

REXLot Holdings Limited

御泰中彩控股有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock Code 股份代號 : 555)

Interim Report **中期報告**
2014



CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2014

簡明綜合收益表

截至二零一四年六月三十日止六個月

The board of directors (the “Board”) of REXLot Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (together, the “Group”) for the six months ended 30 June 2014 together with the unaudited comparative figures for the corresponding period in 2013 as follows:

御泰中彩控股有限公司(「本公司」)董事會(「董事會」)欣然宣布本公司及其附屬公司(統稱「本集團」)截至二零一四年六月三十日止六個月之未經審核綜合中期業績，連同二零一三年同期之未經審核比較數字如下：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2014	2013
		二零一四年	二零一三年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
	Notes 附註		
Turnover	4	1,250,686	1,150,087
Cost of sales/services rendered		(389,159)	(432,855)
Other income		7,202	6,856
Other gains, net		3,415	600
Selling and distribution expenses		(40,603)	(57,011)
Administrative expenses		(111,255)	(70,962)
Operating profit		720,286	596,715
Finance costs		(68,288)	(49,959)
Share of profits of joint ventures		9,151	6,548
Profit before taxation	5	661,149	553,304
Taxation	6	(33,088)	(23,049)
Profit for the period		628,061	530,255
Attributable to:			
Equity shareholders of the Company		551,023	490,896
Non-controlling interests		77,038	39,359
		628,061	530,255
Dividend	7	2.30 cents 仙	1.70 cents 仙
Earnings per share for profit attributable to equity shareholders of the Company			
– Basic	8	6.14 cents 仙	5.80 cents 仙
– Diluted		5.64 cents 仙	5.37 cents 仙

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2014

簡明綜合全面收益表

截至二零一四年六月三十日止六個月

		Six months ended 30 June	
		截至六月三十日止六個月	
		2014	2013
		二零一四年	二零一三年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
			(Restated)
			(經重列)
		HK\$'000	HK\$'000
		千港元	千港元
Profit for the period	期間溢利	628,061	530,255
Other comprehensive (expenses)/income	其他全面(支出)/收益		
Items that may be reclassified subsequent to profit or loss:	其後可能重新分類至損益之項目：		
Exchange difference arising from translation of financial statements of foreign operations	換算境外業務財務報表產生之匯兌差額	(41,025)	16,305
Share of other comprehensive (expenses)/income of joint ventures	分佔合營企業之其他全面(支出)/收益	(4,022)	1,886
Total other comprehensive (expenses)/income	其他全面(支出)/收益總額	(45,047)	18,191
Total comprehensive income for the period	期間全面收益總額	583,014	548,446
Attributable to:	以下人士應佔：		
Equity shareholders of the Company	本公司權益股東	512,442	506,242
Non-controlling interests	非控股權益	70,572	42,204
		583,014	548,446

CONDENSED CONSOLIDATED BALANCE SHEET

At 30 June 2014

簡明綜合資產負債表

於二零一四年六月三十日

		At 30 June 2014 於二零一四年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2013 於二零一三年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
	Notes 附註		
ASSETS			
Non-current assets			
Property, plant and equipment		194,182	186,082
Prepaid lease payments on land use rights		35,180	36,494
Goodwill		2,272,900	2,272,900
Intangible assets		288,703	246,293
Interests in joint ventures		393,579	388,450
Available-for-sale financial assets		38,375	34,000
Deferred tax assets		430	441
Total non-current assets		<u>3,223,349</u>	<u>3,164,660</u>
Current assets			
Inventories		168,841	151,315
Trade receivables	9	1,324,113	1,114,582
Utility and other deposits		1,350,317	1,053,516
Prepayments and other receivables		1,201,720	947,155
Financial assets at fair value through profit or loss		66,870	18,850
Cash and bank balances	10	2,551,178	1,146,266
Total current assets		<u>6,663,039</u>	<u>4,431,684</u>
Total assets		<u><u>9,886,388</u></u>	<u><u>7,596,344</u></u>
EQUITY			
Capital and reserves attributable to equity shareholders of the Company			
Share capital	14	92,890	87,318
Reserves		6,819,981	5,708,058
Proposed final dividend		-	168,644
		<u>6,912,871</u>	<u>5,964,020</u>
Non-controlling interests		<u>329,224</u>	<u>258,652</u>
Total equity		<u><u>7,242,095</u></u>	<u><u>6,222,672</u></u>

**CONDENSED CONSOLIDATED
BALANCE SHEET** (continued)

At 30 June 2014

簡明綜合資產負債表 (續)

於二零一四年六月三十日

		At 30 June 2014 於二零一四年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2013 於二零一三年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Convertible bonds	可換股債券	11 1,919,164	833,649
Amount due to a joint venture	應付合營企業款項	46,195	46,195
Deferred tax liabilities	遞延稅項負債	153,526	148,219
Obligation under finance leases	融資租賃債務	35,687	44,932
Total non-current liabilities	非流動負債總額	2,154,572	1,072,995
Current liabilities	流動負債		
Trade payables	應付貿易賬款	12 20,660	23,460
Other payables and accruals	其他應付款項及應計款項	176,415	170,900
Dividend payables	應付股息	168,644	-
Bank borrowings	銀行借貸	13 87,500	70,656
Obligation under finance leases	融資租賃債務	16,147	16,036
Current tax liabilities	當期稅項負債	20,355	19,625
Total current liabilities	流動負債總額	489,721	300,677
Total liabilities	負債總額	2,644,293	1,373,672
Total equity and liabilities	權益及負債總額	9,886,388	7,596,344
Net current assets	流動資產淨值	6,173,318	4,131,007
Total assets less current liabilities	總資產減流動負債	9,396,667	7,295,667

