



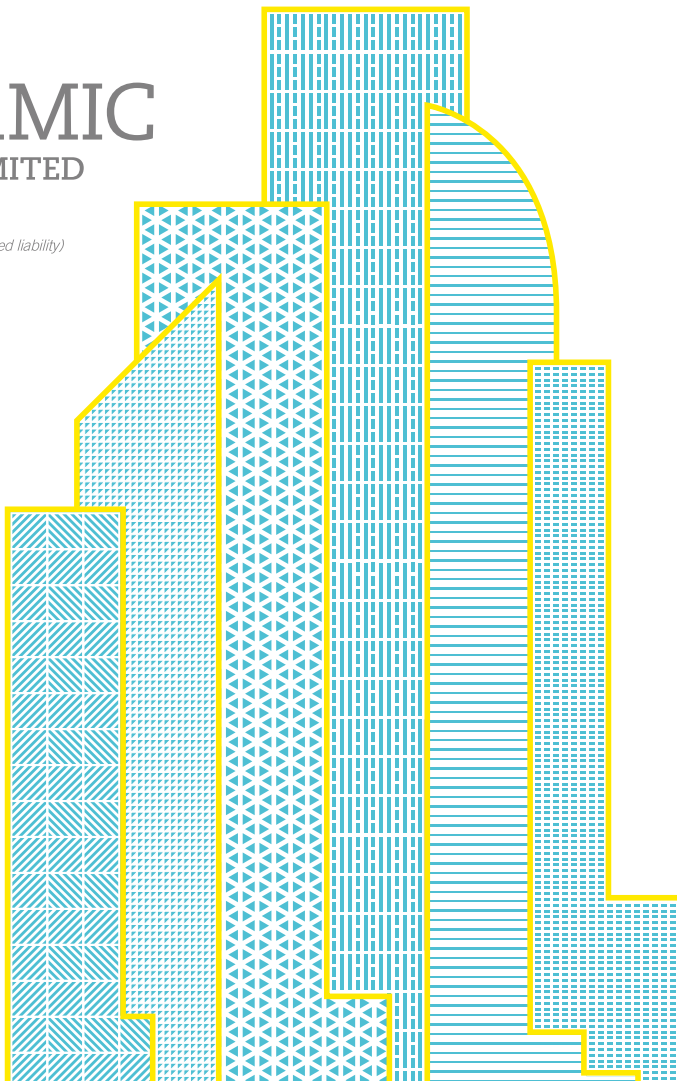
DYNAMIC

HOLDINGS LIMITED

達力集團有限公司

(Incorporated in Bermuda with limited liability)

Stock Code: 29

An abstract graphic consisting of several vertical rectangular blocks of varying heights and widths, arranged in a stepped, ascending pattern from left to right. Each block is filled with a different pattern of light blue lines or dots, and the entire graphic is outlined in a bright yellow color. The blocks are set against a white background with a light blue vertical bar on the far left edge.

2013-2014

INTERIM REPORT



www.dynamic.hk



This interim report is printed on environmentally friendly paper.

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CORPORATE AND INVESTOR INFORMATION

DIRECTORS

Executive Directors

TAN Harry Chua, *Chairman*

CHAN Wing Kit, Frank,

Chief Executive Officer

TAN Lucio Jr. Khao

TAN Michael Gonzales

CHEUNG Chi Ming

PASCUAL Ramon Sy

CHIU Siu Hung, Allan

WONG Sai Tat

Independent Non-executive Directors

CHONG Kim Chan, Kenneth

SY Robin

FOK Kam Chu, John

GO Patrick Lim

REMUNERATION COMMITTEE

CHONG Kim Chan, Kenneth, *Chairman*

TAN Harry Chua

CHAN Wing Kit, Frank

SY Robin

FOK Kam Chu, John

COMPANY SECRETARY

WONG Oi Yee, Polly

AUDIT COMMITTEE

CHONG Kim Chan, Kenneth, *Chairman*

SY Robin

FOK Kam Chu, John

GO Patrick Lim

NOMINATION COMMITTEE

TAN Harry Chua, *Chairman*

CHAN Wing Kit, Frank

CHONG Kim Chan, Kenneth

SY Robin

FOK Kam Chu, John

AUDITORS

Deloitte Touche Tohmatsu

LEGAL ADVISERS

Deacons

Appleby

Global Law Office

PRINCIPAL BANKERS

Hang Seng Bank Limited

China Merchants Bank Co., Ltd.

Bank of China Limited

Bank of Communications Co., Ltd.

Hua Xia Bank Limited

Corporate and Investor Information *(Continued)***STOCK CODE**

029

WEBSITES

<http://www.dynamic.hk>
<http://www.irasia.com/listco/hk/dynamic>

SHARE REGISTRAR*Principal Share Registrar*

MUFG Fund Services (Bermuda)
 Limited
 26 Burnaby Street
 Hamilton HM 11
 Bermuda

Branch Share Registrar

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

(with effect from 31 March 2014:
 Level 22, Hopewell Centre
 183 Queen's Road East
 Hong Kong)

REGISTERED OFFICE

Canon's Court
 22 Victoria Street
 Hamilton HM 12
 Bermuda

PRINCIPAL PLACE OF BUSINESS

17th Floor, Eton Tower
 8 Hysan Avenue
 Causeway Bay
 Hong Kong

REPRESENTATIVE OFFICE IN SHENZHEN

Unit 1321, Shenzhen Kerry Centre
 2008 Renminnan Road, Shenzhen
 The People's Republic of China

FINANCIAL CALENDAR

Last Registration Date for Interim Dividend	11 April 2014
Book-close Dates	14 April 2014 – 17 April 2014 (both days inclusive)
Record Date for Interim Dividend	17 April 2014
Payment of Interim Dividend	2 May 2014

MANAGEMENT STATEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of Dynamic Holdings Limited (the “**Company**”) hereby present their management statement and the unaudited condensed consolidated financial statements of the Company and its subsidiaries (the “**Group**”) for the six months ended 31 December 2013, which have been reviewed by external auditor of the Company, Deloitte Touche Tohmatsu.

