

The Group maintains a prudent funding and treasury policy. Surplus funds are maintained in the form of cash deposits with leading banks. Borrowings are mainly denominated in Hong Kong dollars and bear interest at floating rates. Forward contracts of non-speculative nature are entered to hedge the foreign currency trade purchase commitments of the Group when desirable.

#### ***Pledge of assets***

As at 30 June 2013, certain properties having aggregate book value of HK\$223.2 million and a time deposit of HK\$1 million were pledged to banks to secure certain bank loans and other and general banking facilities extended to the Group. Certain plant and machinery having aggregate book value of HK\$35.6 million were held under finance leases. In addition, time deposits of HK\$15.8 million were pledged to banks to secure the surety/performance bonds issued in favour of the Group's clients on contracting works.

#### ***Contingent liabilities***

Details of the contingent liabilities of the Group are set out in note 12 to the condensed consolidated interim financial statements.

#### ***Employees and remuneration policies***

The Group employed approximately 1,400 staff in Hong Kong and other parts of the PRC as at 30 June 2013. Remuneration packages are reviewed annually and determined by reference to market pay and individual performance. In addition to salary payments and year-end discretionary bonuses, the Group also provides other employment benefits including medical insurance cover, provident fund and educational subsidies to eligible staff.

### CONNECTED TRANSACTION

On 31 December 2012, a subsidiary of the Company as the vendor (the "Vendor") entered into a sale and purchase agreement for the disposal of a property located in Shenzhen, the PRC to a subsidiary of Hon Kwok Land Investment Company, Limited ("Hon Kwok") and Chinney Investments, Limited ("CIL") (the "Purchaser") for a cash consideration of HK\$9,383,000. As Dr. James Sai-Wing Wong, the Chairman of the Company, has control in CIL, Hon Kwok and the Company, the transaction constituted a connected transaction of the Company pursuant to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and was subject to the reporting and announcement requirements but was exempt from independent shareholders' approval. On 31 January 2013, the Vendor received the balance of the consideration for the disposal and passed all title documents to the Purchaser for submission to relevant government departments for title transfer. Details of the transaction was disclosed in an announcement published on 31 December 2012.



## REVIEW OF OPERATIONS

### OUTLOOK

The US economy continues to show improvement, with rise in asset prices, drop in unemployment rate and signs for increase in consumer spendings. The market is waiting for the phasing-out of stimulus action in the forthcoming meeting of the Federal Reserve in September this year. Although the phasing-out would confirm the recovery of the US economy, the reaction of market participants could be volatile at the time of introduction and the global capital flow would be affected. The Eurozone also shows slight improvement but the market's confidence is still low and the sovereign debt problems will continue to pose a drag on its recovery. The emerging markets appear to be suffering from the potential phasing-out of stimulus action since the volatility of fund would affect asset prices and costs of funding. In China, the recent economic data shows signs of stabilisation after the government took supportive measures, including scrapping taxes for small companies and acceleration of investments in urban infrastructure and railways, and the annual growth target of 7.5% is likely on track. The Hong Kong economy continued to grow moderately in the second quarter of 2013 by 3.3% in real terms over a year earlier. While growth from external trade remained modest, the domestic demand continued to be the key driving force to the growth. Here, unemployment rate for the second quarter of 2013 was 3.3%, and Hong Kong remained in a state of full employment.

With the uncertainties from the impact of the future monetary policy of the US and the sovereign debt problems of the Eurozone, the recovery of advanced markets is likely to maintain at a modest pace and the external trade performance of Hong Kong would fluctuate. Nevertheless, the China economy continues to outperform other major economies. In this regard, the Group's plastic trading division is keeping on increasing its presence in the China market and developing new products to improve quantity and quality of income. The Group's construction related businesses, on the other hand, have benefited from the opportunities in Hong Kong and Macau for the public and private residential development projects as well as infrastructure projects. The management is monitoring the projects closely to control costs and maintain profitability. The Board is cautiously optimistic with the Group's performance in the second half of the year.

### APPRECIATION

I would like to thank my fellow directors for their advice and support and all staff for their dedication and contribution for the success during the period.