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2014

簡明綜合權益變動表

截至二零一四年六月三十日止六個月

		Attributable to equity shareholders of the Company 本公司權益股東應佔										
		Share capital	Share premium	Capital redemption reserve	Convertible bonds reserve	Share-based payment reserve	Exchange translation reserve	Retained profits	Proposed final dividend	Total	Non-controlling interests	Total equity
		股本	股份溢價	贖回儲備	債券儲備	以股份支付款項之儲備	匯兌儲備	保留溢利	末期股息建議	合計	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 31 December 2012	於二零一二年十二月三十一日	84,406	2,998,627	1,734	212,388	6,751	98,431	2,103,342	65,146	5,570,825	227,611	5,798,436
Exchange difference arising from translation of foreign operations recognized directly in equity	直接於權益中確認換算境外業務產生之匯兌差額	-	-	-	-	-	15,346	-	-	15,346	2,845	18,191
Profit for the period	期間溢利	-	-	-	-	-	-	490,896	-	490,896	39,359	530,255
Total comprehensive income for the period ended 30 June 2013	截至二零一三年六月三十日止期間全面收益總額	-	-	-	-	-	15,346	490,896	-	506,242	42,204	548,446
Issue of new shares for share options exercised	就獲行使之購股權發行新股份	350	22,568	-	-	-	-	-	-	22,918	-	22,918
Repurchase of shares	購回股份	(445)	(23,778)	445	-	-	-	(445)	-	(24,223)	-	(24,223)
Issue of share options	發行購股權	-	-	-	-	3,402	-	-	-	3,402	-	3,402
Lapse of share options	購股權失效	-	-	-	-	(6,123)	-	6,123	-	-	-	-
Exercise of share options	行使購股權	-	1,100	-	-	(1,100)	-	-	-	-	-	-
Non-controlling interests arising from capital injection of subsidiaries	注資附屬公司產生之非控股權益	-	-	-	-	-	-	-	-	-	12,500	12,500
Acquisition of additional interest in subsidiary	收購附屬公司額外權益	-	-	-	-	-	-	(177,900)	-	(177,900)	-	(177,900)
Dividend paid to non-controlling interests	已付非控股權益股息	-	-	-	-	-	-	-	-	-	(13,125)	(13,125)
Transfer to dividend payable	轉撥至應付股息	-	-	-	-	-	-	-	(65,146)	(65,146)	-	(65,146)
At 30 June 2013	於二零一三年六月三十日	84,311	2,998,517	2,179	212,388	2,930	113,777	2,422,016	-	5,836,118	269,190	6,105,308
At 31 December 2013	於二零一三年十二月三十一日	87,318	3,180,903	2,345	212,388	346	144,217	2,167,859	168,644	5,964,020	258,652	6,222,672
Exchange difference arising from translation of foreign operations recognized directly in equity	直接於權益中確認換算境外業務產生之匯兌差額	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	期間溢利	-	-	-	-	-	-	551,023	-	551,023	77,038	628,061
Other comprehensive income for the period	期間其他全面收益	-	-	-	-	-	(38,581)	-	-	(38,581)	(6,466)	(45,047)
Total comprehensive income for the period ended 30 June 2014	截至二零一四年六月三十日止期間全面收益總額	-	-	-	-	-	(38,581)	551,023	-	512,442	70,572	583,014
Issue of new shares for share options exercised	就獲行使之購股權發行新股份	1,060	112,020	-	-	-	-	-	-	113,080	-	113,080
Repurchase of shares	購回股份	(201)	(15,693)	201	-	-	-	(201)	-	(15,894)	-	(15,894)
Convertible bonds – equity component, net of transaction cost	可換股債券 – 權益部分，扣除交易成本	-	-	-	245,858	-	-	-	-	245,858	-	245,858
Recognition of share option benefits at fair value	按公允價值確認購股權利益	-	-	-	-	7,206	-	-	-	7,206	-	7,206
Transfer to share premium on exercise of share options	購股權獲行使時轉撥至股份溢價	-	7,411	-	-	(7,411)	-	-	-	-	-	-
Issue of shares upon conversion of convertible bonds	轉換可換股債券時發行股份	4,713	293,525	-	(43,435)	-	-	-	-	254,803	-	254,803
Transfer to dividend payable	轉撥至應付股息	-	-	-	-	-	-	-	(168,644)	(168,644)	-	(168,644)
At 30 June 2014	於二零一四年六月三十日	92,890	3,578,166*	2,546*	414,811*	141*	105,636*	2,718,681*	-	6,912,871	329,224	7,242,095

* These reserve accounts comprise the consolidated reserves of approximately HK\$6,819,981,000 in the consolidated balance sheet.

* 該等儲備賬包括綜合資產負債表內之綜合儲備約 6,819,981,000 港元。

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2014

簡明綜合現金流量表

截至二零一四年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 (Unaudited) (未經審核) HK\$'000 千港元	2013 二零一三年 (Unaudited) (未經審核) HK\$'000 千港元
Net cash (used in)/generated from operating activities	經營活動(所用)／所得現金淨額	(168,838)	179,936
Net cash used in investing activities	投資活動所用現金淨額	(92,694)	(25,142)
Net cash generated from financing activities	融資活動所得現金淨額	<u>1,666,448</u>	<u>34,483</u>
Increase in cash and cash equivalents	現金及現金等價物增加	<u>1,404,916</u>	<u>189,277</u>
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	<u>1,145,930</u>	<u>911,571</u>
Cash and cash equivalents at 30 June	於六月三十日之現金及現金等價物	<u><u>2,550,846</u></u>	<u><u>1,100,848</u></u>
Analysis of the balances of cash and cash equivalents	現金及現金等價物結餘分析		
Bank balances – general accounts	銀行結餘—一般賬戶	<u>2,548,870</u>	<u>1,094,217</u>
Cash in hand	手頭現金	<u>1,976</u>	<u>6,631</u>
		<u><u>2,550,846</u></u>	<u><u>1,100,848</u></u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2014

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

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 for the adoption of new and revised standard and interpretation with effect from 1 January 2014.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 January 2014.

HKAS 32 (Amendment)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendment)	Recoverable Amount Disclosures for Non Financial Assets
HKAS 39 (Amendment)	Novation of Derivatives and Continuation of Hedge Accounting
HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendment)	Investment Entities
HK (IFRIC) – Int 21	Levies

The adoption of the new or revised Hong Kong Financial Reporting Standards (“HKFRS”) had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented.

未經審核簡明中期財務報表附註

截至二零一四年六月三十日止六個月

1. 編製基準

本未經審核簡明綜合中期財務報表乃按照香港聯合交易所有限公司證券上市規則（「上市規則」）附錄16之適用披露規定及香港會計師公會頒布之香港會計準則第34號「中期財務報告」編製。

2. 主要會計政策

簡明綜合財務報表所用之會計政策與編製本集團截至二零一三年十二月三十一日止年度之年度財務報表時所依循者一致，惟採納由二零一四年一月一日起生效之新訂及經修訂準則以及詮釋除外。

於本中期期間，本集團首次應用以下由香港會計師公會頒布，並於本集團二零一四年一月一日開始之財政年度生效之新訂及經修訂準則、修訂及詮釋。

香港會計準則第32號（修訂）	金融工具：呈列 — 抵銷金融資產及金融負債
香港會計準則第36號（修訂）	非金融資產之可收回金額披露
香港會計準則第39號（修訂）	衍生工具之更替及對沖會計法之延續
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號（二零一一年）（修訂）	投資實體
香港（國際財務報告詮釋委員會）— 詮釋第21號	徵稅

採納新訂或經修訂香港財務報告準則對本會計期間或過往會計期間之業績及財務狀況之編製及呈列方式並無重大影響。

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2014

2. PRINCIPAL ACCOUNTING POLICIES (continued)

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

HKFRS 7 and HKFRS 9 (Amendment)	Disclosures – Mandatory Effective Date of HKFRS 9 and Transition Disclosures ³
HKFRS 9	Financial Instruments ³
HKFRS 15	Revenue from Contracts with Customers ²
HKFRS Amendments	Annual Improvements to HKFRSs 2010-2012 Cycle ¹
HKFRS Amendments	Annual Improvements to HKFRSs 2011-2013 Cycle ¹

¹ Effective for annual periods beginning on or after 1 July 2014

² Effective for annual periods beginning on or after 1 January 2017

³ No mandatory effective date yet determined but is available for early adoption

The Group has not early adopted the new HKFRSs that have been issued but not yet effective. The directors of the Company (the “Directors”) are currently assessing the impact of these new HKFRSs but are not yet in a position to state whether they would have material financial impact on the Group’s result of operations and financial position.

3. SEGMENT INFORMATION

The Group manages its businesses by segment which is organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group’s chief operating decision maker for the purposes of resources allocation and performance assessment, the Group has presented lottery business as the reportable segment.