INTERIM RESULTS

For the six months ended 31 December 2013, the Group reported a turnover of HK\$57,483,000 (2012: HK\$59,932,000) and a gross profit of HK\$44,075,000 (2012: HK\$47,507,000). Both the turnover and gross profit mildly dropped by 4% and 7% respectively, as compared with those of the last corresponding period. These results were primarily attributable to rental income of investment properties and sales proceeds of properties of the Group as elaborated below.

During the period under review, the Group accounted for other income of HK\$13,343,000 (2012: HK\$12,218,000) mainly inclusive of interest income and exchange gain. In addition, the Group recognised an aggregate increase of HK\$32,178,000 (2012: HK\$43,211,000) in the fair value of its investment properties for the period.

And the profit for the period attributable to shareholders of the Company was HK\$59,227,000 (2012: HK\$68,015,000), which decreased by 13% as compared with that of the last corresponding period, with basic earnings per share of HK\$0.2699 (2012: HK\$0.3104).

Together with other comprehensive income of exchange difference on translation to presentation currency, the total comprehensive income attributable to shareholders of the Company amounted to HK\$83,798,000 (2012: HK\$77,398,000), showing a rise of 8% from that of the last corresponding period.

SEGMENT INFORMATION

Details of the segment information of the Group’s turnover and results by reportable segment for the period are set out in note 3 to the condensed consolidated financial statements.

INTERIM DIVIDEND

The Directors have declared an interim dividend of 2.5 Hong Kong cents (2012: 2.5 Hong Kong cents) per share for the six months ended 31 December 2013 to the shareholders of the Company whose names appear on the register of members on 17 April 2014. The warrants for the interim dividend are expected to be despatched to those entitled on or about 2 May 2014.

Management Statement *(Continued)*

BUSINESS REVIEW

In the period under review, the turnover and results of the Group were principally derived from its operating segment in terms of property rental in the mainland China.

The rental income of the Group generated from its investment properties in two major cities, Shanghai and Beijing, amounted to HK\$48,104,000 (2012: HK\$47,277,000), which represented 84% (2012: 79%) of the consolidated revenue income of the Group in the period and a slight increase of 2% from that of the last corresponding period. And these investment properties of the Group comprising shopping mall and carparks in Beijing and office units in Shanghai appreciated in the sum of HK\$32,178,000 (2012: HK\$43,211,000) in the period. As such, the segment results of property rental showed a profit of HK\$68,921,000 (2012: HK\$82,164,000), which decreased by 16% from that of the last corresponding period.

In Beijing, the well-established community mall of the Group known as “Uptown Mall” in Chaoyang District underwent renovation on basement floor to optimise the use as food court that moderately reduced the rental income during the period. Meanwhile, it attained high level of occupancy while the segment reported rental income of HK\$17,980,000 (2012: HK\$19,187,000) and increased fair value of HK\$10,726,000 (2012: HK\$15,345,000), contributing to a profit of HK\$22,224,000 (2012: HK\$30,069,000) in the segment results of property rental in the period. And due to limited residential units available for sale by the Group, the proceeds of property sales of the Group amounted to HK\$9,379,000 (2012: HK\$12,655,000) making an aggregate profit of HK\$7,215,000 (2012: HK\$8,715,000) in the segment results of property sales in the period.

In Shanghai, the quality offices of the Group known as “Eton Place” which is in the prominent financial location of Little Lujiazui of Pudong remained fully occupied with an improved rental in the sum of HK\$30,124,000 (2012: HK\$28,090,000), showing a moderate increase of 7% from that of the last corresponding period, and appreciated value in the sum of HK\$21,452,000 (2012: HK\$27,866,000), and that the segment results recorded a total profit of HK\$46,697,000 (2012: HK\$52,095,000) in the period.

With respect to Shenzhen Zhen Wah Harbour Enterprises Ltd. in which the Company holds 49% stake, the operation period of the Zhen Wah joint venture has expired on 16 January 2014. In the circumstances, Zhen Wah, which is entitled to the land use rights of a piece of land located in Tung Kok Tau, Nanshan District, Shenzhen (the “**Land**”), is now in the process of being wound up in accordance with applicable PRC laws.

Management Statement *(Continued)*

BUSINESS REVIEW *(Continued)*

Based on PRC legal advice received by the Group, the joint venture partners of Zhen Wah may agree on relevant arrangements regarding the winding up, such as dividing the Land equitably and appropriately between them, but any such agreement may be subject to obtaining relevant PRC governmental approvals. Negotiations with the PRC joint venture party of Zhen Wah are currently continuing. If the joint venture parties fail to reach agreement and/or obtain relevant PRC governmental approvals to any such agreement, based on PRC legal advice received by the Group, it is expected that the Land will eventually be sold by way of public auction or other applicable means in accordance with PRC laws and the surplus arising therefrom (after settlement of all relevant liabilities) will be distributed to the joint venture parties in accordance with their equity contributions.

The winding up of Zhen Wah per se is not expected to have any material adverse effect on the financial position of the Group. However, there is no assurance that further dispute or litigation may not arise with respect to matters concerning Zhen Wah and/or its assets.

FINANCIAL REVIEW

Capital Structure

The financial position of the Group remains sound and liquid, and its financing and treasury policies are managed and controlled at the corporate level and prudent manner during the period. The main objective is still to utilise the group funding efficiently and to manage the financial risks effectively. As at 31 December 2013, the equity attributable to its owners amounted to HK\$1,859,327,000 (30 June 2013: HK\$1,781,014,000) with net asset value per share of HK\$8.47 (30 June 2013: HK\$8.12). Total unsecured and secured bank borrowings of the Group amounted to HK\$193,489,000 (30 June 2013: HK\$205,718,000), which were in Hong Kong dollars and repayable within one year on floating rate basis. As at 31 December 2013, the gearing ratio of the Group was about 10% (30 June 2013: 12%) based on the total debt of the Group to its equity attributable to owners of the Company. The Group maintains a conservative approach to treasury management by constantly monitoring its exposure to interest rate and foreign exchange. The use of financial instrument is strictly controlled by the Group. No significant exposure to foreign currency fluctuations affected the Group in the period under review save for the net exchange gain of HK\$2,714,000 (for the six months ended 31 December 2012: HK\$1,228,000) and no financial instruments were used for hedging purpose in the period.

