



遠東環球集團有限公司 FAR EAST GLOBAL GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 00830



2014

Interim Report

中期報告

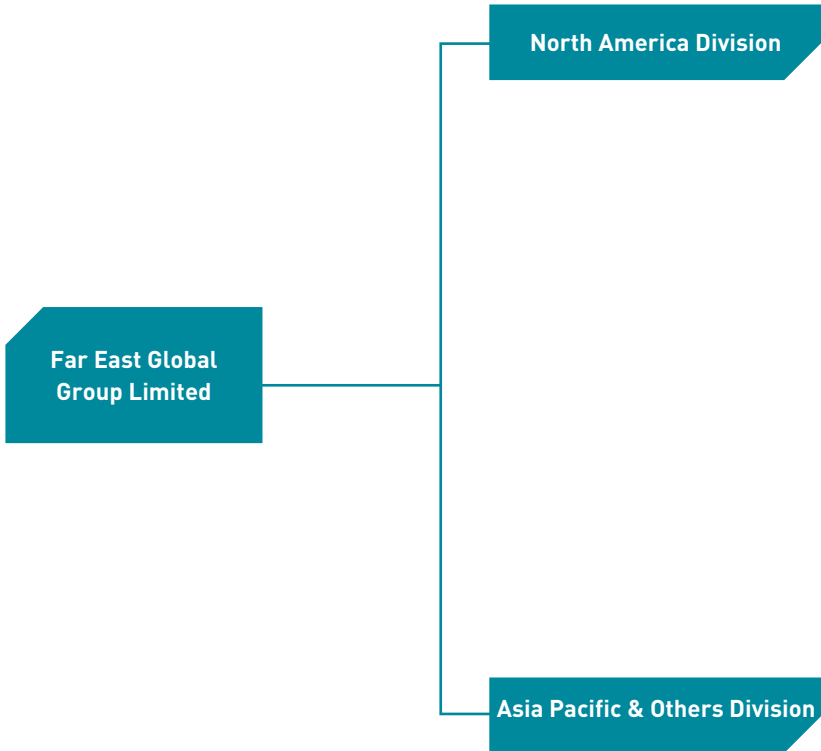
目錄

- 2 公司業務架構
- 3 董事局及委員會
- 4 公司資料
- 5 董事局主席報告書
- 10 管理層討論及分析
- 15 未經審核之簡明綜合收益表
- 16 未經審核之簡明綜合全面收益表
- 17 未經審核之簡明綜合財務狀況表
- 19 未經審核之簡明綜合權益變動表
- 21 未經審核之簡明綜合現金流量表
- 22 未經審核之簡明財務報表附註
- 40 其他資料

Contents

- 45 Corporate Structure
- 46 Board of Directors and Committees
- 47 Corporate Information
- 48 Chairman's Statement
- 53 Management Discussion and Analysis
- 58 Unaudited Condensed Consolidated Income Statement
- 59 Unaudited Condensed Consolidated Statement of Comprehensive Income
- 60 Unaudited Condensed Consolidated Statement of Financial Position
- 62 Unaudited Condensed Consolidated Statement of Changes in Equity
- 64 Unaudited Condensed Consolidated Statement of Cash Flows
- 65 Notes to the Unaudited Condensed Financial Statements
- 83 Other Information

Corporate Structure



Board of Directors and Committees

Board of Directors

Chairman and Non-executive Director

ZHOU Yong

Executive Directors

ZHANG Yifeng (*Vice Chairman and
Chief Executive Officer*)

ZHU Yijian (*Vice Chairman*)

WANG Hai (*Associate Chief Executive
Officer*)

CHAN Sim Wang

QIN Jidong

Independent Non-executive Directors

ZHOU Jinsong

HONG Winn

KWONG Sum Yee Anna

Committees

Audit Committee

ZHOU Jinsong, *CPA (Chairman)*

HONG Winn

KWONG Sum Yee Anna

Remuneration Committee

ZHOU Jinsong (*Chairman*)

ZHOU Yong

ZHANG Yifeng

HONG Winn

KWONG Sum Yee Anna

Nomination Committee

ZHOU Yong (*Chairman*)

ZHANG Yifeng

ZHOU Jinsong

HONG Winn

KWONG Sum Yee Anna

Notes:

1. Mr. Zhang Yifeng was appointed Vice Chairman and Executive Director with effect from 11 March 2014, a member of the Remuneration Committee and the Nomination Committee after the conclusion of the annual general meeting held on 30 May 2014, and Chief Executive Officer with effect from 16 July 2014.
2. Mr. Zhu Yijian was appointed Vice Chairman and Executive Director with effect from 16 July 2014.
3. Mr. Wang Hai was appointed Chief Executive Officer after the conclusion of the annual general meeting held on 30 May 2014 and was re-designated as Associate Chief Executive Officer with effect from 16 July 2014.
4. Mr. Qin Jidong was appointed Executive Director with effect from 11 March 2014.
5. Dr. Cheong Chit Sun retired as Vice Chairman, Executive Director and Chief Executive Officer and ceased to be a member of the Remuneration Committee and the Nomination Committee after the conclusion of the annual general meeting held on 30 May 2014.

Corporate Information

Authorised Representatives

ZHOU Yong
ZHANG Yifeng

Company Secretary

LAU Shuk Yin Connie

Principal Share Registrar and Transfer Office

MaplesFS Limited
P.O. Box 1093
Queensgate House
Grand Cayman
KY1-1102
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

Registered Office

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Head Office and Principal Place of Business in Hong Kong

16th Floor, Eight Commercial Tower
8 Sun Yip Street
Chai Wan
Hong Kong

Auditor

PricewaterhouseCoopers

Legal Advisor

Mayer Brown JSM

Principal Bankers

Bank of China (Hong Kong) Limited
BNP Paribas Hong Kong Branch
China Construction Bank Corporation
China Guangfa Bank Macau Branch
DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of
China (Macau) Limited
The Hongkong and Shanghai Banking
Corporation Limited

Stock Code

00830

Corporate Website

www.fareastglobal.com

Financial Calendar

Interim Results Announcement

13 August 2014

Closure of register of members

11–12 September 2014

(both days inclusive)

Interim Dividend Payable

22 September 2014

Chairman's Statement

RESULTS

Unaudited profit attributable to owners of the Group for the six months ended 30 June 2014 was HK\$40 million, representing a year-on-year increase of 26.3%. Turnover amounted to HK\$725 million, representing a year-on-year decrease of 7.8%. Earnings per share was HK1.87 cents, representing a year-on-year increase of 26.3%. The Board of Directors (the "Board") recommended the payment of an interim dividend of HK0.5 cent per share for six months ended 30 June 2014.