未經審核簡明 中期財務報表附註 (續)

截至二零一四年六月三十日止六個月

2. 主要會計政策 (續)

本集團並無提早應用以下已頒布但未生效之新訂或經修訂準則及修訂。

香港財務報告準則第7號及香港財務報告準則第9號 (修訂)	披露 – 香港財務報告準則第9號之強制生效日期及過渡性披露 ³
香港財務報告準則第9號	金融工具 ³
香港財務報告準則第15號	客戶合約收益 ²
香港財務報告準則修訂	香港財務報告準則之年度改進 (二零一零年至二零一二年週期) ¹
香港財務報告準則修訂	香港財務報告準則之年度改進 (二零一一年至二零一三年週期) ¹

¹ 於二零一四年七月一日或之後開始之年度期間生效

² 於二零一七年一月一日或之後開始之年度期間生效

³ 尚未釐定強制生效日期，但可供提早採納

本集團並無提早採納已頒布但未生效之新訂香港財務報告準則。本公司董事（「董事」）現正評估該等新訂香港財務報告準則之影響，但未能斷定有關準則對本集團之經營業績及財務狀況會否產生重大財務影響。

3. 分部資料

本集團以業務線（產品和服務）劃分分部管理其業務。本集團按與就資源分配及表現評估向本集團首要營運決策人內部呈報資料方式一致之方法，呈列彩票業務之報告分部。

**NOTES TO THE UNAUDITED CONDENSED
INTERIM FINANCIAL STATEMENTS** (continued)

For the six months ended 30 June 2014

**未經審核簡明
中期財務報表附註** (續)

截至二零一四年六月三十日止六個月

3. SEGMENT INFORMATION (continued)

Segment results

		Lottery business 彩票業務	
		Six months ended 30 June 截至六月三十日止六個月	
		2014	2013
		二零一四年	二零一三年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Turnover	營業額	1,250,686	1,150,087
Segment results	分部業績		
Profit	溢利	749,377	621,550
Net unallocated expenses	未分類開支淨額	(88,228)	(68,246)
Profit before taxation	除稅前溢利	661,149	553,304
Taxation	稅項	(33,088)	(23,049)
Profit for the period	期間溢利	628,061	530,255

Segment assets and liabilities

分部資產及負債

		Lottery business 彩票業務	
		At	At
		30 June	31 December
		2014	2013
		於二零一四年	於二零一三年
		六月三十日	十二月三十一日
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Assets	資產		
Segment assets	分部資產	7,906,084	7,218,154
Unallocated assets	未分類資產	1,980,304	378,190
Total assets	資產總值	9,886,388	7,596,344
Liabilities	負債		
Segment liabilities	分部負債	515,035	504,245
Unallocated liabilities	未分類負債	2,129,258	869,427
Total liabilities	負債總額	2,644,293	1,373,672

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4. TURNOVER

Turnover represents the aggregate of income from provision of lottery machines and related services.

4. 營業額

營業額指提供彩票機及相關服務收入之總和。

		Six months ended 30 June	
		截至六月三十日止六個月	
		2014	2013
		二零一四年	二零一三年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Turnover	營業額		
Income from provision of lottery machines and related services	提供彩票機及相關服務收入	<u>1,250,686</u>	<u>1,150,087</u>

5. PROFIT BEFORE TAXATION

The Group's profit before taxation is stated after charging the following:

5. 除稅前溢利

本集團除稅前溢利於呈列前已扣除以下各項：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2014	2013
		二零一四年	二零一三年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Depreciation and amortisation on:	以下項目之折舊及攤銷：		
– Property, plant and equipment	– 物業、廠房及設備	28,058	27,198
– Intangible assets	– 無形資產	15,262	17,471
Operating lease rentals in respect of office premises and warehouses	辦公室物業及倉庫之經營租賃租金	<u>23,804</u>	<u>12,247</u>

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6. TAXATION

No provision for Hong Kong profits tax is made as the Group has no estimated assessable profits for the six months ended 30 June 2014 (2013: Nil). Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rate of taxation prevailing in the countries in which the Group operates.

6. 稅項

由於本集團於截至二零一四年六月三十日止六個月並無任何估計應課稅溢利，故並無作出香港利得稅撥備(二零一三年：無)。海外利得稅按照期內估計應課稅溢利及本集團經營業務所在國家之現行稅率計算。

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 (Unaudited) (未經審核)	2013 二零一三年 (Unaudited) (Restated) (經重列)
		HK\$'000 千港元	HK\$'000 千港元
Current tax – PRC income tax	當期稅項—中國所得稅	26,816	12,076
Deferred tax	遞延稅項	6,272	10,973
Total taxation	稅項總額	<u>33,088</u>	<u>23,049</u>

7. DIVIDEND

The Board has declared an interim dividend of 2.30 HK cents per share for the six months ended 30 June 2014 (2013: 1.70 HK cents per share) payable to shareholders of the Company whose names appear on the Company's register of members on 31 October 2014.

7. 股息

董事會已宣派截至二零一四年六月三十日止六個月之中期股息每股2.30港仙(二零一三年：每股1.70港仙)，有關股息將派付予於二零一四年十月三十一日名列本公司股東名冊之本公司股東。

8. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share for the six months ended 30 June 2014 are based on the profit attributable to equity shareholders of the Company of approximately HK\$551,023,000 (2013: approximately HK\$490,896,000).

8. 每股盈利

截至二零一四年六月三十日止六個月之每股基本及攤薄盈利是按本公司權益股東應佔溢利約551,023,000港元(二零一三年：約490,896,000港元)計算。

(a) The basic earnings per share is based on the weighted average number of approximately 8,969,937,938 (2013: approximately 8,456,592,205) ordinary shares in issue during the six months ended 30 June 2014.

(a) 每股基本盈利是按截至二零一四年六月三十日止六個月之已發行普通股之加權平均數約8,969,937,938股(二零一三年：約8,456,592,205股)計算。

(b) The diluted earnings per share is based on approximately 10,895,162,880 (2013: approximately 10,023,616,661) ordinary shares, being the weighted average number of ordinary shares in issue during the period plus the weighted average number of nil (2013: approximately 1,700,949) ordinary shares deemed to be issued if all outstanding options had been exercised and weighted average number of approximately 1,925,224,942 (2013: approximately 1,565,323,507) ordinary shares deemed to be issued if all outstanding convertible bonds had been converted.

(b) 每股攤薄盈利是按約10,895,162,880股(二零一三年：約10,023,616,661股)普通股計算，即期內已發行普通股之加權平均數，另加將於所有尚未行使購股權獲行使時被視為已發行之零股(二零一三年：約1,700,949股)普通股之加權平均數，以及將於所有尚未行使可換股債券獲轉換時被視為已發行之約1,925,224,942股(二零一三年：約1,565,323,507股)普通股之加權平均數。

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8. EARNINGS PER SHARE (continued)

(b) (continued)

The calculation of diluted earnings per share for the period ended 30 June 2014 has not included the potential effect of the share options outstanding as it has an anti-dilutive effect on the basis earnings per share for the period.

8. 每股盈利(續)

(b) (續)

計算截至二零一四年六月三十日止期間之每股攤薄盈利時並無計及未獲行使購股權之潛在影響，原因為該等購股權對期內每股基本盈利具有反攤薄影響。

9. TRADE RECEIVABLES

Loan interest receivable	應收貸款利息
Trade receivables – Lottery business	應收貿易賬款－彩票業務

At 30 June 2014 於二零一四年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2013 於二零一三年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
–	149
1,324,113	1,114,433
1,324,113	1,114,582

The Group generally grants credit periods of 90 to 180 days to its trade customers.