Management Statement *(Continued)*

FINANCIAL REVIEW *(Continued)*

Financial Resources and Liquidity

In the period under review, there was sufficient cashflow as generated by rental income of investment properties in Shanghai and Beijing as well as sales proceeds of properties in Beijing. As at 31 December 2013, the Group's bank balance and cash stood at HK\$228,028,000 (30 June 2013: HK\$218,433,000), denominated primarily in renminbi yuans and Hong Kong dollars. With sufficient cashflow, the Group maintained an un-utilised credit facilities of HK\$11,000,000 (30 June 2013: HK\$11,000,000) as working capital at floating interest rate as at 31 December 2013. At the end of the reporting period, the Group has net current liabilities of HK\$97,879,000 (30 June 2013: 117,112,000), which included mainly the bank loans due within one year of HK\$193,489,000 (30 June 2013: 205,718,000), and the Company will arrange refinancing upon maturity.

Pledge of Assets and Contingent Liabilities

As at 31 December 2013, the Group pledged its properties with a total carrying value of HK\$814,011,000 (30 June 2013: HK\$789,655,000), an assignment of rental and sale proceeds from such properties and a charge over shares in respect of a wholly-owned subsidiary of the Group to financial institutions as security against general banking facilities granted to the Group, and also pledged certain of its bank deposits in the sum of HK\$8,795,000 (30 June 2013: HK\$8,668,000) to banks to secure home loans granted to the home buyers of property project of the Group. As at the end of the reporting period, the Group has given guarantees in respect of the settlement of home loans provided by banks to the home buyers of a property project in Beijing. As at 31 December 2013, the Group had given guarantees in respect of such home loans of HK\$22,462,000 (30 June 2013: HK\$30,354,000). The Directors of the Company consider that the fair values of these financial guarantee contracts at their initial recognition and at the end of the reporting period are insignificant on the basis of the low loan ratio.

Management Statement *(Continued)*

PROSPECTS

Notwithstanding both global and Chinese economic growth still slows down, it is believed that Chinese domestic demand will continue to grow steadily in major cities as supported by continued official economic reform, rapid urbanisation and massive city-building programs that will bolster leasing demand of office and retail sectors.

In Beijing, it is expected that the rental income of the mall of the Group will be improved after optimised the use of basement floor as food court, and leasing activities of mid-end and mass-market retailers will remain stable as a result of rising disposable personal income. In Shanghai, it is anticipated that the establishment of China (Shanghai) Pilot Free Trade Zone will have a direct positive impact on its financial position and will support office demand in the long term, despite pressure on rental in the face of impending glut of premier office supply. To sustain high occupancy rate and steady recurring revenue, the Group will keep on to upgrade its mall in Beijing at strategic positioning and appropriate tenant mix/brand portfolio to enhance market edge and to promote shopping activities; and to pursue retention and expansion of tenants upon lease renewals at competitive rental strategies and focus on small- and medium-sized tenants for new leases of office units in Shanghai.

In Shenzhen, the Group will continue to pursue relevant negotiations and take relevant actions as it considers most appropriate in order to protect and/or enhance the interests of the Group and its shareholders.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 14 April 2014 to Thursday, 17 April 2014 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 11 April 2014.

Management Statement (Continued)

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 31 December 2013, the interests and short positions held by the Directors or the chief executive(s) of the Company or any of their associates in the shares of the Company (“**Shares**”), shares of any of its associated corporations and underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“**SFO**”)) as recorded in the register required to be 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 Companies (the “**Model Code**”) as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) were as follows:

Name of Director	Number of issued ordinary Shares of the Company (long position)			Personal interests in underlying Shares pursuant to share options (long position) (note 2)	Aggregate interests	Total interests as approximate percentage of issued share capital (note 3)
	Corporate interests	Personal interests	Family interests			
Mr. TAN Harry Chua (note 1)	-	-	668,000	1,500,000	2,168,000	0.99%
Dr. CHAN Wing Kit, Frank	-	-	-	1,650,000	1,650,000	0.75%
Mr. TAN Lucio Jr. Khao	-	-	-	1,500,000	1,500,000	0.68%
Mr. CHEUNG Chi Ming	-	-	-	1,500,000	1,500,000	0.68%
Mr. PASCUAL Ramon Sy	-	80,000	-	1,500,000	1,580,000	0.72%
Mr. CHIU Siu Hung, Allan	-	-	-	1,000,000	1,000,000	0.46%
Mr. WONG Sai Tat	-	-	-	1,000,000	1,000,000	0.46%
Mr. CHONG Kim Chan, Kenneth	-	-	-	1,000,000	1,000,000	0.46%
Dr. SY Robin	-	-	-	1,000,000	1,000,000	0.46%
Dr. FOK Kam Chu, John	-	300,000	-	700,000	1,000,000	0.46%

Management Statement *(Continued)*

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES

(Continued)

- Notes:*
1. Mr. TAN Harry Chua was deemed or taken to be interested in 668,000 Shares beneficially owned by his spouse, Mrs. TAN Xing Hong Wei Wang, for the purpose of the SFO.
 2. The Directors' interests in the underlying Shares are through share options granted by the Company on 25 October 2011 under the 2001 share option scheme, details of which are set out in note 16 to the condensed consolidated financial statements in this interim report.
 3. The calculation is derived from the aggregate interests as a percentage of the total number of issued Shares of the Company (i.e. 219,403,681 Shares) as at 31 December 2013.

Save as disclosed above, as at 31 December 2013, none of the Directors, the chief executive(s) of the Company or any of their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules. Save as disclosed above, none of the Directors, the chief executive(s) of the Company or any of their associates had been granted or exercised any rights to subscribe for any equity or debt securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) during the six months ended 31 December 2013.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors as set out in the Model Code in Appendix 10 to the Listing Rules. Having made specific enquiry of the Directors of the Company, all the Directors confirmed that they had complied with the required standards of dealings as set out therein during the six months ended 31 December 2013.