By Order of the Board  
**James Sai-Wing Wong**  
*Chairman*

Hong Kong, 30 August 2013

## CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Six months ended 30 June	
		2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
<b>REVENUE</b>	3	<b>1,477,316</b>	1,300,754
Cost of sales/services provided		<u>(1,304,884)</u>	<u>(1,171,097)</u>
Gross profit		<b>172,432</b>	129,657
Other income	3	<b>3,452</b>	5,195
Selling and distribution costs		<b>(4,652)</b>	(4,095)
Administrative expenses		<b>(139,312)</b>	(117,456)
Other operating income, net		<b>1,473</b>	127
Fair value gains on equity investments at fair value through profit or loss, net		<b>17,021</b>	2,638
Finance costs	4	<b>(3,061)</b>	(2,497)
Share of profits and losses of associates		<u><b>23</b></u>	<u>583</u>
<b>PROFIT BEFORE TAX</b>	5	<b>47,376</b>	14,152
Income tax expense	6	<u><b>(5,972)</b></u>	<u>(6,074)</u>
<b>PROFIT FOR THE PERIOD</b>		<u><b>41,404</b></u>	<u>8,078</u>
Attributable to:			
Owners of the Company		<u><b>41,404</b></u>	<u>8,078</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>	7		
Basic and diluted		<u><b>6.96 cents</b></u>	<u>1.36 cents</u>

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<b>Six months ended 30 June</b>	
	<b>2013</b>	2012
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
<b>PROFIT FOR THE PERIOD</b>	<b>41,404</b>	8,078
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<b>1,647</b>	10
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>43,051</b>	8,088
Attributable to:		
Owners of the Company	<b>43,051</b>	8,088

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 June 2013 (Unaudited) HK\$'000	31 December 2012 (Audited) HK\$'000
<i>Notes</i>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	552,487	514,791
Investment properties	23,174	32,618
Investments in associates	47,383	45,087
Investment in a jointly-controlled entity	–	–
Goodwill	5,767	5,767
Deferred tax assets	957	3,607
Other assets	2,345	2,345
Total non-current assets	<u>632,113</u>	<u>604,215</u>
<b>CURRENT ASSETS</b>		
Inventories	64,306	76,042
Gross amount due from contract customers	179,720	204,583
Trade receivables	309,963	357,035
Retention monies receivable	190,667	167,391
Amount due from a jointly-controlled entity	967	967
Prepayments, deposits and other receivables	55,218	51,906
Equity investments at fair value through profit or loss	9,130	15,057
Tax recoverable	1,149	2,104
Pledged time deposits	16,778	15,255
Cash and cash equivalents	244,519	165,183
Total current assets	<u>1,072,417</u>	<u>1,055,523</u>
<b>CURRENT LIABILITIES</b>		
Gross amount due to contract customers	344,122	287,377
Trade and bills payables	197,633	288,121
Trust receipt loans	134,091	130,550
Retention monies payable	84,066	74,591
Other payables and accruals	64,402	69,757
Tax payable	10,053	7,532
Obligations under finance leases	12,092	13,410
Interest-bearing bank borrowings	123,919	73,945
Total current liabilities	<u>970,378</u>	<u>945,283</u>
<b>NET CURRENT ASSETS</b>	<u>102,039</u>	<u>110,240</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u>734,152</u>	<u>714,455</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Notes</i>	<b>30 June 2013 (Unaudited) HK\$'000</b>	31 December 2012 (Audited) HK\$'000
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>734,152</b>	714,455
<b>NON-CURRENT LIABILITIES</b>		
Obligations under finance leases	4,057	7,768
Interest-bearing bank borrowings	4,849	5,264
Deferred tax liabilities	54,937	56,318
Total non-current liabilities	<b>63,843</b>	69,350
Net assets	<b>670,309</b>	645,105
<b>EQUITY</b>		
<b>Equity attributable to owners of the Company</b>		
Issued capital	10 59,490	59,490
Reserves	610,819	567,768
Proposed final dividend	–	17,847
Total equity	<b>670,309</b>	645,105