BUSINESS REVIEW

In the first half of 2014, as global economy steadily expanded, the Group devoted its effort to improving operational efficiency and enhancing management of the North America region. The Group's operations in the North America and Asia-Pacific regions both grew, with new contract volume favoring Asia-Pacific while recognised revenue favoring North America. At the same time, effort was escalated to tap into regions like Macau, where the demand for high-end curtain wall maintains at a high level.

North America Region

With the United States showing a clear signs of economic recovery, bidding activity for development projects in different places, including Toronto, Montreal and Vancouver in Canada, has been increasing, which was in line with the upward trend seen in 2013. Taking advantage of the result of anti-dumping investigations, local glass curtain wall companies in North America have been active in bidding while Asian competitors that have not set up factories in the region have taken a more conservative stance. As such, the Group's localization strategy in North America will continue to work in its favor.

In the first half of 2014, the Group reinforced the management in the North America region and optimized the corporate structure in the United States and Canada by assigning certain senior management executives from Hong Kong to the regions. In the second half of the year, it is expected that the development focus will be shifted to bidding in consideration of the comparatively small number of winning bids in the North America region due to the fact that the Company's emphasis lied on management reinforcement, cost control, optimization of the production capability of each of the factories and implementation of existing projects in the first half of the year.

Chairman's Statement (Continued)

Asia-Pacific and Greater China Region

Benefiting from the development of the gaming industry and resort hotels in Macau, the Group has secured a number of important projects in the Asia-Pacific region. The successful implementation of the construction projects designated by the parent company in Hong Kong has also cemented the prospect of future cooperation. The Group's operation in Australia has begun to make profits while Far East Global has earned the recognition from local enterprises.

Given the thriving bidding activity in Hong Kong and Macau in the first half of the year, the Group will participate more frequently in bidding activity in other regions, which fell behind Hong Kong and Macau in terms of the number of winning bids.

New Projects Awarded

The Group undertook 7 new projects in the first half of 2014 with a total contract value of HK\$1,128 million, among which North America accounted for 21%, Great China region 79%. New projects awarded included MGM Cotai in Macau, Louis XIII in Macau, L'Avenue in Montreal, Canada, the Stock Exchange in Vancouver, Canada and a contract for the design of the first phase of construction of MGM casino hotel in Maryland, United States.

Projects in Progress

As at 30 June 2014, the total contract value for the projects in progress of the Group was approximately HK\$3,701 million, among which uncompleted contract value amounted to approximately HK\$2,801 million.

Corporate Governance

In strict compliance with applicable laws and regulations, the Group ensures that investors have thorough knowledge and understanding about the Company via the effective supervision by the Board, enhanced communication with investors and timely disclosure of relevant information, which facilitate the continuous improvement of our corporate governance standard.

The Group has established a comprehensive corporate system with an aim to optimize the Company's management and governance and standardize our operation. In adapting to the change in market condition, the Group adjusts our strategy in a timely manner so as to make the best of each of our professional decision-making panels, enhance the regional management of each of our business segments and improve our governance capability.

Chairman's Statement (Continued)

Financial Management

The Group has adopted the principle of concentrated management in respect of its financial management with a view to improve financial resources and optimize debt structure. It reviews and perfects the internal control system by pursuing unified formulation and management by the head office in respect of relevant systems and measures related to financial management. Appropriate allocation of financial resources also guarantees a healthy and sustainable development of the Company. As of 30 June 2014, the Group had bank deposits of HK\$205 million and total borrowings of HK\$326 million and recorded a net gearing ratio of 11.7%, which represented a healthy financial position. In addition, the Group had committed but unutilized credit facility of HK\$1,319 million for business development in the future.

Human Resource Management

Human resource management focuses on optimization of corporate structure and deployment of senior management personnel in each region, improvement of employees' abilities, implementation of professional regional management, exploration of innovative incentive policies, retaining of skilled talents and enhancement of training based on the business scale and characteristics of different regions, with an aim to satisfy the needs for the Group's business development.

PROSPECTS

The Group will continue to enlarge its share in the high-end curtain wall market in different regions and increase its competitiveness and profitability.

In the North America region, the total amount of new projects in the construction industry in the United States is expected to exceed US\$500 billion in 2014 with a year-on-year growth forecast of 5% while the average growth rate of the curtain wall industry in the United States between 2011 and 2015 is estimated to be 7.7%. In 2014, investment on the construction industry in Canada is expected to exceed US\$300 billion. Currently, order placement on commercial buildings and public facilities related to curtain wall business are active, creating a good opportunity for the Group.

With respect to Hong Kong and Macau, in the next 5 to 10 years, the development plan of Hong Kong and the establishment of the Hong Kong-Zhuhai-Macao Bridge will provide a more dynamic economy and construction industry in Hong Kong. Meanwhile, the resort hotels and gaming industry in Macau frequently rolls out different new projects, which facilitates the Group's sustainable business growth in Macau.

Chairman's Statement (Continued)

Regarding Mainland China, the number of newly constructed skyscrapers is still on the rise, which would act as the catalyst for the healthy development of the glass curtain wall industry in the region. Based on our differentiated business model, the Group will be proactive in exploring new markets.

The Group acquired the entire equity interests of Treasure Construction Engineering Limited ("Treasure Construction") from its parent company China State Construction International on 11 March 2014. Treasure Construction is a construction company holding "Hong Kong General Building Contractor Certificate of Registration". It has undertaken numerous building construction projects with good construction records. The Group has already begun a market research and started the deployment of human resources with an aim to commence its general contracting business in Hong Kong.

Operating Strategies

The Group shall continue its strategy of balanced distribution in North America and Asia-Pacific (including Mainland China), remaining competitive and profit oriented in high-end curtain wall markets continue to be the Group's overarching guideline. In North America, the Group will focus on tendering projects from private developers to secure favorable margins on future projects in the region. Ongoing anti-dumping investigations against all China-based curtain wall companies demonstrate effectiveness of Group's localization strategy as compared to other competitors.

The Group will continue to focus on recent trend of new casino construction projects in Macau, working together with its parent company to secure certain potential projects. Differentiated business model with high quality delivery should be the target approach for opportunities in Mainland China. The Group has enjoyed a smooth working relationship with its parent company and expects further synergies to be released with increasing cooperation on projects in various markets. The Group will continue to explore investment opportunities. It is exploring investment opportunities of different regions, aiming at searching for stable and highly sustainable operation assets projects.