Management Statement (Continued)

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 31 December 2013, so far as is known to any Director or chief executive(s) of the Company, persons (other than the Directors or the chief executive(s) of the Company) who had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name	Capacity	Number of issued ordinary Shares and underlying Shares (long position)	Total interests (long position)	Total interests as approximate percentage of issued share capital (note 5)
Dynamic Development Corporation	Beneficial owner	89,321,279	89,321,279	40.71%
Carnation Investments Inc.	Trustee of a private discretionary trust (note 1)	89,321,279	89,321,279	40.71%
Dr. TAN Lucio C.	Founder of a private discretionary trust	89,321,279	93,701,279	42.71%
	Beneficial owner (note 2)	2,190,000		
	Family interests (note 2)	2,190,000		
Mrs. TAN Carmen K.	Family interests (note 3)	91,511,279	93,701,279	42.71%
	Beneficial owner (note 3)	2,190,000		
Mr. CHUA Domingo	Corporate interests (note 4)	89,321,279	95,121,279	43.35%
	Beneficial owner (note 4)	5,800,000		

Management Statement *(Continued)*

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES *(Continued)*

- Notes:*
1. Carnation Investments Inc. was taken to be interested in 89,321,279 Shares in the Company as the entire issued share capital of Dynamic Development Corporation was held by Carnation Investments Inc. as trustee for a private discretionary trust.
 2. Dr. TAN Lucio C. beneficially held 2,190,000 underlying Shares as derivative interests. Dr. TAN, being the spouse of Mrs. TAN Carmen K. who was interested in 2,190,000 underlying Shares as derivative interests, was deemed or taken to be interested in such Shares as family interests in which Mrs. TAN Carmen K. was interested under the SFO.
 3. Mrs. TAN Carmen K. beneficially held 2,190,000 underlying Shares as derivative interests. Mrs. TAN, being the spouse of Dr. TAN Lucio C. who was interested in 89,321,279 Shares of the Company as a founder of a private discretionary trust and 2,190,000 underlying Shares as derivative interests, was deemed or taken to be interested in such Shares as family interests in which Dr. TAN Lucio C. was interested under the SFO.
 4. The corporate interests of Mr. CHUA Domingo were held through Dynamic Development Corporation. Dynamic Development Corporation is wholly-owned by Carnation Investments Inc. Mr. CHUA Domingo is the sole shareholder and director of Carnation Investments Inc. Mr. CHUA Domingo beneficially held 1,800,000 underlying Shares as derivative interests.
 5. The calculation is derived from the aggregate interests as a percentage of the total number of issued Shares of the Company (i.e. 219,403,681 Shares) as at 31 December 2013.
 6. The references to 89,321,279 Shares in the Company in which Dr. TAN Lucio C., Mrs. TAN Carmen K., Mr. CHUA Domingo, Dynamic Development Corporation and Carnation Investments Inc. were interested or taken to be interested relate to the same block of Shares.

Save as disclosed above, as at 31 December 2013, no other person (other than the Directors and the chief executive(s) of the Company) had any interests or short positions in the Shares and underlying Shares recorded in the register required to be kept by the Company under Section 336 of the SFO.

Management Statement *(Continued)*

EMOLUMENT POLICY

At 31 December 2013, the Group had below 80 employees in Hong Kong and the mainland China at prevailing market remuneration with employee benefits such as medical insurance, provident fund schemes and share option schemes.

Both the emoluments of the respective Directors of the Company and the emolument policy of the employees of the Group are recommended by the remuneration committee of the Company on the basis of the respective merits, responsibilities and duties, performance, qualifications and competence taking into account of comparable market level, operating results of the Group, corporate goals and objectives of the Board of Directors and relevant legal requirements, provisions, guidelines and recommendations of regulatory bodies.

The Company has adopted share option schemes as incentive to Directors and eligible employees, details of the scheme is set out in note 16 to the condensed consolidated financial statements.

CORPORATE GOVERNANCE

Throughout the six months ended 31 December 2013, the Company has applied the principles and has complied with the code provisions set out in the Corporate Governance Code stipulated in Appendix 14 to the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

Management Statement *(Continued)***AUDIT COMMITTEE**

The audit committee of the Company has reviewed the accounting practices and principles adopted by the Group and discussed with the management as to auditing, internal control, corporate governance and financial reporting matters including the review of this unaudited interim report for the six months ended 31 December 2013.

By Order of the Board

A handwritten signature in black ink, appearing to be 'Chan Wing Kit', with a long horizontal line extending to the right.

CHAN Wing Kit, Frank
Director and Chief Executive Officer

Hong Kong, 21 February 2014

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.
德勤

德勤·關黃陳方會計師行
香港金鐘道88號
太古廣場一座35樓

Deloitte Touche Tohmatsu
35/F One Pacific Place
88 Queensway
Hong Kong

TO THE BOARD OF DIRECTORS OF DYNAMIC HOLDINGS LIMITED

達力集團有限公司

(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Dynamic Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 17 to 35, which comprises the condensed consolidated statement of financial position as of 31 December 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.

Report on Review of Condensed Consolidated Financial Statements *(Continued)*

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.

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 31 December 2012 and the relevant explanatory notes included 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, 21 February 2014

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2013

	<i>Notes</i>	Unaudited	
		Six months ended 31 December	
		2013	2012
		<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	3	57,483	59,932
Direct costs		(13,408)	(12,425)
Gross profit		44,075	47,507
Other income	4	13,343	12,218
Increase in fair value of investment properties	10	32,178	43,211
Administrative expenses		(12,927)	(11,226)
Selling expenses		(576)	(703)
Finance costs	5	(2,325)	(2,662)
Share of loss of a joint venture		(4,401)	(3,633)
Profit before taxation	6	69,367	84,712
Taxation	7	(9,138)	(15,418)
Profit for the period		60,229	69,294
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
Exchange differences on translation to presentation currency		24,982	9,570
Total comprehensive income for the period		85,211	78,864