The ageing analysis of loan interest receivables and trade receivables – Lottery business as at 30 June 2014 are as follows:

本集團一般授予貿易客戶90至180天之信貸期。

於二零一四年六月三十日，應收貸款利息及應收貿易賬款－彩票業務之賬齡分析如下：

At 30 June 2014 於二零一四年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2013 於二零一三年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Three months or less 三個月或以下	616,783
One year or less but over three months 一年或以下但三個月以上	479,036
Over one year 一年以上	18,763
888,385	1,114,582
415,868	1,114,582
19,860	1,114,582
1,324,113	1,114,582

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10. CASH AND BANK BALANCES

		At 30 June 2014 於二零一四年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2013 於二零一三年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Cash at banks	銀行現金		
– general accounts	– 一般賬戶	2,548,870	1,143,710
– segregated accounts	– 獨立賬戶	332	336
Cash in hand	手頭現金	1,976	2,220
		<u>2,551,178</u>	<u>1,146,266</u>

11. CONVERTIBLE BONDS

The movement of the liability component of the convertible bonds for the period is set out below:

11. 可換股債券

該等可換股債券負債部分之期內變動載列如下：

		Liability component 負債部分 HK\$'000 千港元
At 31 December 2013	於二零一三年十二月三十一日	833,649
Bond issued during the period	期內發行之債券	1,600,000
Equity component*	權益部分*	(252,196)
Transaction cost attributable to the liability component	負債部分應佔之交易成本	(33,874)
Interest expenses	利息開支	63,225
Interest paid	已付利息	(36,836)
Converted during the period	期內轉換	(254,804)
At 30 June 2014	於二零一四年六月三十日	<u>1,919,164</u>

* The transaction costs attributable to the equity component of the new bonds amounted to HK\$6,338,000.

* 新債券權益部分應佔之交易成本為6,338,000港元。

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12. TRADE PAYABLES

		At 30 June 2014 於二零一四年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2013 於二零一三年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Other client payables	應付其他客戶賬款	314	314
Trade payables – Lottery business	應付貿易賬款—彩票業務	<u>20,346</u>	<u>23,146</u>
		<u>20,660</u>	<u>23,460</u>

Other client payable were repayable on demand and bore interest at prevailing market rates.

No ageing analysis was disclosed for other client payables as, in the opinion of the Directors, the ageing analysis did not give additional value in view of the nature of business.

Trade payables – Lottery business are expected to be settled within one year or are repayable on demand.

The ageing analysis of the Group's trade payables – Lottery business as at 30 June 2014 is as follows:

應付其他客戶賬款須按要求償還，並按現行市場利率計息。

由於董事認為就業務性質而言，賬齡分析意義不大，因此並無披露應付其他客戶賬款之賬齡分析。

應付貿易賬款—彩票業務預期於一年內支付或須按要求償還。

於二零一四年六月三十日，本集團應付貿易賬款—彩票業務之賬齡分析如下：

		At 30 June 2014 於二零一四年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2013 於二零一三年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Three months or less	三個月或以下	18,639	22,060
Over three months	三個月以上	<u>1,707</u>	<u>1,086</u>
		<u>20,346</u>	<u>23,146</u>

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13. BANK BORROWINGS

13. 銀行借貸

	At 30 June 2014 於二零一四年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2013 於二零一三年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Bank loans		
– secured and due within one year	<u>87,500</u>	<u>70,656</u>

Bank loans are repayable within one year or when the facility is withdrawn. These borrowings are used to finance the lottery business of the Group.

銀行貸款須於一年內或信貸撤回時償還。該等借貸用作本集團彩票業務之所需資金。

Bank loans of approximately HK\$87,500,000 (31 December 2013: approximately HK\$64,103,000) and nil (31 December 2013: approximately HK\$6,553,000) are secured by the leasehold buildings and land use rights and trade receivables of the Group respectively.

約87,500,000港元(二零一三年十二月三十一日:約64,103,000港元)及零港元(二零一三年十二月三十一日:約6,553,000港元)之銀行貸款分別以本集團之租賃樓宇及土地使用權以及應收貿易賬款作抵押。

The effective interest rates on the Group's borrowings are equal to contractual interest rates.

本集團借貸之實際利率亦相等於合約利率。

14. SHARE CAPITAL

Authorised:

14. 股本

法定:

	Ordinary shares of HK\$0.01 each 每股面值0.01港元之普通股	
	Number of shares 股份數目	Amount 金額 HK\$ 港元
At 31 December 2013 and at 30 June 2014	於二零一三年十二月三十一日及 於二零一四年六月三十日	<u>200,000,000</u> <u>200,000,000</u>

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14. SHARE CAPITAL (continued)

Issued and fully paid:

		Ordinary shares of HK\$0.01 each 每股面值0.01港元之普通股	
		Number of shares 股份數目	Amount 金額 HK\$ 港元
At 31 December 2013	於二零一三年十二月三十一日	8,731,772,194	87,317,722
Cancellation of the shares repurchased	註銷購回之股份	(20,125,000)	(201,250)
Issuance upon exercise of share options	行使購股權時發行	106,000,000	1,060,000
Issuance upon conversion of convertible bonds	轉換可換股債券時發行	471,333,329	4,713,333
At 30 June 2014	於二零一四年六月三十日	9,288,980,523	92,889,805

15. COMMITMENTS

As at 30 June 2014, the Group's future aggregate minimum lease payments under non-cancellable operating leases are payable as follows:

		At 30 June 2014 於二零一四年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2013 於二零一三年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Land and buildings	土地及樓宇		
Within one year	一年內	32,183	36,600
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	33,308	24,404
		65,491	61,004

The Group leases various office premises, office equipment and warehouses under operating leases. The leases run for an initial period of one to five years. The leases do not include any contingent rentals.

15. 承擔

於二零一四年六月三十日，本集團根據不可撤銷經營租賃之未來應付最低租金總額如下：

本集團根據經營租賃租用多個辦公室物業、辦公室設備及倉庫。該等租賃初步為期一至五年不等，並不包括任何或然租金。

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16. CONTINGENT LIABILITIES

Financial guarantees issued

As at 30 June 2014 and 31 December 2013, certain subsidiaries of the Group have issued corporate guarantees in respect of the finance lease obligation under a sales and leaseback arrangement granted to a subsidiary of the Group which will expire when the lease is terminated. As at 31 December 2013, a subsidiary has issued corporate guarantee to a bank to secure general facilities granted to one of the subsidiaries. The Group has not recognised any deferred income and the related expenses in respect of such guarantees, as in the opinion of the Directors, their fair value cannot be reliably measured using observable market data and their transaction price was nil.

As at 30 June 2014 and 31 December 2013, the Directors do not consider it probable that a claim will be made against these subsidiaries under any of the guarantees.