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Issued capital	Share premium account	Contributed surplus	Asset revaluation reserve	Legal reserve	Exchange fluctuation reserve	Retained profits	Proposed final dividend	Total equity
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2013	59,490	60,978	120,946	153,819	49	234	231,742	17,847	645,105
Profit for the period	-	-	-	-	-	-	41,404	-	41,404
Other comprehensive income:									
Exchange differences on translation of foreign operations	-	-	-	-	-	1,647	-	-	1,647
Total comprehensive income for the period	-	-	-	-	-	1,647	41,404	-	43,051
Release of revaluation reserve on land and buildings to retained profits	-	-	-	(2,575)	-	-	2,575	-	-
Final 2012 dividend declared	-	-	-	-	-	-	-	(17,847)	(17,847)
<b>At 30 June 2013</b>	<b>59,490</b>	<b>60,978*</b>	<b>120,946*</b>	<b>151,244*</b>	<b>49*</b>	<b>1,881*</b>	<b>275,721*</b>	<b>-</b>	<b>670,309</b>
At 1 January 2012	59,490	60,978	120,946	73,885	49	360	197,321	17,847	530,876
Profit for the period	-	-	-	-	-	-	8,078	-	8,078
Other comprehensive income:									
Exchange differences on translation of foreign operations	-	-	-	-	-	10	-	-	10
Total comprehensive income for the period	-	-	-	-	-	10	8,078	-	8,088
Release of revaluation reserve on land and buildings to retained profits	-	-	-	(1,225)	-	-	1,225	-	-
Final 2011 dividend declared	-	-	-	-	-	-	-	(17,847)	(17,847)
At 30 June 2012	59,490	60,978	120,946	72,660	49	370	206,624	-	521,117

\* These reserve accounts comprise the consolidated reserves of HK\$610,819,000 in the condensed consolidated statement of financial position.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2013	2012
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Net cash flows from operating activities	59,884	51,757
Net cash flows used in investing activities	(27,549)	(45,580)
Net cash flows from financing activities	47,548	22,836
Net increase in cash and cash equivalents	79,883	29,013
Cash and cash equivalents at beginning of period	165,183	107,807
Effect of foreign exchange rate changes, net	453	10
Cash and cash equivalents at end of period	245,519	136,830
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	204,780	114,650
Non-pledged time deposits with original maturity of less than three months when acquired	39,739	27,753
Cash and cash equivalents as stated in the condensed consolidated statement of financial position	244,519	142,403
Time deposit with original maturity of less than three months when acquired, pledged as security for bank overdraft facility	1,000	–
Bank overdrafts	–	(5,573)
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	245,519	136,830

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2013 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 applicable disclosure requirements of Appendix 16 to the Listing Rules.

The unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2012.

The accounting policies and basis of preparation adopted in the preparation of this unaudited condensed consolidated interim financial statements are consistent with those of the annual financial statements for the year ended 31 December 2012 except that the Group has adopted the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) for the first time which are pertinent to its operations and relevant to these unaudited condensed consolidated interim financial statements.

HKFRS 1 Amendments	<i>Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans</i>
HKFRS 7 Amendments	<i>Amendments to HKFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities</i>
HKFRS 10	<i>Consolidated Financial Statements</i>
HKFRS 11	<i>Joint Arrangements</i>
HKFRS 12	<i>Disclosure of Interests in Other Entities</i>
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	<i>Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – Transition Guidance</i>
HKFRS 13	<i>Fair Value Measurement</i>
HKAS 1 Amendments	<i>Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income (“OCI”)</i>
HKAS 19 (2011)	<i>Employee Benefits</i>
HKAS 27 (2011)	<i>Separate Financial Statements</i>
HKAS 28 (2011)	<i>Investments in Associates and Joint Ventures</i>
HK(IFRIC)-Int 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i>
<i>Annual Improvements 2009-2011 Cycle</i>	<i>Amendments to a number of HKFRSs issued in June 2012</i>

HKFRS 7 Amendments require an entity to disclose information about rights to set-off financial instrument and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity’s financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with HKAS 32 *Financial Instruments: Presentation*. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with HKAS 32. The amendments do not have any material financial impact on the Group.

HKFRS 10 establishes a single control model that applies to all entities including special purpose entities. It includes a new definition of control which is used to determine which entities are consolidated. The changes introduced by HKFRS 10 require management of the Group to exercise significant judgement to determine which entities are controlled, compared with the requirements in HKAS 27 *Consolidated and Separate Financial Statements* and HK(SIC)-Int 12 *Consolidation – Special Purpose Entities*. HKFRS 10 replaces the portion of HKAS 27 that addresses the accounting for consolidated financial statements. It also addresses the issues raised in HK(SIC)-Int 12. The amendments do not have any material financial impact on the Group.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICY AND DISCLOSURES *(continued)*

Consequential amendments were made to HKAS 27 and HKAS 28 as a result of the issuance of HKFRS 10, HKFRS 11 and HKFRS 12. The Group adopted HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (2011), HKAS 28 (2011), and the subsequent amendments to these standards issued in July and December 2012 from 1 January 2013.

HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures* and HK(SIC)-Int 13 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*. It describes the accounting for joint arrangements with joint control. It addresses only two forms of joint arrangements, i.e. joint operations and joint ventures, and removes the option to account for joint ventures using proportionate consolidation. The application of this new standard has no material financial impact on the Group.

HKFRS 12 includes the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities previously included in HKAS 27 *Consolidated and Separate Financial Statements*, HKAS 31 *Interests in Joint Ventures* and HKAS 28 *Investments in Associates*. It also introduces a number of new disclosure requirements for these entities. None of these disclosure requirements are applicable for interim condensed consolidated financial statements, unless significant events and transactions in the interim period require that they are provided. Accordingly, the Group has not made such disclosures.

In July 2012, the HKICPA issued amendments to HKFRS 10, HKFRS 11 and HKFRS 12 which clarify the transition guidance in HKFRS 10, provide further relief from full retrospective application of these standards, and limit the requirement to provide adjusted comparative information to only the preceding comparative period. The amendments clarify that retrospective adjustments are only required if the consolidation conclusion as to which entities are controlled by the Group is different between HKFRS 10 and HKAS 27 or HK(SIC)-Int 12 at the beginning of the annual period in which HKFRS 10 is applied for the first time. Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before HKFRS 12 is first applied. These amendments have no material impact on the Group.

HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but provides guidance on how fair value should be applied where its use has already been required or permitted under other HKFRSs. The application of this new standard has no material financial impact on the Group.

HKAS 1 Amendments introduce a grouping of items presented in OCI. Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g. net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (e.g. actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendments do not have any material impact on the Group.

HKAS 19 (2011) includes a number of amendments that range from fundamental changes to simple clarifications and re-wording. The revised standard introduces significant changes in the accounting for defined benefit pension plans including removing the choice to defer the recognition of actuarial gains and losses. Other changes include modifications to the timing of recognition for termination benefits, the classification of short-term employee benefits and disclosures of defined benefit plans. The application of this new standard does not have any material impact on the Group.

*Annual Improvements 2009-2011 Cycle* issued in June 2012 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments has a significant financial impact on the Group.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 2. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the trading of plastics and chemical products, provision of building related contracting services, provision of foundation piling works and sub-structure works, building construction works for both public and private sectors and others, which include distribution of aviation system and energy saving products and property holding. The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Operating segments are reported in a manner consistent with the internal reporting provided to key management personnel.

#### Six months ended 30 June 2013

	Plastic and chemical products (Unaudited) HK\$'000	Building related contracting services (Unaudited) HK\$'000	Foundation piling and ground investigation (Unaudited) HK\$'000	Building construction (Unaudited) HK\$'000	Others (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
<b>Segment revenue:</b>						
Sales to external customers	224,332	418,521	573,517	249,422	11,524	1,477,316
Intersegment sales	–	4,482	–	–	107	4,589
Other revenue	1,177	273	1	–	621	2,072
	225,509	423,276	573,518	249,422	12,252	1,483,977
<i>Reconciliation:</i>						
Elimination of intersegment sales						(4,589)
Revenue						1,479,388
<b>Segment results</b>	<b>3,579</b>	<b>4,632</b>	<b>33,366</b>	<b>4,515</b>	<b>(4,861)</b>	<b>41,231</b>
<i>Reconciliation:</i>						
Interest income and unallocated gains						1,380
Unallocated expenses						(12,279)
Fair value gains on equity investments at fair value through profit or loss, net						17,021
Share of profits and losses of associates						23
Profit before tax						47,376

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 2. OPERATING SEGMENT INFORMATION *(continued)*