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

For the six months ended 31 December 2013

	Note	Unaudited	
		2013	2012
		HK\$'000	HK\$'000
Profit for the period attributable to:			
Owners of the Company		59,227	68,015
Non-controlling interest		1,002	1,279
		60,229	69,294
Total comprehensive income attributable to:			
Owners of the Company		83,798	77,398
Non-controlling interest		1,413	1,466
		85,211	78,864
Earnings per share (<i>Hong Kong cents</i>)	9		
Basic		26.99	31.04
Diluted		25.58	30.46

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2013

		Unaudited At 31 December 2013 <i>HK\$'000</i>	Audited At 30 June 2013 <i>HK\$'000</i>
	<i>Notes</i>		
Non-current Assets			
Property, plant and equipment		2,025	2,049
Investment properties	10	1,924,373	1,867,428
Interest in a joint venture	11	82,724	85,614
Amount due from a joint venture	11	247,323	236,927
		2,256,445	2,192,018
Current Assets			
Properties held for sale		17,499	19,503
Loan receivables	12	–	–
Trade and other receivables	13	13,027	12,354
Amount due from a non-controlling shareholder		973	960
Bank deposits – pledged		8,795	8,668
Bank balances and cash		228,028	218,433
		268,322	259,918
Current Liabilities			
Trade and other payables	14	64,402	62,201
Pre-sale deposits received		–	3,990
Tax payable		102,825	105,121
Dividend payable		5,485	–
Bank loans – due within one year		193,489	205,718
		366,201	377,030
Net Current Liabilities		(97,879)	(117,112)
Total Assets less Current Liabilities		2,158,566	2,074,906

Condensed Consolidated Statement of Financial Position *(Continued)*

At 31 December 2013

		Unaudited At 31 December 2013 <i>HK\$'000</i>	Audited At 30 June 2013 <i>HK\$'000</i>
	<i>Note</i>		
Capital and Reserves			
Share capital	15	219,404	219,404
Reserves		1,639,923	1,561,610
Equity attributable to owners of the Company			
Non-controlling interest		34,264	32,851
Total Equity		1,893,591	1,813,865
Non-current Liabilities			
Deferred tax liabilities		264,975	261,041
		2,158,566	2,074,906

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2013

	Attributable to owners of the Company											Non-controlling interest	Total
	Share capital	Share premium	Special reserve	Capital redemption reserve	Translation reserve	Share option reserve	Other reserves	Statutory reserve	Retained profits	Total	Total		
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
			(Note a)				(Note b)	(Note c)					
At 1 July 2013 (audited)	219,404	426,759	55,018	1,644	375,422	8,100	92,451	6,280	595,936	1,781,014	32,851	1,813,865	
Profit for the period	-	-	-	-	-	-	-	-	59,227	59,227	1,002	60,229	
Exchange differences arising on translation	-	-	-	-	24,571	-	-	-	-	24,571	411	24,982	
Total comprehensive income for the period	-	-	-	-	24,571	-	-	-	59,227	83,798	1,413	85,211	
Transfer	-	-	-	-	-	-	-	700	(700)	-	-	-	
Cash dividend	-	-	-	-	-	-	-	-	(5,485)	(5,485)	-	(5,485)	
At 31 December 2013 (unaudited)	219,404	426,759	55,018	1,644	399,993	8,100	92,451	6,980	648,978	1,859,327	34,264	1,893,591	
At 1 July 2012 (audited)	219,104	426,608	55,018	1,644	334,906	8,213	92,451	-	488,917	1,626,861	29,626	1,656,487	
Profit for the period	-	-	-	-	-	-	-	-	68,015	68,015	1,279	69,294	
Exchange differences arising on translation	-	-	-	-	9,383	-	-	-	-	9,383	187	9,570	
Total comprehensive income for the period	-	-	-	-	9,383	-	-	-	68,015	77,398	1,466	78,864	
Cash dividends	-	-	-	-	-	-	-	-	(4,382)	(4,382)	-	(4,382)	
At 31 December 2012 (unaudited)	219,104	426,608	55,018	1,644	344,289	8,213	92,451	-	552,550	1,699,877	31,092	1,730,969	

Notes:

- The special reserve of the Group arose from the difference between the aggregate amount of the then share capital, share premium, general reserve and retained profits of the subsidiaries acquired, and the nominal amount of the Company's shares issued for the acquisition in relation to a previous group reorganisation.
- The other reserve of the Group represents deemed contributions from equity holders of the Company which arose from the difference between the fair value of consideration paid and payable and the net fair value of the identifiable assets, liabilities and contingent liabilities acquired through acquisition of the subsidiaries during the year ended 30 June 2006.
- The statutory reserve transferred from retained profits are required by relevant People's Republic of China ("PRC") laws and regulations applicable to the Company's PRC subsidiary.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2013

	Unaudited	
	Six months ended 31 December	
	2013	2012
	HK\$'000	HK\$'000
NET CASH FROM OPERATING ACTIVITIES	19,911	34,629
NET CASH FROM INVESTING ACTIVITIES		
Interest received	2,237	1,908
Other investing cash flows	(41)	(115)
	2,196	1,793
CASH USED IN FINANCING ACTIVITIES		
Repayment of bank loans	(12,500)	(12,500)
Interest paid	(2,054)	(2,401)
	(14,554)	(14,901)
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,553	21,521
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	218,433	174,563
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	2,042	1,210
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, represented by bank balances and cash	228,028	197,294

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2013

1. 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 (the “**HKICPA**”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties, that are measured at their fair values.

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

In the current interim period, the Group has applied, for the first time, certain new or revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA that are mandatorily effective for the current interim period.

HKFRS 11 “Joint Arrangements”

HKFRS 11, which replaces HKAS 31 “Interests in Joint Ventures”, divides joint arrangements into joint operations and joint ventures. Entities are required to determine the type of an arrangement by considering the structure, legal form, contractual terms and other facts and circumstances relevant to their rights and obligations under the arrangement. Joint arrangements which are classified as joint operations under HKFRS 11 are recognised on a line-by-line basis to the extent of the joint operator’s interest in the joint operation. All other joint arrangements are classified as joint ventures under HKFRS 11 and are required to be accounted for using the equity method in the Group’s condensed consolidated financial statements. Proportionate consolidation is no longer allowed as an accounting policy choice.