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Details of the Group's significant transactions and balances with the following related parties during the period are as follows:

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16. 或然負債

已發出之財務擔保

於二零一四年六月三十日及二零一三年十二月三十一日，本集團若干附屬公司已就本集團一家附屬公司獲授之售後租回安排下之融資租賃債務發出公司擔保。有關擔保將於租賃終止時到期。於二零一三年十二月三十一日，一家附屬公司已向一間銀行發出公司擔保，以擔保其中一家附屬公司獲授之一般信貸。由於董事認為有關擔保之公允值不能利用可觀察市場數據可靠地計量，且交易價格為零，故本集團並無就有關擔保確認任何遞延收入及有關開支。

於二零一四年六月三十日及二零一三年十二月三十一日，董事認為該等附屬公司根據任何該等擔保被提出申索之機會不大。

17. 關聯方交易及結餘

本集團於期內曾與以下關聯方進行重大交易及結餘，細節如下：

	At 30 June 2014 於二零一四年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2013 於二零一三年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Director:		
Balance due from the Group	141	141
Convertible bonds	-	116,800

董事：

應收本集團餘款
可換股債券

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17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES
(continued)

17. 關聯方交易及結餘(續)

		Six months ended 30 June	
		截至六月三十日止六個月	
		2014	2013
		二零一四年	二零一三年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Director:	董事:		
Convertible bonds interest	可換股債券利息	<u>3,465</u>	<u>5,536</u>
Related companies:	關聯公司:		
Sub-letting income	分租收入	<u>-</u>	<u>679</u>
Compensation of directors of the Group during the period are as follows:	期內本集團之董事報酬如下:		
Fees, salary and other short-term employee benefits	袍金、薪金及其他短期僱員福利	<u>3,796</u>	<u>3,786</u>
Pension scheme contributions	退休金計劃供款	<u>8</u>	<u>8</u>
		<u>3,804</u>	<u>3,794</u>

18. COMPARATIVE FIGURES

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

18. 比較數字

若干比較數字已重新分類，以符合本期間之呈列方式。

MANAGEMENT DISCUSSION AND ANALYSIS

For the period under review, the Group was principally engaged in lottery system and games development business and distribution and marketing of lottery products in China.

The Chinese lottery market comprises two lotteries, namely, the China Welfare Lottery and the China Sports Lottery. The Group provides services to both lotteries.

BUSINESS REVIEW AND PROSPECTS

Lottery Business

The Group's lottery business can be broadly divided into System and Games Development Business ("SGDB") and Distribution and Marketing Business ("DMB").

Turnover of the lottery business for the period increased by 9% to HK\$1,250,686,000 (2013: HK\$1,150,087,000), accounting for 100% of the total turnover. Profit before taxation arising from this segment recorded a growth of 21% to HK\$749,377,000 (2013: HK\$621,550,000).

Highlights of the first half of 2014

As of 30 June 2014, total lottery sales of the Chinese lottery market recorded a strong growth of 19% over the same period last year which once again showcased the solid demand and its growth potential of Chinese lottery market.

The Group sustained its track record of growth and consistently demonstrated its capability in improving results underpinned by a wide array of lottery services across the whole value chain of Chinese lottery market.

The Group's SGDB continued to deliver solid earnings. Welfare Computer Ticket Games ("CTG") business, the major contributor of our SGDB was able to benefit from a healthy market development characterized with a balanced product mix consisting of traditional national draw-based games and rapid growing regional high frequency games. Although market conditions remained challenging for scratch card products, our Welfare Scratch Card business was able to achieve continued growth and play a part in rejuvenating this sector with some fascinating new game designs.

Meanwhile, the Group's DMB achieved another record-breaking performance during the period under review. The Group's ongoing efforts to expand our strategic presence over the electronic lottery distribution channels are reaping the rewards. The Group's SMG business enjoyed an outstanding upsurge, reflecting a huge demand triggered by FIFA World Cup, and successfully maintained a leading position in this sector of the market. On the mobile front, the Group's Mobile Electronic Lottery Platform ("Mobile ELP") was making good progress in growing the number of users and prepared to accelerate its pace to tap into other provinces.

管理層討論及分析

於回顧期內，本集團主要於中國從事彩票系統與遊戲開發業務及彩票產品的配送與市場業務。

中國彩票市場有兩類彩票，即中國福利彩票及中國體育彩票。本集團同時為兩類彩票提供服務。

業務回顧及前景

彩票業務

本集團的彩票業務大致分為系統及遊戲開發業務（「系統及遊戲開發業務」）及配送與市場業務（「配送及市場業務」）。

彩票業務於期內的營業額增加9%至1,250,686,000港元（二零一三年：1,150,087,000港元），佔總營業額100%。該分部的除稅前溢利增長21%至749,377,000港元（二零一三年：621,550,000港元）。

二零一四年上半年亮點

於二零一四年六月三十日，中國彩票市場的彩票總銷售額與去年同期比較錄得19%強勁增長，再次顯示中國彩票市場需求殷實，增長潛力龐大。

本集團成功保持增長往績，一再證明本集團有能力透過於中國彩票市場整條價值鏈中提供各式各樣彩票服務提升業績。

本集團旗下系統及遊戲開發業務繼續取得穩固盈利。福彩電腦票為系統及遊戲開發業務的主要貢獻來源，其產品組合均衡，包括傳統全國性抽獎遊戲及增長迅速的地區性高頻遊戲，得以受惠於健康市場發展。儘管市況對即開票產品而言仍具挑戰性，然而，本集團的福利即開票業務推出多項具吸引力的新遊戲設計，得以取得持續增長，為此部分增添動力。

與此同時，本集團配送及市場業務的業績於回顧期內再創新高。本集團一直致力於策略性地進軍電子彩票配送渠道，現已取得成果。本集團的競彩業務迅猛發展，反映世界盃激發龐大需求，並成功保持在業界的領導地位。手機彩票方面，本集團的手機電子彩票平台（「手機電子彩票平台」）進展理想，用戶人數不斷上升，並已作好準備，加快步伐進軍其他省份。

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

During the first half of 2014, the Company successfully launched a convertible bond issuance of HK\$1.9 billion which once again demonstrated its ability to augment capital on the back of its robust financial performance. The convertible bond met with strong demand and was largely subscribed by high quality international institutional investors. The convertible bond issuance further enhanced the Group's financial resources for business development, paving the road to faster growth, both organically and through potential acquisitions or joint ventures on high growth segment in the industry, i.e. electronic lottery distribution channels.

The Group is pleased with this good set of results for the first half of this year. We have also made encouraging progress for the strategic plans in place that will drive our continued growth going forward.

Chinese Lottery Market

China's lottery market registered total lottery sales of RMB178.41 billion in the first six months of 2014, representing a growth of 19% over the same period of 2013.

During the period under review, total Welfare Lottery sales was RMB98.50 billion. Welfare CTG sales increased 14% to RMB70.96 billion, accounting for 72% of the total Welfare Lottery sales. Welfare Scratch Card sales increased 5% to RMB9.90 billion and Video Lottery Terminals ("VLT") sales grew by 28% to RMB17.64 billion. Sales of Welfare Scratch and VLT accounted for 10% and 17% of the total Welfare Lottery sales respectively.

In the first half of 2014, total Sports Lottery sales was RMB79.91 billion. Sales of Sports CTG, including Single Match Games ("SMG"), increased by 28% to RMB71.47 billion accounting for 91% of total Sports Lottery Sales. Sports Scratch Card sales was RMB8.44 billion, slightly dropped 2% over last year, accounted for 9% of the total Sports Lottery Sales.