Chairman's Statement (Continued)

Excellent human resources management and project management model are vital to the Group's performance. The Group will work to fine-tune management of design, procurement, fabrication, logistics, installation and safety monitoring. The Group will also work on hiring and retaining talents as well as utilize talent pools from different geographies to work cross-border to increase efficiency. The Group will actively participate in community care activities to maintain its healthy corporate citizenship image.

OUR MISSION

The Group strives to provide timely, environment-friendly and high-quality services, increase our customer confidence and strengthen our leading position in the high-end curtain wall market.

ACKNOWLEDGEMENT

I would like to take this opportunity to express my sincere appreciation to our board of directors and senior management for their great leadership, our shareholders and customers for their invaluable support, and our staff for their tenacious efforts.

By Order of the Board

Far East Global Group Limited

Zhou Yong

Chairman and Non-executive Director

Hong Kong, 13 August 2014

Management Discussion and Analysis

OVERALL PERFORMANCE

For the six months ended 30 June 2014, the Group recorded aggregate revenue of HK\$725 million (30 June 2013: HK\$786 million), a decrease of 7.8% as compared with the corresponding period of last year. The profit attributable to owners of the Company was HK\$40 million (30 June 2013: HK\$32 million), an increase of 26.3% as compared with the corresponding period of last year. The basic earnings per share was HK1.87 cents (30 June 2013: HK1.48 cents), representing the growth of 26.3% as compared with the same period last year.

During the period under review, the Group has acquired 100% of equity interests in Treasure Construction Engineering Limited ("Treasure Construction") from Barkgate Enterprises Limited, a wholly owned subsidiary of China State Construction International Holdings Limited ("CSCIHL") at a cash consideration of HK\$2 million. The acquisitions were regarded as common control combinations and merger accounting was adopted as if Treasure Construction had been combined from the date when Treasure Construction first came under the control of the controlling party. The comparative figures of the consolidated financial statements have been restated accordingly.

Segment Analysis

North America Division achieved a turnover of HK\$441 million (30 June 2013: HK\$417 million) during the period under review, representing an increase of about 5.7% compared to last corresponding period. This turnover contributes about 60.8% of the Group's revenue. During the period under review, North America focused on execution of its existing projects and restructuring of senior management in the region. Hong Kong headquarter has transferred a few senior staff to be stationed in North America, to strengthen the management and cost control in the region. North America was able to turn around operations and generate a positive gross profit as a result of management's efforts. North America Division generated a gross profit of HK\$13 million (30 June 2013: gross loss of HK\$20 million) during the period under review.

North America Division is pushing forward to complete old problematic projects that incurred more manufacturing, design, and installation costs than expected. The region will also step up new contract bidding effects in latter half of 2014. North America Division expects future awarded projects in the region, under the guidance of new management, will result in higher margins and smoother execution.

Management Discussion and Analysis (Continued)

Revenue derived from Greater China decreased by HK\$103 million, or 35.3%, from HK\$292 million for the six months ended 30 June 2013 to HK\$189 million for the six months ended 30 June 2014. The decrease in revenue was primarily due to the fact that certain projects in Hong Kong like the Kai Tak Cruise Terminal and New International Mail Centre had been completed in 2013 and our new projects in Macau like Wynn Palace Cotai, MGM Cotai and Louis XIII are in preliminary stage in the first half of 2014. The gross profit decreased by HK\$7 million from HK\$61 million for the six months ended 30 June 2013 to HK\$54 million for the six months ended 30 June 2014 as a result of the decrease of revenue.

The booming construction market in recent years has given numerous opportunities on business growth for the building construction division. However, the increase in materials and labour costs has made the division very cautious in submitting tenders. As part of its long term resources planning and cost control measures, the division has been providing more training opportunities for graduates and experienced expertise so as to strengthen the team's competitiveness and make it well positioned to take up more projects in the future.

With the new contribution from projects in Australia and UK, revenue derived from Asia and others for the six months ended 30 June 2014 was increased by HK\$18 million from HK\$77 million for the six months ended 30 June 2013 to HK\$95 million for the six months ended 30 June 2014 whereas the Group recorded a gross profit of HK\$37 million, an increase in gross profit of HK\$17 million as compared with the same period last year.

Administrative expenses

For the six months ended 30 June 2014, administrative expenses decreased by 6% to HK\$93 million (30 June 2013: HK\$99 million) as a result of the structural reorganisation of divisions to optimize resource utilization and efficiency.

Finance costs

For the six months ended 30 June 2014, the Group's finance costs were HK\$5 million (30 June 2013: HK\$3 million). The increments in bank borrowings escalated the finance costs during the period.

Management Discussion and Analysis (Continued)

New contracts awarded

As of 30 June 2014, the Group has secured new contracts with an aggregate value of approximately HK\$1,128 million. Major new contracts include the following:

- MGM Cotai, Macau
- Louis XIII, Macau
- Vancouver Stock Exchange, Vancouver, Canada
- L'Avenue, Montreal, Canada

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operation with internally generated cash flow and credit facilities provided by its principal bankers. At 30 June 2014, the Group had bank balances and cash of HK\$205 million (31 December 2013: HK\$310 million of which the Group included the amount of HK\$97 million from Treasure Construction), total borrowings of the Group were HK\$326 million (31 December 2013: HK\$783 million of which the Group included the amount of HK\$500 million from Treasure Construction), due to the drawn down of Hong Kong dollars bank borrowings for financing working capital of our projects. The Group's net gearing ratio (net debt to net total equity) as at 30 June 2014 was approximately 11.7% (31 December 2013: 7% after excluding the impact on the net borrowings of HK\$403 million from Treasure Construction). Furthermore, the Group had unutilised banking facilities (including performance guarantee facilities, working capital facilities and loan facilities) of approximately HK\$1,319 million, the Group had sufficient financial resources to meet the business development and expansion. The Group's borrowings are principally on a floating rate basis and have not been hedged by any interest rate financial instruments.