As at 30 June 2013

	Plastic and chemical products (Unaudited) <i>HK\$'000</i>	Building related contracting services (Unaudited) <i>HK\$'000</i>	Foundation piling and ground investigation (Unaudited) <i>HK\$'000</i>	Building construction (Unaudited) <i>HK\$'000</i>	Others (Unaudited) <i>HK\$'000</i>	Total (Unaudited) <i>HK\$'000</i>
<b>Segment assets</b>	288,443	342,748	601,624	291,961	158,263	1,683,039
<i>Reconciliation:</i>						
Elimination of intersegment receivables						(47,905)
Investments in associates						47,383
Corporate and other unallocated assets						<u>22,013</u>
Total assets						<u>1,704,530</u>
<b>Segment liabilities</b>	127,692	266,551	357,904	199,794	60,910	1,012,851
<i>Reconciliation:</i>						
Elimination of intersegment payables						(47,905)
Corporate and other unallocated liabilities						<u>69,275</u>
Total liabilities						<u>1,034,221</u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 2. OPERATING SEGMENT INFORMATION *(continued)*

Six months ended 30 June 2012

	Plastic and chemical products (Unaudited) <i>HK\$'000</i>	Building related contracting services (Unaudited) <i>HK\$'000</i>	Foundation piling and ground investigation (Unaudited) <i>HK\$'000</i>	Building construction (Unaudited) <i>HK\$'000</i>	Others (Unaudited) <i>HK\$'000</i>	Total (Unaudited) <i>HK\$'000</i>
<b>Segment revenue:</b>						
Sales to external customers	215,690	337,445	434,575	300,103	12,941	1,300,754
Intersegment sales	–	12,986	–	–	1,037	14,023
Other revenue	688	255	16	–	590	1,549
	216,378	350,686	434,591	300,103	14,568	1,316,326
<i>Reconciliation:</i>						
Elimination of intersegment sales						(14,023)
Revenue						1,302,303
<b>Segment results</b>	3,733	1,398	8,877	4,849	(2,943)	15,914
<i>Reconciliation:</i>						
Interest income and unallocated gains						3,646
Unallocated expenses						(8,629)
Fair value gains on equity investments at fair value through profit or loss, net						2,638
Share of profits and losses of associates						583
Profit before tax						14,152

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 2. OPERATING SEGMENT INFORMATION *(continued)*

As at 31 December 2012

	Plastic and chemical products (Audited) <i>HK\$'000</i>	Building related contracting services (Audited) <i>HK\$'000</i>	Foundation piling and ground investigation (Audited) <i>HK\$'000</i>	Building construction (Audited) <i>HK\$'000</i>	Others (Audited) <i>HK\$'000</i>	Total (Audited) <i>HK\$'000</i>
<b>Segment assets</b>	307,443	379,416	542,624	274,226	151,745	1,655,454
<i>Reconciliation:</i>						
Elimination of intersegment receivables						(64,005)
Investments in associates						45,087
Corporate and other unallocated assets						<u>23,202</u>
Total assets						<u>1,659,738</u>
<b>Segment liabilities</b>	145,266	301,895	295,223	202,531	68,021	1,012,936
<i>Reconciliation:</i>						
Elimination of intersegment payables						(64,005)
Corporate and other unallocated liabilities						<u>65,702</u>
Total liabilities						<u>1,014,633</u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 3. REVENUE AND OTHER INCOME

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Revenue</b>		
Sale of goods	235,856	228,632
Construction contracts	<u>1,241,460</u>	<u>1,072,122</u>
	<u>1,477,316</u>	<u>1,300,754</u>
<b>Other Income</b>		
Interest income	1,919	1,428
Commission income	611	613
Gross rental income	621	590
Others	<u>301</u>	<u>2,564</u>
	<u>3,452</u>	<u>5,195</u>

### 4. FINANCE COSTS

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on bank loans and overdrafts wholly repayable within five years	2,602	1,835
Interest on bank loans wholly repayable after five years	91	103
Interest on obligations under finance leases	<u>368</u>	<u>559</u>
	<u>3,061</u>	<u>2,497</u>

No interest was capitalised by the Group in both periods.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Depreciation	21,194	17,449
Employee benefit expense (including directors' remuneration)	83,165	65,844
Impairment of trade receivables*	–	278
Bad debts written off*	4	–
Gain on disposals of items of property, plant and equipment*	(1,015)	(10)
Loss on disposal of an investment property*	467	–
Foreign exchange differences, net*	(869)	(395)

\* These expenses/(income) are included in "Other operating income, net" in the condensed consolidated income statement.