System and Games Development Business

The Group's SGDB division is an active participant in the provision of lottery system and specialized equipments for both CTG and scratch card products in China. Our SGDB Division continued to deliver solid earnings during the period under review.

Welfare CTG Business

The Group's SGDB participates in the Welfare CTG business in China through Shenzhen Sinodata Technology Co Ltd ("Sinodata"). Sinodata is the leading lottery system and specialized equipment supplier for Welfare Lottery in China and has a long and proven track record of success in the field of lottery system and games development. During the period, Sinodata provided its professional services to 17 lottery provinces in China.

管理層討論及分析

(續)

於二零一四年上半年，本公司成功發行19億港元的可換股債券，在強勁財務表現支持下，再次展示其增強資本的能力。該等可換股債券需求甚殷，大部分由優質國際機構投資者認購。發行可換股債券進一步增強本集團的財務資源以供業務發展，同時透過內部發展及於業內高增長部分（即電子彩票配送渠道）的潛在收購或成立合營企業，為加快增長步伐鋪路。

於本年度上半年得此優秀成績，本集團深感欣喜。我們在推行既定策略性計劃方面取得令人鼓舞的進展，勢將進一步推動我們的持續增長。

中國彩票市場

中國彩票市場於二零一四年首六個月錄得的彩票總銷售額為人民幣1,784.1億元，較二零一三年同期增長19%。

於回顧期內，福利彩票總銷售額為人民幣985億元。福彩電腦票銷售額增加14%至人民幣709.6億元，佔福利彩票總銷售額72%。福彩即開票銷售額增加5%至人民幣99億元，中福在線（「中福在線」）銷售額則增長28%至人民幣176.4億元。福彩即開票及中福在線的銷售額分別佔福利彩票總銷售額的10%及17%。

於二零一四年上半年，體育彩票總銷售額為人民幣799.1億元。體彩電腦票（包括單場競猜遊戲（「競彩」））銷售額上升28%至人民幣714.7億元，佔體育彩票總銷售額91%。體彩即開票銷售額為人民幣84.4億元，較去年微跌2%，佔體育彩票總銷售額9%。

系統及遊戲開發業務

本集團的系統及遊戲開發業務積極為中國電腦票及即開票產品提供彩票系統及專用設備。於回顧期內，我們的系統及遊戲開發業務繼續帶來穩固盈利。

福彩電腦票業務

本集團的系統及遊戲開發業務透過深圳市思樂數據技術有限公司（「思樂」）從事中國福彩電腦票業務。思樂乃中國福利彩票領先的彩票系統及專用設備供應商，在彩票系統及遊戲開發領域擁有優良往績。期內，思樂在中國17個彩票省份提供專業服務。

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

In the first half of 2014, total sales of Welfare CTG market totaled RMB70.96 billion, reflecting an increase of 14% over the same period in 2013. It was an encouraging performance against the backdrop of a high base turnover in this sector recorded last year. National draw-based games and regional high frequency games, two well established categories of CTG products, together contributed a healthy market growth by offering attractive jackpot and instant amusement respectively to match different players' expectation. Following its expansion in the past two years, the high frequency games have fulfilled its objective to give a fresh impetus to the CTG market and developed itself into a product class that shares equal importance with traditional draw-based games. Capitalizing on the extensive service network of Sinodata with wide exposure to these two categories of CTG games, performance of the Group's Welfare CTG business and this market sector are closely aligned.

Over the past decade, Sinodata has been a trusted partner of lottery authorities in supporting the development of Welfare CTG. The integrity and reliability in lottery operations has always been our key to success. The Group will continue to devote resources to develop new technologies and related lottery solutions to reinforce its partnerships with the lottery authorities and maintain its leading position in the years ahead.

Welfare Scratch Card Business

The Group's SGDB involves in the validation and printing business of Welfare Scratch Cards in China. The Group has jointly controlled interests, through Beijing Guard Libang Technology Co Ltd ("Guard Libang"), in Welfare Scratch Cards validation services. Guard Libang is a 50:50 joint venture with Scientific Games Corporation ("Scientific Games"), the world's leading instant ticket system and games provider. Our strategic partnership with Scientific Games enables us to bring its expertise and technology know-how to the Scratch Cards market in China.

Through a cooperative venture with Shijiazhuang Offset Printing House, one of the three entities authorized to print for the Welfare Scratch Cards programs, the Group has involved in Welfare Scratch Cards printing business.

In the first half of 2014, total sales of Welfare Scratch Cards in the market saw a rebound after the decline in 2013, with turnover increased 5% to RMB9.90 billion. Performance of this sector in the market continued to be affected by the slowdown of new scratch card roll out and keen competition from other lottery games such as high frequency games, which offers similar instant excitement to players.

The Group's printing operations saw continued growth during the period despite the challenging market condition. We will continue to support the revitalization initiatives taken by lottery authorities by offering new concepts on game design helping to boost the attractiveness of new scratch cards to ignite interest among scratch card players.

管理層討論及分析

(續)

於二零一四年上半年，福彩電腦票市場的總銷售額合共為人民幣709.6億元，較二零一三年同期增加14%。此部分去年錄得龐大銷售額，與此高基數比較，期內表現令人雀躍。兩類發展成熟的電腦票產品—全國性抽獎遊戲及地區性高頻遊戲，前者累積獎金吸引，後者能夠提供即時娛樂，迎合不同彩民期望，雙雙促成市場健康增長。高頻遊戲經過兩年發展，現已達成目標，成為電腦票市場的新動力，晉身成為與傳統抽獎遊戲分庭抗禮的產品類別。思樂憑藉龐大的服務網絡，及於兩類電腦票遊戲的豐富經驗，本集團福彩電腦票業務的表現與此市場部分密不可分。

過去十年，思樂一直為彩票機關的可靠夥伴，支持福彩電腦票發展。誠與信一向為本集團彩票業務的成功關鍵。本集團將繼續投放資源發展新技術及相關彩票解決方案，藉此於往後年度鞏固與彩票機關的夥伴關係，維持其領導地位。

福彩即開票業務

本集團的系統及遊戲開發業務於中國參與福彩即開票的認證及印刷業務。透過北京戈德利邦科技有限公司（「戈德利邦」），本集團在福彩即開票的認證服務擁有共同控制權益。戈德利邦乃本集團與世界領先即開票系統及遊戲供應商Scientific Games Corporation（「Scientific Games」）的合營企業，雙方各佔百分之五十權益。本集團與Scientific Games的策略夥伴關係，使本集團可將其專業知識及技術引進中國即開票市場。

透過與石家莊市膠印廠（作為三家獲認可印刷福彩即開票廠家之一）訂立合作協議，本集團已參與福彩即開票印刷業務。

福彩即開票市場的總銷售額繼二零一三年下滑後，於二零一四年上半年有見回升，銷售額增加5%至人民幣99億元。此市場部分的表現繼續受新即開票推出放緩，以及與其他為玩家帶來類似即時刺激的彩票遊戲（如高頻遊戲）激烈競爭所影響。

期內，儘管面對極具挑戰的市場環境，本集團的印刷業務仍繼續錄得增長。我們將透過提供遊戲設計新意念，協助提高新即開票的吸引力，燃起即開票彩民的興趣，繼續支持彩票機關採取的振興措施。

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Sports CTG Business

The Group's Sports CTG business involved the manufacturing and sales of CTG terminals to provincial Sports Lottery Centres across China serving the needs of traditional CTG sector and supporting the development of SMG. The Group is one of the qualified Sports CTG terminal suppliers in the market and we continued to offer the latest model of CTG/SMG terminals during the period in order to meet the demand of terminal replacement cycle.