Management Discussion and Analysis (Continued)

The maturities of the Group's total borrowings as at 30 June 2014 and 31 December 2013 are set out as follows:

	30 June 2014 HK\$' 000	31 December 2013 HK\$' 000 (restated)
On demand or within one year	109,401	157,463
More than one year but not exceeding two years	585	8,378
More than two years but not more than five years	216,585	617,217
Total borrowings	326,571	783,058

The portfolio of the currencies of bank deposits of the Group as at 30 June 2014 and 31 December 2013 is set out as follows:

	30 June 2014 %	31 December 2013 % (restated)
United States Dollars	26	28
Hong Kong Dollars	48	40
Renminbi	16	7
Canadian Dollars	1	18
Australian Dollars	2	4
Macau Pataca	3	1
Others	4	2

As at 30 June 2014, the Group's equity attributable to owners of the Company amounted to HK\$1,152 million (31 December 2013: HK\$1,136 million), comprising issued capital of HK\$22 million (31 December 2013: HK\$22 million) and reserves of HK\$1,130 million (31 December 2013 (restated): HK\$1,114 million).

Management Discussion and Analysis (Continued)

TREASURY POLICY

The Group adopts conservative treasury policy in cash and financial management. The Group's treasury activities are centralised in order to achieve better risk control and minimise cost of funds. Cash is generally placed in short-term deposits mostly denominated in Hong Kong dollar or US dollar. The Group's liquidity and financing requirements are frequently reviewed. In anticipating new investments or maturity of bank loans, the Group will consider new financing while maintaining an appropriate level of gearing.

EMPLOYEES AND REMUNERATION POLICY

At 30 June 2014, the Group employed a total of 1,348 (31 December 2013: 1,462) employees. The Group has sound policies of management incentives and competitive remuneration, which align the interests of management, employees and shareholders' alike. The Group sets its remuneration policy by reference to the prevailing market conditions and the performance of the individuals concerned, subject to review from time to time. The components of the remuneration package consist of base salary, allowances, fringe benefits including medical insurance and contributions to pension funds as well as incentives such as discretionary bonus and participation in the share option scheme.

FOREIGN CURRENCY RISK

The Group's foreign currency exposures primarily arise from certain sales or purchases by operating units in currencies other than the unit's functional currency where these sales or purchases are mainly denominated in United States dollar, Renminbi, Australian dollar, Canadian dollar, Pound Sterling and Macau Pataca. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currencies should the need arise.

Unaudited Condensed Consolidated Income Statement

	Notes	For the six months ended 30 June	
		2014 HK\$'000	2013 HK\$'000 (restated)
Revenue	3	725,244	786,441
Cost of sales		(621,259)	(725,543)
Gross profit		103,985	60,898
Other income and other gains, net	4	8,546	30,358
Administrative expenses		(92,648)	(99,333)
Distribution and selling expenses		(9,268)	(5,177)
Profit/(loss) from operations		10,615	(13,254)
Finance costs	5	(4,790)	(2,830)
Profit/(loss) before tax	6	5,825	(16,084)
Income tax credit	7	15,691	25,454
Profit for the period		21,516	9,370
Profit/(loss) for the period attributable to:			
Owners of the Company		40,386	31,969
Non-controlling interests		(18,870)	(22,599)
		21,516	9,370
Earnings per share (HK cents)	9		(restated)
Basic and diluted		1.87	1.48

Unaudited Condensed Consolidated Statement of Comprehensive Income

	For the six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000 (restated)
Profit for the period	21,516	9,370
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Exchange differences on translating foreign operations	(8,454)	(3,166)
Loss on fair value changes of available-for-sale investments	-	(130)
Other comprehensive income for the period, net of tax	(8,454)	(3,296)
Total comprehensive income for the period	13,062	6,074
Total comprehensive income for the period attributable to:		
Owners of the Company	34,431	29,569
Non-controlling interests	(21,369)	(23,495)
	13,062	6,074

Unaudited Condensed Consolidated Statement of Financial Position

	Notes	30 June 2014 HK\$'000	31 December 2013 HK\$'000 (restated)
Non-current Assets			
Property, plant and equipment	10	157,899	162,627
Goodwill	11	138,149	138,149
Project backlogs		3,978	11,934
Deposits and prepayments		1,644	7,216
Available-for-sale investments		18,564	18,564
Deferred tax assets		129,411	117,564
		449,645	456,054
Current Assets			
Inventories		25,667	17,650
Amounts due from customers for contract work		570,134	563,455
Trade and other receivables	12	414,705	356,719
Deposits and prepayments		23,319	14,870
Amount due from an intermediate holding company		–	96,470
Amounts due from fellow subsidiaries		62,818	396,248
Tax recoverable		2,981	936
Bank and cash balances		204,990	310,452
		1,304,614	1,756,800
Current Liabilities			
Bank and other borrowings	13	109,401	157,463
Amounts due to customers for contract work		30,409	22,550
Trade payables, other payables and accruals	14	212,341	258,650
Finance lease payables		1,017	1,087
Current tax payables		7,487	11,470
Dividend payables		10,778	–
Amounts due to fellow subsidiaries		–	45,255
Advances from customers for contract work		83,995	–
		455,428	496,475

Unaudited Condensed Consolidated Statement of Financial Position (Continued)

	Notes	30 June 2014 HK\$'000	31 December 2013 HK\$'000 (restated)
Net Current Assets		849,186	1,260,325
Total Assets less Current Liabilities		1,298,831	1,716,379
Capital and Reserves			
Share capital	15	21,555	21,555
Share premium and reserves		1,130,142	1,114,305
Equity attributable to owners of the Company		1,151,697	1,135,860
Non-controlling interests		(75,834)	(54,465)
		1,075,863	1,081,395
Non-current liabilities			
Bank and other borrowings	13	217,170	625,595
Finance lease payables		3,900	4,280
Deferred tax liabilities		1,898	5,109
		222,968	634,984
		1,298,831	1,716,379

Unaudited Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company										
	Share capital HK\$'000	Share premium account HK\$'000	Special reserves HK\$'000	Share-based payments reserve HK\$'000	Investment revaluation reserve HK\$'000	Foreign currency translation reserve HK\$'000	Statutory reserves HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2013											
As previously stated	21,555	898,654	-	4,636	(997)	8,163	12	161,836	1,093,859	35,277	1,129,136
Effect of combination under common control (note a)	-	-	(2,000)	-	-	-	-	21,894	19,894	-	19,894
As restated	21,555	898,654	(2,000)	4,636	(997)	8,163	12	183,730	1,113,753	35,277	1,149,030
Profit for the period (restated)	-	-	-	-	-	-	-	31,969	31,969	(22,599)	9,370
Loss on fair value changes of available-for-sales investments	-	-	-	-	(130)	-	-	-	(130)	-	(130)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(2,270)	-	-	(2,270)	(896)	(3,166)
Total comprehensive income for the period	-	-	-	-	(130)	(2,270)	-	31,969	29,569	(23,495)	6,074
Changes in ownership interests in a subsidiary without change in control	-	-	(1,254)	-	-	-	-	-	(1,254)	1,254	-
At 30 June 2013 (restated)	21,555	898,654	(3,254)	4,636	(1,127)	5,893	12	215,699	1,142,068	13,036	1,155,104