### 6. INCOME TAX

	Six months ended 30 June	
	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Group:		
Current – Hong Kong	3,834	3,913
Current – Elsewhere	109	82
Deferred	2,029	2,079
Total tax charge for the period	5,972	6,074

Hong Kong profits tax has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 7. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the Company of HK\$41,404,000 (2012: HK\$8,078,000) and the weighted average number of 594,899,245 ordinary shares in issue during both periods.

No adjustment has been made to the basic earnings per share amounts presented for the periods ended 30 June 2013 and 2012 in respect of a dilution as the Group has no potential dilutive ordinary shares in issue during both periods.

### 8. TRADE RECEIVABLES

	<b>30 June 2013 (Unaudited) HK\$'000</b>	31 December 2012 (Audited) HK\$'000
Trade receivables	<b>312,295</b>	359,175
Impairment	<b>(2,332)</b>	(2,140)
	<b>309,963</b>	357,035

The Group's trading terms with its customers are mainly on credit. The credit period is ranging from cash on delivery to 60 days. A longer credit period may be allowed to customers with good business relationships. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest bearing.

An aged analysis of the trade receivables as at the end of the reporting period, based on the payment due date and net of provisions for impairment, is as follows:

	<b>30 June 2013 (Unaudited) HK\$'000</b>	31 December 2012 (Audited) HK\$'000
Current to 30 days	<b>267,431</b>	316,497
31 to 60 days	<b>13,624</b>	18,015
61 to 90 days	<b>6,999</b>	3,131
Over 90 days	<b>21,909</b>	19,392
	<b>309,963</b>	357,035



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 9. TRADE AND BILLS PAYABLES

	<b>30 June 2013 (Unaudited) HK\$'000</b>	31 December 2012 (Audited) HK\$'000
Trade payables	<b>184,510</b>	274,577
Bills payable	<b>13,123</b>	13,544
	<b>197,633</b>	288,121

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

	<b>30 June 2013 (Unaudited) HK\$'000</b>	31 December 2012 (Audited) HK\$'000
Current to 30 days	<b>145,720</b>	239,933
31 to 60 days	<b>19,378</b>	15,580
61 to 90 days	<b>5,401</b>	7,164
Over 90 days	<b>14,011</b>	11,900
	<b>184,510</b>	274,577

The trade payables are non-interest bearing and are normally settled within terms of 60 to 120 days.

### 10. SHARE CAPITAL

	<b>30 June 2013 (Unaudited) HK\$'000</b>	31 December 2012 (Audited) HK\$'000
Authorised: 2,500,000,000 (31 December 2012: 2,500,000,000) ordinary shares of HK\$0.10 each	<b>250,000</b>	250,000
Issued and fully paid: 594,899,245 (31 December 2012: 594,899,245) ordinary shares of HK\$0.10 each	<b>59,490</b>	59,490

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 11. RELATED PARTY TRANSACTIONS

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

	Notes	Six months ended 30 June	
		2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Management fee to a major shareholder	(i)	1,500	1,500
Share of rental and office expenses with a related company	(ii)	1,423	847
Interest income from an associate	(iii)	1,375	1,378
Construction contract income from related companies	(iv)	939	900

Notes:

- (i) The management fee was charged by CIL based on the time involvement of the personnel providing services. Dr. James Sai-Wing Wong, a director of the Company, is also a director of and has beneficial interests in CIL. Mr. Herman Man-Hei Fung and Mr. James Sing-Wai Wong are common directors of the Company and CIL.
- (ii) The rental and office expenses were charged by Hon Kwok, a subsidiary of CIL, on an actual use basis. Dr. James Sai-Wing Wong is a director of and has a beneficial interest in Hon Kwok. Mr. Herman Man-Hei Fung and Mr. Yuen-Keung Chan are common directors of the Company and Hon Kwok.
- (iii) The interest income was charged on a loan to an associate, Fineshade Investments Limited, at 9.7% per annum.
- (iv) Construction contract income represented the value of building maintenance works and building services installation works certified during the period from certain subsidiaries of Hon Kwok.

- (b) Compensation of key management personnel of the Group:

	Six months ended 30 June	
	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Short-term employee benefits	22,569	17,351
Post-employment benefits	692	789
Total compensation paid to key management personnel	23,261	18,140

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 12. CONTINGENT LIABILITIES

As at 30 June 2013, the Group provided corporate guarantees and indemnities to certain banks of an aggregate amount of HK\$261,112,000 for the issue of surety/performance bonds in favour of the Group's clients on contracting works.