Distribution and Marketing Business

The Group's DMB is a major participant in the downstream lottery operations in China. It has successfully established a comprehensive distribution platform consists of a solid foundation of widely diversified and recognized physical retail network and a best-in-class portfolio of electronic lottery distribution channels.

We pledged to provide reliable, efficient and innovative lottery services to address the needs of end consumers in lottery market and assist lottery authorities to promote and develop the Chinese Lottery market in sustainable manner.

During the period under review, the Group's DMB achieved an exceptional performance, getting off to a very positive start in 2014, largely due to the one-off sales boots enjoyed by our SMG business driven by the FIFA World Cup.

Cooperation Distribution Business

The Group's cooperation distribution business focuses on the distribution and sales of scratch cards through a physical lottery distribution network located throughout the major provinces in China. Under the cooperative model, we establish strategic partnerships with channel partners, entities and organizations that already had a widely diversified and recognized sales network located in selected prime locations. Our channel partners principally comprise chains of convenience store and supermarket, grocery and pharmacy chains, gasoline stations and post office. To date, the Group's DMB is one of the largest distributors for scratch cards in terms of sales value and number of point-of-sales established.

In the first six months of 2014, the aggregate turnover of Welfare Scratch Card and Sports Scratch Card in the market was RMB18.34 billion, reflecting a flat growth versus the same period last year. In respond to the slowdown of scratch card market over the past two years, the Group set out to optimize its sales network during the second half of 2013. Taking into account of the ever fiercer competitive market landscape for scratch card products, our efforts to adapt the sales network to an evolving consumer spending habit were valuable as demonstrated by the noticeable improvement of its performance during the period. The Group is well positioned to seize opportunities and benefit from revitalization initiatives launched by lottery authorities.

管理層討論及分析

(續)

體彩電腦票

本集團的體彩電腦票業務參與製造及銷售電腦彩票機予國內各省的體育彩票中心，以滿足傳統電腦票業務所需及支持競彩業務發展。本集團為市場上其中一間合資格體育電腦彩票機供應商，於期內繼續提供最新型號的電腦票／競彩彩票機，迎合彩票機更換週期的需要。

配送及市場業務

本集團的配送及市場業務為中國下游彩票業務的主要參與者，已成功建立了全面的配送平台，當中包括一個多元化及具廣泛認可的實體零售網絡基礎，以及最佳的電子彩票配送渠道組合。

本集團致力提供可靠而具效益的創新彩票服務，以滿足中國彩票客戶的需要，並協助彩票機關以可持續方式促進中國彩票市場的發展。

於回顧期內，本集團的配送及市場業務表現優異，於二零一四年伊始即帶來極佳局面，主要由於競彩業務在世界盃帶動下錄得一次性銷售額急增所致。

合作配送業務

本集團的合作配送業務透過遍佈中國主要省份的實體彩票配送網絡，專注從事即開票配送與銷售。在該合作模式下，本集團與在特選優越地區已有多元化及廣泛認可銷售網絡的渠道夥伴、企業及機構建立策略性夥伴關係。本集團的渠道夥伴主要為連鎖便利店及超級市場、雜貨店及藥房連鎖以及加油站及郵局。時至今日，以銷售價值及已建銷售點數目計算，本集團的配送及市場業務已成為最大即開票配送商之一。

於二零一四年首六個月，福彩即開票及體彩即開票於市場上的總銷售額為人民幣183.4億元，與去年同期比較，增長持平。為應對即開票市場過去兩年放緩，本集團於二零一三年下半年着手優化其銷售網絡。鑑於即開票產品市場競爭加劇，本集團努力調整銷售網絡，適應客戶消費習慣轉變，因此，期內表現顯著改善，足證其努力的成果。本集團已作好準備，隨時握緊彩票機關推出振興措施帶來的機會及裨益。

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Single Match Games Business

The Group's SMG business is conducted through a comprehensive distribution network, consisting of franchised SMG shops located in 7 key provinces and online lottery distribution platform.

In the first half of 2014, SMG market registered a record-breaking sales of over RMB18 billion, representing a handsome year-on-year growth of 67%. This was mainly attributed to the huge demand triggered by the FIFA World Cup held in Brazil from June to July. The Group's SMG business was able to benefit from this exceptional growth through its comprehensive distribution network, in particular over the online lottery distribution platform.

2014 FIFA World Cup acted as a catalyst to fuel growth of SMG in China. A high degree of Internet and smart phone penetration helped to transform the global sporting event into a massive social event which has a huge amount of influence on buying habit of existing SMG players and introduced this lottery game to a group of newcomers. The convergence of World Cup and social media also allowed the lottery industry to reveal a large group of enthusiastic SMG players, consisting of white collar and young adult who are mainly in the age bracket between mid 20s to mid 30s and possess stronger spending power on lottery. Whilst strengthening the lottery experience for our existing customers, the Group has also exploited this terrific opportunity created by World Cup to devote significant efforts to engage and retain its new customers.

This shows again the Group's successful acquisition strategy for business expansion in the difficult years of 2010 and 2011. During 2011, the Group successfully branched out into electronic and online web lottery distribution through the acquisitions of various mobile and web based distribution companies, through variable interest equity structure, including the acquisition of a 60% controlling interest of 澳客之家(北京)科技股份有限公司 which operates www.okooo.com ("Okooo").

Through these strategic expansions, the Group has been able to build a very strong presence in the mobile and web distribution of lottery products in China. For instance, over the past two years, Okooo has successfully tripled its number of registered users. We believed that the Group's ongoing strategy to establish a strong online presence has proven to be highly successful.

Our Group's electronic lottery distribution platform enjoys strong brand recognition among lottery players in China, offering SMG players with comprehensive statistics database, handy gadget for game preview, forum for exchange of information and reliable transaction gateway. Our strong lottery distribution capability is also well recognized by major media group like People.cn which now has finalized a joint venture with Okooo. People.cn is the leading key news website in China constructed by People's Daily and one of the largest comprehensive Internet media on the Internet with a stable and extensive readers group. The Group believes such partnerships will enable Okooo to further strengthen its market position in the industry.