As a result of the adoption of HKFRS 11, the Group has changed its accounting policy with respect to its interests in joint arrangements and re-evaluated its involvement in its joint arrangements. The Group has reclassified the investment from a jointly controlled entity to a joint venture. The investment continues to be accounted for using the equity method and therefore this reclassification does not have any material impact on the financial position and the financial result of the Group.

Notes to the Condensed Consolidated Financial Statements *(Continued)*

For the six months ended 31 December 2013

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

HKFRS 13 “Fair Value Measurement”

The Group has applied HKFRS 13 for the first time in the current interim period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs. Consequential amendments have been made to HKAS 34 to require certain disclosures to be made in the interim condensed consolidated financial statements.

The scope of HKFRS 13 is broad, and applies to both financial statement items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. HKFRS 13 contains a new definition for ‘fair value’ and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Also, HKFRS 13 includes extensive disclosure requirements.

In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively and there is no significant change on fair value measurement of the Group. The fair value of the Group’s investment properties will be presented in the consolidated financial statements for the year ending 30 June 2014.

Amendments to HKAS 34 “Interim Financial Reporting” (as part of the Annual Improvements to HKFRSs 2009–2011 Cycle)

The Group has applied the amendments to HKAS 34 “Interim Financial Reporting” as part of the Annual Improvements to HKFRSs 2009–2011 Cycle for the first time in the current interim period. The amendments to HKAS 34 clarify that the total assets and total liabilities for a particular reportable segment would be separately disclosed in the condensed consolidated financial statements only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment.

Since there has not been material change in the total assets and total liabilities for any particular reportable segments from the amounts disclosed in the last annual financial statements, the Group has not included total assets and total liabilities information as part of segment information.

Except as described above, the application of the other new and revised HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in this condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2013

3. TURNOVER AND SEGMENT INFORMATION

Information reported to the board of Directors (the “Board”) of the Company, being the chief operating decision maker, for the purpose of resource allocation and assessment of performance focused on the location of the properties for property rental and property sales.

The property rental segment includes property leasing operation in the People’s Republic of China (the “PRC”). The Group’s investment properties portfolio, which mainly consists of offices, shopping mall and carparks, are located in Shanghai and Beijing. The property sales segment includes sales of the Group’s trading properties in Beijing.

These divisions, property rental and property sales analysed based on distinct geographical locations, are the basis on which the Group reports its segment information under HKFRS 8.

The following is an analysis of the Group’s revenue and results by reportable and operating segment for the period:

	Property rental		Property sales				Consolidated	
	Beijing		Shanghai		Beijing			
			Unaudited					
			Six months ended 31 December					
	2013	2012	2013	2012	2013	2012	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
SEGMENT REVENUE								
External sales	17,980	19,187	30,124	28,090	9,379	12,655	57,483	59,932
SEGMENT RESULT	22,224	30,069	46,697	52,095	7,215	8,715	76,136	90,879
Unallocated other income							12,319	10,455
Unallocated corporate expenses							(12,362)	(10,327)
Finance costs							(2,325)	(2,662)
Share of loss of a joint venture							(4,401)	(3,633)
Profit before taxation							69,367	84,712

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2013

3. TURNOVER AND SEGMENT INFORMATION (Continued)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represents the profit earned from each segment without the allocation of central administration costs, bank interest income, imputed interest income on amount due from a joint venture, finance costs and share of result of a joint venture. This is the measure reported to the Board for the purposes of resources allocation and performance assessment.

4. OTHER INCOME

	Unaudited Six months ended 31 December	
	2013 HK\$'000	2012 HK\$'000
Included in other income are:		
Bank interest income	2,237	1,908
Exchange gain, net	2,714	1,228
Imputed interest income on other receivables	3	82
Imputed interest income on amount due from a joint venture	7,323	7,319

5. FINANCE COSTS

	Unaudited Six months ended 31 December	
	2013 HK\$'000	2012 HK\$'000
Interest on bank borrowings wholly repayable within five years	2,325	2,662

6. PROFIT BEFORE TAXATION

	Unaudited Six months ended 31 December	
	2013 HK\$'000	2012 HK\$'000
Profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment	79	81
Amortisation	-	-

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2013

7. TAXATION

	Unaudited	
	Six months ended 31 December	
	2013	2012
	HK\$'000	HK\$'000
The tax charge comprises:		
Current tax in the PRC (other than Hong Kong)		
Current period	5,619	5,795
PRC land appreciation tax	3,015	3,692
Deferred taxation	504	5,931
	9,138	15,418

No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements as the Company and its subsidiaries operating in Hong Kong has no assessable profit for both periods.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the Group's PRC subsidiaries is 25% from 1 January 2008 onwards.

Certain subsidiaries of the Company incorporated in Hong Kong and the British Virgin Islands are subject to withholding tax ranging from 10% to 25% on their taxable rental income, management fee income and interest income in the PRC.

8. DIVIDENDS

	Unaudited	
	Six months ended 31 December	
	2013	2012
	HK\$'000	HK\$'000
Final dividend payable in respect of year ended		
30 June 2013 of 2.5 Hong Kong cents		
(2012: 2 Hong Kong cents) per share	5,485	4,382

Subsequent to the end of the current interim period, the Directors of the Company have declared that an interim dividend of 2.5 Hong Kong cents (2012: 2.5 Hong Kong cents) will be paid to the owners of the Company whose names appear on the register of members on 17 April 2014.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2013

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Unaudited Six months ended 31 December	
	2013 HK\$'000	2012 HK\$'000
Earnings		
Earnings for the purposes of basic and diluted earnings per share (profit for the period attributable to owners of the Company)	59,227	68,015

	Unaudited Six months ended 31 December	
	2013	2012
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	219,403,681	219,103,681
Effect of dilutive potential ordinary shares on share options	12,176,062	4,223,571
Weighted average number of ordinary shares for the purpose of diluted earnings per share	231,579,743	223,327,252