Save as disclosed above, the Group had no other material contingent liabilities as at 30 June 2013.

### 13. CAPITAL COMMITMENTS

As at 30 June 2013, the Group has capital commitments in respect of the acquisition of plant and machinery contracted but not provided for of HK\$8,005,000.

### 14. OPERATING LEASE ARRANGEMENTS

#### (a) As lessor

During the period, the Group leases certain of its investment properties under operating lease arrangements, with leases negotiated for terms of one year (31 December 2012: one year). The terms of the leases generally also require the tenants to pay security deposits.

At the end of the reporting period, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants due as follows:

	<b>30 June 2013 (Unaudited) HK\$'000</b>	31 December 2012 (Audited) HK\$'000
Within one year	<u>727</u>	<u>101</u>

#### (b) As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to four years (31 December 2012: one to four years).

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

	<b>30 June 2013 (Unaudited) HK\$'000</b>	31 December 2012 (Audited) HK\$'000
Within one year	<u>1,315</u>	<u>1,477</u>
In the second to fifth years, inclusive	<u>856</u>	<u>920</u>
	<u><b>2,171</b></u>	<u><b>2,397</b></u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 15. FAIR VALUE AND FAIR VALUE HIERARCHY

The carrying amounts and fair values of the Group's financial instruments are as follows:

	Carrying amounts		Fair Values	
	30 June 2013 (Unaudited) HK\$'000	31 December 2012 (Audited) HK\$'000	30 June 2013 (Unaudited) HK\$'000	31 December 2012 (Audited) HK\$'000
<b>Financial assets</b>				
Other assets	2,345	2,345	2,345	2,345
Trade receivables	309,963	357,035	309,963	357,035
Retention monies receivable	190,667	167,391	190,667	167,391
Amount due from a jointly-controlled entity	967	967	967	967
Financial assets included in prepayments, deposits and other receivables	54,409	48,984	54,409	48,984
Equity investments at fair value through profit or loss	9,130	15,057	9,130	15,057
Pledged time deposits	16,778	15,255	16,778	15,255
Cash and cash equivalents	244,519	165,183	244,519	165,183
	<b>828,778</b>	<b>772,217</b>	<b>828,778</b>	<b>772,217</b>
<b>Financial liabilities</b>				
Trade and bills payables	197,633	288,121	197,633	288,121
Trust receipt loans	134,091	130,550	134,091	130,550
Retention monies payable	84,066	74,591	84,066	74,591
Financial liabilities included in other payables and accruals	43,954	10,055	43,954	10,055
Obligations under finance leases	16,149	21,178	16,149	21,178
Interest-bearing bank borrowings	128,768	79,209	128,768	79,209
	<b>604,661</b>	<b>603,704</b>	<b>604,661</b>	<b>603,704</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 15. FAIR VALUE AND FAIR VALUE HIERARCHY *(continued)*

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of cash and cash equivalents, pledged time deposits, other assets, trade receivables, retention monies receivable, equity investments at fair value through profit or loss, trade and bills payables, trust receipt loans, retention monies payable, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals and an amount due from a jointly-controlled entity approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the non-current portion of obligations under finance leases and interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments on similar terms, credit risk and remaining maturities.

#### ***Fair value hierarchy***

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

- Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

As at 30 June 2013, the financial instruments measured at fair value held by the Group and the Company comprised of equity investments at fair value through profit or loss and was classified as Level 1.

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

## OTHER INFORMATION

### CORPORATE GOVERNANCE

#### ***Model Code for Securities Transactions by Directors***

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 of the Listing Rules. On specific enquiries made, all directors of the Company have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2013.

#### ***Compliance with the Corporate Governance Code***

In the opinion of the directors, the Company has complied with all relevant code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Listing Rules during the period from 1 January to 30 June 2013, except A.4.1, A.4.2, A.5.1 to A.5.4 and A.6.7, which are explained below.

1. Code provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election and that code provision A.4.2 of the CG Code stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The existing non-executive directors of the Company do not have a specific term of appointment but are subject to retirement by rotation and re-election at the Company’s annual general meeting under the Bye-laws of the Company. As such, the Board considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices are no less exacting than those in the CG Code.