Unaudited Condensed Consolidated Statement of Changes in Equity (Continued)

	Attributable to owners of the Company										
	Share capital HK\$'000	Share premium account HK\$'000	Special reserves HK\$'000	Share-based payments reserve HK\$'000	Investment revaluation reserve HK\$'000	Foreign currency translation reserve HK\$'000	Statutory reserves HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2014	21,555	898,654	(1,254)	4,436	(937)	5,844	12	201,521	1,130,031	(54,465)	1,075,566
As previously stated											
Effect of combination under common control (Note a)	-	-	(16,000)	-	-	-	-	21,829	5,829	-	5,829
As restated	21,555	898,654	(17,254)	4,436	(937)	5,844	12	223,350	1,135,860	(54,465)	1,081,395
Profit and loss for the period	-	-	-	-	-	-	-	40,386	40,386	(18,870)	21,516
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(5,955)	-	-	(5,955)	(2,499)	(8,454)
Total comprehensive income for the period	-	-	-	-	-	(5,955)	-	40,386	34,431	(21,369)	13,062
2013 Final dividend payable (Note 8)	-	-	-	-	-	-	-	(10,778)	(10,778)	-	(10,778)
Distribution of profits (Note b)	-	-	(7,816)	-	-	-	-	-	(7,816)	-	(7,816)
At 30 June 2014	21,555	898,654	(25,070)	4,436	(937)	(111)	12	252,958	1,151,697	(75,834)	1,075,863

Notes:

- Special reserve arose in the period represented the combinations of Treasure Construction Engineering Limited ("Treasure Construction") under common control. The amount represented the excess of consideration paid over the share capital of the acquired company and net of distribution to the former shareholder.
- Decrease in special reserve during the period ended 30 June 2014 represented the distribution of reserve to the former shareholders of Treasure Construction before the Group reorganisation.

Unaudited Condensed Consolidated Statement of Cash Flows

	For the six months ended 30 June	
	2014	2013
	HK\$'000	HK\$'000 (restated)
Net cash from/(used in) operating activities	(30,820)	(258,863)
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,148)	(11,195)
Proceeds from disposals of property, plant and equipment	-	278
Interest received	753	316
Net cash used in investing activities	(4,395)	(10,601)
Cash flows from financing activities		
Finance costs paid	(4,790)	(2,830)
(Repayment)/drawdown of new bank loans	(456,487)	85,794
Repayment of loan from a fellow subsidiary	-	(100,000)
Receipt from/(advance to) an intermediate holding company	96,470	(108,174)
Receipt from fellow subsidiaries	312,308	204,105
Repayment of finance lease payables	(450)	(514)
Payment to a fellow subsidiary pursuant to common control combination	(2,000)	-
Distribution of reserve to a former shareholder	(7,816)	-
Net cash used in financing activities	(62,765)	78,381
Net decrease in cash and cash equivalents	(97,980)	(191,083)
Effect of foreign exchange rate changes	(7,482)	(860)
Cash and cash equivalents at beginning of period	310,452	433,624
Cash and cash equivalents at end of period	204,990	241,681
Analysis of cash and cash equivalents		
Bank and cash balances	204,990	241,681

Notes to the Unaudited Condensed Financial Statements

1 BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the six months ended 30 June 2014 have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2013, which have been prepared in accordance with Hong Kong Financial Reporting Standards.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars which is also the functional currency of the Company.

On 11 March 2014, the Group has acquired 100% of equity interests in Treasure Construction Engineering Limited (“Treasure Construction”) from Barkgate Enterprises Limited, a wholly owned subsidiary of China State Construction International Holdings Limited (“CSCIHL”), which is the intermediate holding company of the Company, at a cash consideration of HK\$2,000,000.

The transfer of the equity interests in Treasure Construction (the “Acquired Company”) was regarded as a common control combination. Accordingly, the consolidated financial statements of the Group for the period ended 30 June 2014 was prepared using the principle of Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the HKICPA, as if the Acquired Company had been combined from the date when the Acquired Company first came under the control of the controlling party of the Group and Acquired Company. The comparative figures of the consolidated financial statements have been restated accordingly.

Notes to the Unaudited Condensed Financial Statements (Continued)

1 BASIS OF PREPARATION (CONTINUED)

The effect of the combination of Acquired Company on the result of the Group for the six months ended 30 June 2013 and the position of the Group as at 31 December 2013 are summarised below:

	For the six months ended 30 June 2013 (previously stated) HK\$'000	Combination of Acquired Company HK\$'000	Combination Adjustment HK\$'000	For the six months ended 30 June 2013 (restated) HK\$'000
Revenue	786,441	-	-	786,441
Cost of sales	(725,543)	-	-	(725,543)
Gross profit	60,898	-	-	60,898
Other income and other gains, net	29,095	1,263	-	30,358
Administrative expenses	(99,191)	(142)	-	(99,333)
Distribution and selling expenses	(5,177)	-	-	(5,177)
(Loss)/profit from operation	(14,375)	1,121	-	(13,254)
Finance costs	1,567	1,263	-	2,830
Loss before tax	(15,942)	(142)	-	(16,084)
Income tax credit	25,454	-	-	25,454
Profit/(loss) for the period	9,512	(142)	-	9,370
Profit/(loss) for the period attributable to:				
Owners of the Company	32,111	(142)	-	31,969
Non-controlling interests	(22,599)	-	-	(22,599)
	9,512	(142)	-	9,370

Notes to the Unaudited Condensed Financial Statements (Continued)

1 BASIS OF PREPARATION (CONTINUED)

	31 December 2013 (previously stated) HK\$'000	Combination of Acquired Company HK\$'000	Combination Adjustment (Note) HK\$'000	31 December 2013 (restated) HK\$'000
Non-current Assets				
Property, plant and equipment	162,624	3	-	162,627
Goodwill	138,149	-	-	138,149
Project backlogs	11,934	-	-	11,934
Deposits and prepayments	7,216	-	-	7,216
Available-for-sale investments	18,564	-	-	18,564
Deferred tax assets	117,564	-	-	117,564
	456,051	3	-	456,054
Current Assets				
Inventories	17,650	-	-	17,650
Amounts due from customers for contract work	563,455	-	-	563,455
Trade and other receivables	356,719	-	-	356,719
Deposits and prepayments	14,870	-	-	14,870
Amount due from an intermediate holding company	-	96,470	-	96,470
Amounts due from fellow subsidiaries	4,376	391,872	-	396,248
Tax recoverable	936	-	-	936
Bank and cash balances	213,404	97,048	-	310,452
	1,171,410	585,390	-	1,756,800