10. INVESTMENT PROPERTIES

	HK\$'000
FAIR VALUE	
At 30 June 2013 (audited)	1,867,428
Exchange realignment	24,767
Increase in fair value of investment properties	32,178
At 31 December 2013 (unaudited)	1,924,373

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2013

10. INVESTMENT PROPERTIES (Continued)

The fair value of the Group's investment properties as at 30 June 2013 and 31 December 2013 has been arrived at on the basis of valuations carried out on those dates by Savills Valuation and Professional Services Limited, an independent firm of qualified professional valuers not connected with the Group with appropriate qualification and recent experience in the valuation of similar properties in the relevant locations. The valuation was arrived at by reference to market evidence of transaction prices for similar properties in the same location and conditions or where appropriate by considering the capitalised income to be derived from the existing tenancies and the reversionary potential of the properties. The revaluation gave rise to a net gain arising from increase in fair value of HK\$32,178,000 (six months ended 31 December 2012: HK\$43,211,000) which has been included in the condensed consolidated statement of profit or loss and other comprehensive income.

11. INTEREST IN A JOINT VENTURE/AMOUNT DUE FROM A JOINT VENTURE

	Unaudited At 31 December 2013 HK\$'000	Audited At 30 June 2013 HK\$'000
Cost of investment, unlisted	118,438	117,313
Share of post-acquisition loss and reserves	(35,714)	(31,699)
	82,724	85,614
Amount due from a joint venture	254,693	244,297
Less: Allowance for interest receivable	(7,370)	(7,370)
	247,323	236,927

Particulars of the joint venture as at 31 December 2013 and 30 June 2013 are as follows:

Name of joint venture	Place of establishment	The Group's equity interest	Principal activities
Shenzhen Zhen Wah Harbour Enterprises Ltd. ("Zhen Wah")	PRC	49%	Temporary port operations/ property development

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2013

11. INTEREST IN A JOINT VENTURE / AMOUNT DUE FROM A JOINT VENTURE (Continued)

A summarised unaudited financial information in respect of the Group's joint venture which is accounted for using the equity method is set out below:

	Unaudited At 31 December 2013 HK\$'000	Audited At 30 June 2013 HK\$'000
Non-current assets (note)	257,301	255,925
Current assets	62,856	62,194
Current liabilities	(15,384)	(15,549)
Non-current liabilities	(247,323)	(236,927)
	57,450	65,643

	Unaudited Six months ended 31 December 2013 HK\$'000	2012 HK\$'000
Income recognised in profit or loss	3,607	5,456
Expenses recognised in profit or loss	12,590	12,871

Note: The assets include properties held for development which represent prepaid lease payments of land use rights and direct reclamation costs for a piece of land situated at Tung Kok Tau in Shenzhen, the PRC with the land use right. The joint venture has paid all land premium.

The amount due from a joint venture is unsecured and to be repayable after the next twelve months from the end of the reporting period. The amount is carried at amortised cost at an effective interest rate of 6% (30 June 2013: 6%) per annum.

The Directors of the Company have assessed the recoverability of interest in a joint venture and amount due from a joint venture amounting to HK\$82,724,000 and HK\$247,323,000, respectively as at 31 December 2013. Based on the PRC legal advice and the latest financial information of Zhen Wah, the Directors of the Company have concluded that the amounts will be fully recoverable.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2013

11. INTEREST IN A JOINT VENTURE / AMOUNT DUE FROM A JOINT VENTURE (Continued)

The operation period of Zhen Wah expired on 16 January 2014. The Directors of the Company have determined not to extend the operation period of Zhen Wah upon its expiry. Zhen Wah is in the process of winding up in accordance with the relevant laws of the PRC. Details of expiry of the operation period of Zhen Wah has been disclosed in the Company's announcement dated 5 December 2013.

12. LOAN RECEIVABLES

	Unaudited At 31 December 2013 HK\$'000	Audited At 30 June 2013 HK\$'000
Loan receivables	1,813	1,914
Less: Allowance for doubtful debts	(1,813)	(1,914)
	-	-

The loan receivables were unsecured and interest-free. The amounts were all past due at the end of the reporting period.

13. TRADE AND OTHER RECEIVABLES

For property sales, the Group allows an average credit period of 30 days (30 June 2013: 30 days) to the buyers. Rentals receivable from tenants and service income receivables from customers are payable on presentation of invoices.

The following is an aged analysis of trade receivables net of allowance for doubtful debt presented based on invoice date at the end of the reporting period:

	Unaudited At 31 December 2013 HK\$'000	Audited At 30 June 2013 HK\$'000
0-60 days	6,150	6,813

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2013

14. TRADE AND OTHER PAYABLES

At 31 December 2013, the balance of trade and other payables included trade payables of HK\$1,158,000 (30 June 2013: HK\$1,217,000). The following is an aged analysis of trade payables based on the invoice date at the end of the reporting period:

	Unaudited At 31 December 2013 HK\$'000	Audited At 30 June 2013 HK\$'000
0-60 days	732	650
Over 60 days	426	567
	1,158	1,217

The other payables mainly include rental deposits of HK\$27,891,000 (30 June 2013: HK\$26,549,000) and receipt in advance of HK\$6,203,000 (30 June 2013: HK\$5,632,000).

15. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$1.00 each		
Authorised:		
At 1 July 2012, 30 June 2013 and		
31 December 2013	300,000,000	300,000
Issued and fully paid:		
At 1 July 2012	219,103,681	219,104
Issue of shares upon exercise of share options	300,000	300
At 30 June 2013 and		
31 December 2013	219,403,681	219,404

16. SHARE OPTION SCHEMES

The Company previously adopted a share option scheme on 21 December 2001 (the “**2001 Scheme**”). On 9 December 2011, an ordinary resolution was passed by the shareholders at the annual general meeting of the Company approving the adoption of a new share option scheme (the “**2011 Scheme**”) which will expire on 8 December 2021 and the simultaneous termination of the 2001 Scheme with effect from 9 December 2011. Both the 2001 Scheme and 2011 Scheme were adopted for the purpose of providing incentives to Directors, employees and eligible participants.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2013

16. SHARE OPTION SCHEMES (Continued)

Under both the 2001 Scheme and 2011 Scheme, the Board of Directors of the Company may grant share options (the “Options”) to Directors, employees of the Company and its subsidiaries and such eligible participants at the discretion of the Board of Directors of the Company pursuant to the terms thereof, to subscribe for shares of the Company (the “Shares”), at a price per Share not less than the highest of (i) the closing price of a Share as stated in the Stock Exchange’s daily quotation sheets on the date of grant of the relevant Option, which must be a trading day; (ii) the average of the closing price of a Share as stated in the Stock Exchange’s daily quotation sheets for the five trading days immediately preceding the date of grant of the relevant Option; and (iii) the nominal value of a Share. The maximum number of Shares which may be issued upon exercise of all options to be granted under the share option schemes shall not in aggregate exceed 10% of the issued share capital of the Company at the date of the adoption of the relevant share option scheme. No Director, employee or eligible participant may exercise option(s) granted to it under the share option scheme if such exercise would result in him or her subscribing for more than 1% of the issued share capital of the Company as at the date of such new grant in any 12-month period. The option period for which the options granted are exercisable, shall be such period as notified by the Board of Directors of the Company, save that it shall not be more than 10 years from the date of grant. A nominal consideration of HK\$1 is payable by the grantee on acceptance of each grant. The offer of a grant of share options may be accepted within 28 days from the date of the offer.

As at 31 December 2013, the number of Shares in respect of which options had been granted and remained outstanding under the 2001 Scheme was 21,600,000 (30 June 2013: 21,600,000) Shares, representing 9.9% (30 June 2013: 9.9%) of the Shares of the Company in issue as at the date of approval of the 2001 Scheme.

The following tables disclose details of the Company’s Options held by employees (including Directors and consultants):

For the six months ended 31 December 2013

Date of grant	Exercise price per share (HK\$)	Exercisable period	Number of Options				Outstanding at 31.12.2013
			Outstanding at 1.7.2013	Granted during the period	Exercised during the period	Lapsed during the period	
2001 Scheme							
25.10.2011	1.13	25.10.2011 to 24.10.2019	21,600,000	–	–	–	21,600,000
Exercisable at the end of the period							21,600,000
Weighted average exercise price (HK\$)			1.13	–	–	–	1.13

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2013

16. SHARE OPTION SCHEMES (Continued)

For the six months ended 31 December 2012

Date of grant	Exercise price per share HK\$	Exercisable period	Number of Options				Outstanding at 31.12.2012
			Outstanding at 1.7.2012	Granted during the period	Exercised during the period	Lapsed during the period	
2001 Scheme							
25.10.2011	1.13	25.10.2011 to 24.10.2019	21,900,000	-	-	-	21,900,000
Exercisable at the end of the period							21,900,000
Weighted average exercise price (HK\$)			1.13	-	-	-	1.13

Saved as disclosed, no other Option was granted under 2001 Scheme and 2011 Scheme since their adoption.

17. CONTINGENT LIABILITIES

The Group has given guarantees in respect of the settlement of home loans provided by banks to the home buyers of a property project in Beijing, the PRC. At 31 December 2013, the Group had given guarantees in respect of such home loans of HK\$22,462,000 (30 June 2013: HK\$30,354,000). The Directors of the Company consider that the fair values of these financial guarantee contracts at their initial recognition and at the end of the reporting period are insignificant on the basis of the low loan to value ratio.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2013

18. RELATED PARTY TRANSACTIONS

Other than those disclosed in notes 4 and 11, during the period, the Group has entered into the following transactions with related companies:

	Unaudited Six months ended 31 December	
	2013	2012
	HK\$'000	HK\$'000
Rental income received	212	283
Other income received	47	–
Rental and management fees paid	1,364	1,079
Consultancy service fees paid	500	500
Agency fees paid	379	368

Other outstanding balances with the following related companies, which are unsecured, interest-free and repayable on demand, at 31 December 2013 and 30 June 2013 are as follows:

	Unaudited At 31 December 2013 HK\$'000	Audited At 30 June 2013 HK\$'000
Deposits due from related companies included in trade and other receivables	429	429
Amounts due from related companies included in trade and other receivables	769	741
Amount due to a related company included in trade and other payables	623	564
Amount due from a non-controlling shareholder	973	960

The related companies are companies controlled by certain Directors of the Company.

During the current interim period, the emoluments of key management personnel were HK\$2,935,000 (six months ended 31 December 2012: HK\$2,406,000).

19. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current period's presentation.

PROFORMA COMBINED BALANCE SHEET OF AFFILIATED COMPANY

Details of advances given to an affiliated company as at 31 December 2013, which exceeded 8% under the assets ratio as defined under rule 13.16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) are as follows:

Affiliated company	Percentage of equity held by the Group	Amount of advances HK\$'000
Shenzhen Zhen Wah Harbour Enterprises Ltd. (“ Zhen Wah ”)	49%	247,323

The advances to Zhen Wah by the Group have been accounted for as amount due from a joint venture, details of which are disclosed in note 11 to the condensed consolidated financial statements.

The amount of advances are unsecured and repayable after the next twelve months from the end of the reporting period.

Pursuant to the continuing disclosure requirements under rule 13.22 of the Listing Rules, the proforma combined balance sheet of Zhen Wah and the attributable interest of the Group in Zhen Wah as at 31 December 2013 are disclosed as follows:

Proforma combined balance sheet of the affiliated company

	Proforma combined balance sheet HK\$'000	Group's attributable interest HK\$'000
Non-current assets (<i>note</i>)	257,301	126,078
Current assets	62,856	30,799
Current liabilities	(15,384)	(7,538)
Non-current liabilities	(247,323)	(121,188)
Net assets	57,450	28,151

Note: The assets include properties held for development which represent prepaid lease payments of land use rights and direct reclamation costs for a piece of land situated at Tung Kok Tau in Shenzhen, the People's Republic of China with the land use right. Zhen Wah has paid all land premium and is in the process of negotiating with relevant government authorities for redevelopment due to the re-zoning and re-planning of the city on which the properties are located.