According to the provisions of the Company’s Bye-laws, at each annual general meeting one-third of the directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation save that the Chairman and/or the Managing Director of the Company shall not be subject to retirement by rotation or be taken into account in determining the number of directors to retire in each year.

Dr. James Sai-Wing Wong, the beneficial owner of CIL, Enhancement Investments Limited (“EIL”) and Chinney Capital Limited, which collectively holds approximately 72.87% interest in the Company, is the Chairman of the Board to safeguard their investments in the Company. In addition, the Board considers that the continuity of the office of the Chairman and Managing Director provide the Group with a strong and consistent leadership for the smooth operation of the businesses of the Group. As a result, the Board concurred that the Chairman and the Managing Director need not be subject to retirement by rotation.

2. Code provisions A.5.1 to A.5.4 of the CG Code in respect of the establishment, terms of reference and resources of a nomination committee. The Company has not established a nomination committee. The Board collectively reviews and approves the appointment of any new director as this allows a more informed and balanced decision to be made by the Board as to suitability for the role.
3. Code provision A.6.7 of the CG Code requires that independent non-executive directors and other non-executive directors shall attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Herman Man-Hei Fung, Mr. Frank Kwok-Kit Chu (who retired at the annual general meeting), Mr. Chi-Chiu Wu and Mr. Alexander Yan-Zau Fang, being non-executive directors of the Company, did not attend the 2013 annual general meeting of the Company held on 4 June 2013 due to their engagement in their own official business.

## OTHER INFORMATION

### CORPORATE GOVERNANCE *(continued)*

#### **Audit Committee**

Regular meetings have been held by the audit committee of the Company (the "Audit Committee") since establishment and it meets at least twice each year to review and supervise the Group's financial reporting process and internal control. The Company's interim results for the six months ended 30 June 2013 has not been audited, but has been reviewed by the Audit Committee.

### **DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

As at 30 June 2013, the interests and short positions of the directors 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 (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code, were as follows:

#### **Long positions in ordinary shares of the Company**

<b>Name of Directors</b>	<b>Number of ordinary shares held, capacity and nature of interest</b>				<b>Percentage of the Company's issued share capital</b>
	<b>Personal interests</b>	<b>Family interests</b>	<b>Corporate interests</b>	<b>Total</b>	
James Sai-Wing Wong	–	–	433,500,216 (Note)	433,500,216	72.87%

Note: Among these shares, 17,162,000 shares are held by Chinney Capital Limited, 173,093,695 shares are held by Multi-Investment Group Limited and 243,244,521 shares are held by EIL, all of which Dr. James Sai-Wing Wong is a director and has beneficial interests.

Save as disclosed above, as at 30 June 2013, none of the directors had registered an interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code.

### **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

At no time during the six-month period ended 30 June 2013 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company; or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2013, the interests and short positions of those persons in the shares and underlying shares of the Company as recorded in the register of interests required to be kept by the Company under Section 336 of the SFO were as follows:

#### *Long positions in ordinary shares of the Company*

Name	Notes	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital
James Sai-Wing Wong	1, 2, 3	Interest through controlled corporations	433,500,216	72.87%
Madeline May-Lung Wong	1	Interest through controlled corporation	173,093,695	29.10%
Lucky Year Finance Limited	1	Interest through controlled corporation	173,093,695	29.10%
Chinney Holdings Limited	1	Interest through controlled corporation	173,093,695	29.10%
CIL	1	Interest through controlled corporation	173,093,695	29.10%
Newsworthy Resources Limited	1	Interest through controlled corporation	173,093,695	29.10%
Multi-Investment Group Limited	1	Beneficial owner	173,093,695	29.10%
EIL	2	Beneficial owner	243,244,521	40.89%

#### Notes:

1. Dr. James Sai-Wing Wong, Ms. Madeline May-Lung Wong, Lucky Year Finance Limited, Chinney Holdings Limited, CIL, Newsworthy Resources Limited and Multi-Investment Group Limited are deemed to be interested in the same parcel of 173,093,695 shares by virtue of section 316 of the SFO;
2. EIL is beneficially wholly owned by Dr. James Sai-Wing Wong; and
3. 17,162,000 shares are held by Chinney Capital Limited, which is beneficially wholly owned by Dr. James Sai-Wing Wong.

Save as disclosed above, as at 30 June 2013, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares, underlying shares and debentures" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

Neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed shares during the six months ended 30 June 2013.