Notes to the Unaudited Condensed Financial Statements (Continued)

1 BASIS OF PREPARATION (CONTINUED)

	31 December 2013 (previously stated) HK\$'000	Combination of Acquired Company HK\$'000	Combination Adjustment (Note) HK\$'000	31 December 2013 (restated) HK\$'000
Current Liabilities				
Bank and other borrowings	157,463	-	-	157,463
Amounts due to customers for contract work	22,550	-	-	22,550
Trade payables, other payables and accruals	224,341	34,309	-	258,650
Finance lease payables	1,087	-	-	1,087
Current tax payables	11,470	-	-	11,470
Amounts due to fellow subsidiaries	-	43,255	2,000	45,255
	416,911	77,564	2,000	496,475
Net Current Assets	754,499	507,826	(2,000)	1,260,325
Total Assets less Current Liabilities	1,210,550	507,829	(2,000)	1,716,379
Capital and reserves	1,130,031	7,829	(2,000)	1,135,860
Non-controlling interests	(54,465)	-	-	(54,465)
Non-current liabilities	134,984	500,000	-	634,984
	1,210,550	507,829	(2,000)	1,716,379

Note: The combination adjustment represents the excess of consideration paid over share capital of the acquired company.

Notes to the Unaudited Condensed Financial Statements (Continued)

2 PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2013 except the following:

- (i) In the current interim period, the Group has applied, for the first time, the following new or revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA.

Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-financial assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities
HK(IFRIC)-Int 21	Levies

The application of the above new or revised HKFRSs has had no material effect on the Group's results and financial position.

Notes to the Unaudited Condensed Financial Statements (Continued)

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(i) **(Continued)**

The Group has not early applied the following new or revised standards, amendments and interpretations that have been issued but are not yet effective.

Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ²
Amendments to HKAS 19	Employee Benefits: Defined Benefit Plans – Employees Contributions ¹
Amendments to HKFRS 7 and HKFRS 9	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ⁴
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations ²
HKFRS 9	Financial Instruments ⁴
HKFRS 9	Financial Instruments (Hedge Accounting and Amendments to HKFRS 9, HKFRS 7 and HKAS 39) ⁴
HKFRS 14	Regulatory Deferral Accounts ²
HKFRS 15	Revenue from Contracts with Customers ³
Annual Improvements Project	Annual Improvements 2010–2012 Cycle ¹
Annual Improvements Project	Annual Improvements 2011–2013 Cycle ¹

- Notes: 1 Effective for annual periods beginning on or after 1 July 2014
 2 Effective for annual periods beginning on or after 1 January 2016
 3 Effective for annual periods beginning on or after 1 January 2017
 4 Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised

The Group has already commenced an assessment of the impact of these new or revised standards, amendments and interpretations, certain of which may be relevant to the Group's operations and may give rise to changes in disclosures and remeasurement of certain items in the condensed consolidated financial statements.

Notes to the Unaudited Condensed Financial Statements (Continued)

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

- (ii) During the six months ended 30 June 2014, the Group acquired 100% equity interest in Treasure Construction from Barkgate Enterprises Limited, a wholly owned subsidiary of CSCIHL, which is the intermediate holding company of the Company. This transaction was regarded as a common control combination and the accounting policies of such are as follows:

Business combinations – common control combinations

Business combinations under common control are accounted for in accordance with the Accounting Guideline 5 'Merger Accounting for Common Control Combinations'. In applying merger accounting, the consolidated financial statements incorporate the financial statements items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated income statement includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

Notes to the Unaudited Condensed Financial Statements (Continued)

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(ii) (Continued)

Business combinations – common control combinations (Continued)

The consolidated income statement also takes into account the profit or loss attributable to the non-controlling interests of the controlling party. Upon the completion of common control combinations, the retained profit of the combining entities or business is transferred to the retained profits of the Group.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the beginning of the previous reporting period or when they first came under common control, whichever is shorter.

3 REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the façade contracting business. The Group's revenue/turnover represents revenue from construction contracts.

The Group has three reportable segments principally based on the geographical locations of the projects and are determined as follows:

- North America includes projects in the United States of America and Canada.
- Greater China includes projects in the People's Republic of China (the "PRC"), Hong Kong and Macau.
- Asia and Others includes projects in Singapore, the United Arabs of Emirates, Chile, Australia, the United Kingdom and maintenance projects in all segments.

Notes to the Unaudited Condensed Financial Statements (Continued)

3 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Unaudited segment results for the six months ended 30 June 2014 and 2013 are as follows:

	Revenue		Gross profit		Segment result	
	2014 HK\$'000	2013 HK\$'000	2014 HK\$'000	2013 HK\$'000	2014 HK\$'000	2013 HK\$'000 (restated)
Reportable segments						
North America	441,158	417,139	13,292	(19,999)	(32,954)	(71,614)
Greater China	189,228	291,963	54,142	61,011	37,561	47,440
Asia & Others	94,858	77,339	36,551	19,886	26,157	32,324
Total	725,244	786,441	103,985	60,898	30,764	8,150
Unallocated administrative expenses					(20,273)	(23,942)
Other income and other gains, net					124	2,538
Finance costs					(4,790)	(2,830)
Profit/(loss) before tax					5,825	(16,084)
Income tax credit					15,691	25,454
Profit for the period					21,516	9,370

Notes to the Unaudited Condensed Financial Statements (Continued)

4 OTHER INCOME AND OTHER GAINS, NET

	For the six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000 (restated)
Bank interest income	753	316
Provision for impairment of trade and other receivable and deposits written back	-	22,744
Sundry income	7,793	7,298
	8,546	30,358

5 FINANCE COSTS

	For the six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000 (restated)
Interest on bank loans and overdrafts wholly repayable within five years	4,576	1,264
Interest on other loans wholly repayable within five years	74	146
Finance lease charges	140	157
Other financial expenses	-	1,263
Total finance cost incurred	4,790	2,830

Notes to the Unaudited Condensed Financial Statements (Continued)

6 PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax has been arrived at after charging:

	For the six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Amortisation of project backlogs	7,956	10,620
Depreciation	5,950	3,915

7 INCOME TAX CREDIT

	For the six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Current tax – Hong Kong Profits Tax Overprovision in prior years	(3,062)	–
Current tax – overseas Provision for the period Overprovision in prior years	2,764 (193)	1,172 (2,946)
	2,571	(1,774)
Deferred tax	(15,200)	(23,680)
Income tax credit for the period	(15,691)	(25,454)

Notes to the Unaudited Condensed Financial Statements (Continued)

7 INCOME TAX CREDIT (CONTINUED)

Hong Kong Profits Tax has been provided at a rate of 16.5% on the estimated assessable profit for the six months ended 30 June 2014 (30 June 2013: 16.5%).

Tax charge on estimated assessable profits elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

8 DIVIDENDS

	For the six months ended 30 June	
	2014	2013
	HK\$'000	HK\$'000
Dividend recognised as distribution during the period		
2013 final dividend of HK0.5 cent per share paid on 11 July 2014 (six months ended 30 June 2013: Nil)	10,778	–

The Board has declared the payment of interim dividend of HK0.5 cent per share (30 June 2013: HK0.5 cent), amounting to approximately HK\$10,778,000 (30 June 2013: approximately HK\$10,778,000) payable on 22 September 2014 to shareholders whose names appear on the register of members of the Company on 12 September 2014. This interim dividend has not been recognised as a liability at the end of reporting period.

Notes to the Unaudited Condensed Financial Statements (Continued)

9 EARNINGS PER SHARE

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

	For the six months ended 30 June	
	2014	2013
	HK\$'000	HK\$'000 (restated)
Earnings		
Profit attributable to owners of the Company, used in the basic and diluted earnings per share calculation	40,386	31,969
	2014	2013
	'000	'000
Number of shares		
Weighted average number of ordinary shares used in basic and diluted earnings per share calculation	2,155,545	2,155,545
		(restated)
Basic and diluted earnings per share (HK cents)	1.87	1.48

The diluted earnings per share for the six months ended 30 June 2014 equals to the basic earnings per share as there are no potential dilutive potential ordinary shares in issue during the period.

10 PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately HK\$5,148,000 (corresponding period in 2013: approximately HK\$11,195,000) on additions to property, plant and equipment.

Notes to the Unaudited Condensed Financial Statements (Continued)

11 GOODWILL

	HK\$'000
Cost, at 30 June 2014 and 31 December 2013	159,707
Impairment, at 30 June 2014 and 31 December 2013	(21,558)
Carrying values, at 30 June 2014 and 31 December 2013	138,419

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating unit ("CGU") that is expected to benefit from that business combination.

For the purpose of impairment testing, the carrying amount of goodwill had been allocated to the CGU relating to the operations of Gamma North America, Inc. and its subsidiaries within the North America segment.

The recoverable amounts of the CGU are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and budgeted gross margin and turnover during the period. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rates are based on long-term average economic growth rate of the geographical area in which the businesses of the CGU operate. Budgeted gross margin and turnover are based on past practices and expectations on market development.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years with the residual period using the growth rate of 3%. This rate does not exceed the average long-term growth rate for the relevant markets. The pre-tax rates used to discount the forecast cash flows range from 20.12% to 21.27%.

Notes to the Unaudited Condensed Financial Statements (Continued)

12 TRADE AND OTHER RECEIVABLES

The analysis of trade and other receivables, including the aging analysis of trade receivables, based on the invoice date and net of provisions, is as follows:

	30 June 2014 HK\$'000	31 December 2013 HK\$'000
Trade receivables:		
0 to 30 days	98,459	58,628
31 to 60 days	38,425	55,538
61 to 90 days	29,686	9,764
More than 90 days	37,553	14,171
Retention receivables	204,123	138,101
	172,914	161,204
Other receivables	377,037	299,305
	37,668	57,414
Trade and other receivables	414,705	356,719

At 30 June 2014, the amount of retention receivables expected to be recovered over twelve months is approximately HK\$126,160,000 (31 December 2013 approximately: HK\$90,499,000).

Notes to the Unaudited Condensed Financial Statements (Continued)

13 BANK AND OTHER BORROWINGS

The borrowings are repayable as follows:

	30 June 2014 HK\$'000	31 December 2013 HK\$'000 (restated)
On demand or within one year	109,401	157,463
In the second year	585	8,378
In the third to fifth years, inclusive	216,585	617,217
	326,571	783,058
Less: Amount due for settlement within twelve months	(109,401)	(157,463)
Amount due for settlement after twelve months	217,170	625,595

	Hong Kong dollar HK\$'000	Canadian dollar HK\$'000	United States dollar HK\$'000	Total HK\$'000
Bank loans as at 30 June 2014	200,000	52,367	74,204	326,571
	(restated)	(restated)	(restated)	(restated)
Bank loans	640,000	62,537	72,721	775,258
Loans from non-controlling interests	-	-	7,800	7,800
Total borrowings as at 31 December 2013	640,000	62,537	80,521	783,058

Notes to the Unaudited Condensed Financial Statements (Continued)

13 BANK AND OTHER BORROWINGS (CONTINUED)

The average interest rates are as follows:

	30 June 2014	31 December 2013 (restated)
Bank loans	3.15%	2.58%
Loans from non-controlling interests	–	3.30%

14 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

The analysis of trade payables, other payables and accruals, including the aging analysis of trade payables, based on invoice date, is as follows:

	30 June 2014 HK\$'000	31 December 2013 HK\$'000 (restated)
Trade payables:		
0 to 30 days	75,998	117,664
31 to 60 days	22,998	24,140
More than 60 days	23,098	15,426
Retention payables	122,094 34,238	157,230 32,523
Other payables and accruals	156,332 56,009	189,753 68,897
Trade payables, other payables and accruals	212,341	258,650

As at 30 June 2014, the amount of retention payables expected to be due over twelve months was approximately HK\$4,072,000 (31 December 2013: approximately HK\$3,295,000).

Notes to the Unaudited Condensed Financial Statements (Continued)

15 SHARE CAPITAL

	Authorised		Issued and fully paid	
	Number of shares '000	Amount HK\$'000	Number of shares '000	Amount HK\$'000
Ordinary share of HK\$0.01 each At 30 June 2014 and 31 December 2013	10,000,000	100,000	2,155,545	21,555

16 RELATED PARTY TRANSACTIONS

Transactions with related parties

	For the six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Construction fee received from fellow subsidiaries	66,630	2,353
Project management service fee received from fellow subsidiaries	45,297	10,443

Other Information

INTERIM DIVIDEND

The Board has declared the payment of an interim dividend of HK0.5 cent per share (30 June 2013: HK0.5 cent per share), payable on Monday, 22 September 2014 to shareholders whose names appear on the register of members of the Company on Friday, 12 September 2014.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 11 September 2014 to Friday, 12 September 2014, both days inclusive, for the purpose of determining shareholders' entitlement to the interim dividend.

In order to qualify for the interim dividend, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 10 September 2014.

SHARE CAPITAL

The Company's total issued share capital as at 30 June 2014 was 2,155,545,000 ordinary shares of HK\$0.01 each.

SHARE OPTIONS

The Company adopted a share option scheme (the "Scheme") on 10 March 2010 and unless otherwise cancelled or amended, is valid and effective for 10 years from 30 March 2010.

No share options were granted to or exercised by any Directors or chief executive of the Company or employees of the Group or other participants, nor were cancelled, or lapsed during the six months ended 30 June 2014.

As at 1 January 2014 and 30 June 2014, the Company had no share options outstanding under the Scheme.

Other Information (Continued)

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES

As at 30 June 2014, the interests and short positions of the Directors and chief executive of the Company in the shares, 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 (the "SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and the chief executive of the Company were deemed or taken to have under such provisions of the SFO), or which were 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 pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as adopted by the Company (the "Model Code") were as follows:

(a) Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company

Long positions in the shares of the Company

Name of Director Capacity		Nature of interests	Number of ordinary shares held	% of shares in issue ^(Note)
Chan Sim Wang	Beneficial owner	Personal interest	50,000	0.002
Qin Jidong	Beneficial owner	Personal interest	900,000	0.042

Note: The percentage is based on the total number of ordinary shares of the Company in issue as at 30 June 2014 (i.e. 2,155,545,000 ordinary shares).

Other Information (Continued)

(b) Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Associated Corporations of the Company

Long positions in the shares and underlying shares of the associated corporations of the Company – China State Construction International Holdings Limited (“CSCIHL”)

Name of Director	Number of ordinary shares held	Number of underlying shares held	Total	% of shares in issue ⁽³⁾
	Personal interest ⁽¹⁾	Share options ⁽²⁾		
Zhou Yong	2,273,780	959,247	3,233,027	0.083
Zhang Yifeng	296,000	61	296,061	0.008
Chan Sim Wang	28,800	–	28,800	0.001
Qin Jidong	250,000	–	250,000	0.006

Notes:

1. This represents interests held by the relevant Director as beneficial owner.
2. This represents interests in share options of CSCIHL held by the relevant Director as beneficial owner to subscribe for the relevant underlying ordinary shares pursuant to the share option scheme of CSCIHL (the “CSCIHL Scheme”). Such options were granted on 14 September 2005 with an exercise period from 14 September 2006 to 13 September 2015 and a vesting period from 14 September 2005 to 13 September 2010. The exercise price per option is HK\$0.2254.
3. The percentage is based on the total number of ordinary shares of CSCIHL in issue as at 30 June 2014 (i.e. 3,892,398,927 ordinary shares).

Save as disclosed above, as at 30 June 2014, none of the Directors or chief executive of the Company and their respective associates had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of 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 pursuant to the Model Code.

Other Information (Continued)

Apart from the Scheme and the CSCIHL Scheme, at no time during the period under review, was the Company or any of its holding companies, subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. Save for the disclosed, none of the Directors or chief executive of the Company (including their spouses and children under the age of 18), during the six months ended 30 June 2014, held any interests in, or was granted any right to subscribe for, the securities of the Company and its associated corporations (within the meaning of Part XV of the SFO), or had exercised any such rights.

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

So far as is known to any Directors or chief executive of the Company, as at 30 June 2014, other than the interests of the Directors and chief executive of the Company as disclosed above, the following persons had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange:

Other Information (Continued)

Long positions in the shares of the Company

Name of Shareholder	Capacity	Number of ordinary shares held	Total	% of shares in issue ⁽¹⁾
Add Treasure Holdings Limited ("Add Treasure")	Beneficial owner	1,537,983,279	1,537,983,279	71.35
China State Construction International Holdings Limited ("CSCIHL") ⁽²⁾	Interest in controlled corporation	1,596,403,279	1,596,403,279	74.06
China Overseas Holdings Limited ("COHL") ⁽³⁾	Interest in controlled corporation	1,596,403,279	1,596,403,279	74.06
中國建築股份有限公司 (China State Construction Engineering Corporation Limited) ("CSCECL") ⁽³⁾	Interest in controlled corporation	1,596,403,279	1,596,403,279	74.06
China State Construction Engineering Corporation ("CSCEC") ⁽³⁾	Interest in controlled corporation	1,596,403,279	1,596,403,279	74.06

Notes:

1. The percentage is based on the total number of ordinary shares of the Company in issue as at 30 June 2014 (i.e. 2,155,545,000 ordinary shares).
2. Add Treasure is a wholly-owned subsidiary of CSCIHL which, by virtue of the SFO, is taken to be interested in the same 1,537,983,279 shares held by Add Treasure and the 58,420,000 shares of the Company held by another wholly-owned subsidiary of CSCIHL.
3. CSCIHL is owned as to approximately 57.00% by COHL, which in turn, is a wholly-owned subsidiary of CSCECL. CSCECL is, in turn, a subsidiary of CSCEC. By virtue of the SFO, each of COHL, CSCECL and CSCEC is deemed to be interested in the same 1,596,403,279 shares held indirectly by CSCIHL.

Save as disclosed above, as at 30 June 2014, no other person (other than the Directors or chief executive of the Company) had any interest or short position 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, or as otherwise notified to the Company and the Stock Exchange.

Other Information (Continued)

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2014, neither the Company nor any of its subsidiaries has made any purchase, sale or redemption of any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company has complied throughout the six months to 30 June 2014 with all code provisions of the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

DIRECTOR'S SECURITIES TRANSACTIONS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the Company's code of conduct regarding Directors' securities transactions. All Directors have confirmed that they have complied with the Model Code in their securities transactions throughout the accounting period covered by this interim report.

REVIEW OF ACCOUNTS

The unaudited condensed consolidated financial statements of the Company and its subsidiaries for the six months ended 30 June 2014 have been reviewed by the Audit Committee which comprises three Independent Non-executive Directors.

CHANGE IN INFORMATION OF DIRECTORS

Save as those disclosed in the "Board of Directors and Committees" section of this interim report, there is no other information since the date of the 2013 Annual Report that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.



遠東環球集團有限公司
FAR EAST GLOBAL GROUP LIMITED

Stock Code 股份代號 : 00830



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