管理層討論及分析

(續)

單場竞猜遊戲業務

本集團透過全面配送網絡從事競彩業務。此配送網絡包括位於中國七個主要省份的競彩專門店及線上彩票配送平台。

於二零一四年上半年，競彩市場錄得破紀錄銷售額逾人民幣180億元，按年增長可觀，達67%。主要是由於世界盃於六至七月份在巴西舉行，激發龐大需求所致。本集團的競彩業務憑藉其全面配送網絡（尤其是線上彩票配送平台），得以受惠於此非凡增長。

世界盃2014為中國競彩增長的催化劑。互聯網及智能電話高度普及，有助將全球體育賽事化為社會大眾盛事，大大影響現有競彩彩民的購買習慣，並將此彩票遊戲推介予新玩家。世界盃與社交媒體相互結合，亦使彩票業得以發掘出大批熱衷於競彩的彩民，包括擁有較強彩票消費力的白領人士及主要屬介乎25至35歲年齡組群之青年。在豐富現有客戶的彩票體驗之餘，本集團亦藉世界盃得到絕佳機會，大力招徠並留住新客戶。

這再次說明了本集團在二零一零年和二零一一年艱難時期以成功的收購戰略把業務擴張。於二零一一年，本集團透過可變權益實體架構收購各種以移動端和網絡為基礎的配送企業，包括經營www.okooo.com的澳客之家(北京)科技股份有限公司(「澳客」)的60%控股權益，從而成功地涉足電子和線上網絡彩票配送的領域。

通過這些策略性擴張，本集團已能夠在中國移動和網絡彩票產品配送業務建立相當穩固的地位。例如，於過去兩年，澳客成功將登記用戶數目增加三倍。我們相信，本集團在線上確立深度參與的一貫策略經證實極為成功。

本集團的電子彩票配送平台品牌廣受中國彩民受落，為競彩彩民提供全面統計數據庫、方便的賽前分析工具、與其他玩家交流資訊的討論區以至可靠的交易系統。本集團於彩票配送方面的雄厚實力同時獲得大型媒體集團青睞，如人民網(people.cn)已與澳客組成合營企業。人民網由人民日報構建，為中國具領導地位的主要新聞網站，並為互聯網上最大型全面互聯網媒體之一，擁有穩定的廣大讀者群。本集團相信，有關夥伴關係可讓澳客進一步鞏固其於業內的市場地位。

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Mobile Lottery Business and Mobile Electronic Lottery Platform

The Group's traditional mobile lottery business provides subscribers with the latest lottery information and allows them to purchase CTG tickets through SMS text messaging. During the period, contribution from the SMS continued to diminish as most users of this traditional mobile channel had already migrated to the Group's Mobile ELP, utilizing mobile app to buy lottery tickets and receive latest lottery information.

In the light of the development of mobile communication with increasing penetration and advancement of mobile devices, the Group's DMB has developed and launched its Mobile ELP for Welfare Lottery since second half of 2012 which provides technological breakthrough to improve the accessibility of lottery products and creates an efficient channel for lottery authorities to remain in touch with players.

The Group's Mobile ELP offers a multi-functional back-end system with convenience interface to facilitate the lottery distribution of provincial lottery centers over the mobile channel. In terms of user experience, the Mobile ELP improves the convenience of lottery purchase by connecting the players directly to the centralized system of provincial lottery centre, enabling a safe and reliable lottery buying experience.

Outlook

Buoyed by the market development outlined above, Chinese lottery market has once again achieved a tremendous performance and reached new record of sales in the first half of 2014 which will bring a new set of opportunities to the industry.

Over the years, the Group has successfully diversified our businesses from provision of traditional lottery system and technologies to innovative lottery services over the digital space and enriched our operational capability in the aim to achieve sustainable growth and create long-term value for shareholders. We are extremely proud to have established such a solid foundation for the Group to further excel ourselves in the years ahead.

We believe electronic lottery distribution channels will bring transformational changes to the lottery industry in near future. Therefore, the Group will continue to focus on developments where it can further strengthen our foothold in these rapidly developing channels. The Group will consistently maintain its active and prudent management approach to invest in areas that will add value to the existing business and deliver operational synergies. Leveraging on the Group's major competitive strengths, we are well positioned to take advantage of the next wave of growth in the market.

管理層討論及分析

(續)

手機彩票業務及手機電子彩票平台

本集團的傳統手機彩票業務為用戶提供最新的彩票資訊，讓他們以短訊形式購買電腦票。期內，由於此傳統手機渠道的大部分用戶已轉移至本集團的手機電子彩票平台，可利用手機應用程式購買彩票及接收最新彩票資訊，因此，來自短訊的貢獻繼續減少。

鑑於手機通訊隨着滲透率提升及流動器材日新月異而不斷發展，本集團的配送及市場業務自二零一二年下半年起已為福利彩票開發及推出手機電子彩票平台，提供突破技術，提升彩票產品覆蓋率，為彩票機關創設有效渠道，與彩民保持聯繫。

本集團的手機電子彩票平台提供多功能後端系統，介面方便，有助各省彩票中心透過手機渠道配送彩票。用戶體驗方面，手機電子彩票平台令玩家可直接連結各省彩票中心的中央系統，購買彩票更為方便，而且安全可靠。

展望

得到上述市場發展之助，中國彩票市場再度取得豐碩成果，二零一四年上半年的銷售額再創新高，將為行業帶來眾多新機會。

多年來，本集團成功將業務多元化，由提供傳統彩票系統及技術擴展至於數位世界提供創新彩票服務，增強本集團營運實力，以期取得可持續增長並為股東締造長遠價值。能夠為本集團奠下堅實基礎，於未來再創佳績，我們深感自豪。

我們相信電子彩票配送渠道將於不久將來令彩票業出現重大變革。因此，本集團將繼續專注發展，冀能於有關快速發展的渠道進一步鞏固我們的地位。本集團將一如既往，採取積極而審慎的管理方針，投資於可為現有業務增值並為業務帶來協同效益的範疇。憑藉本集團的主要競爭優勢，我們隨時可於市場出現另一波增長時乘浪而上。

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

The strong participation among lottery players during the FIFA World Cup period perfectly illustrated the power of electronic lottery distribution channels. The success of World Cup has brought us opportunities mainly from two areas. Firstly, it has introduced SMG to a larger group of population who are the newcomers for this lottery product, creating opportunities for the Group to engage and retain them as casual players. Secondly, it has identified a group of potential lottery players who can hardly be discovered by the traditional physical channel since internet and mobile have been their preferred tool for buying lottery.

Unlike other draw-based lotteries in the market, SMG offers players with fun and excitement beyond simply a game of chance. Players are looking for information and insights regarding the sports events to facilitate their lottery buying decisions. Therefore, we have reiterated that electronic lottery distribution platform in particular through the use of internet on personal computer represent the ideal platform for the development of SMG.

Okooo has been a well established online lottery platform that enjoys strong brand recognition among SMG players in China with solid reputation for delivering reliable, smooth and unique lottery experience online. Nevertheless, there are growing opportunities for us to cultivate stronger relationships with a new group of potential SMG players in the market who are relative newcomers to SMG. Building on our immense expertise over online lottery distribution platform, we have adopted a collaboration strategy to drive expansion of our business. We have and will continue to join forces with leading players over the internet space who already acquired a solid customer base. They include leading internet portals, online gaming websites and other major official propaganda portals. This strategy not only offers us with reduced marketing costs and access to a larger group of cross-channel audience in the internet space, but also allows us to acquire and engage more potential customers while bringing added value to the customers of our partners.

Meanwhile, mobile technology is rapidly transforming lottery players' habit and the market landscape. For now, the Group's Mobile ELP has established a solid presence by providing its services for Welfare Lottery. We expect the industry will be stepping up initiatives to implement lottery distribution via mobile inspired by the widely use of mobile channel during the World Cup. In the light of such development, the Group has already undertaken considerable efforts to exploit our expertise on mobile lottery distribution to capture the emerging opportunities being identified on Sports Lottery.

管理層討論及分析

(續)

彩民於世界盃舉行期間熱烈參與，充份說明了電子彩票配送渠道的力量。世界盃的成功為我們帶來兩大方面的機遇。其一，為競彩引介大批初次接觸此彩票產品的民眾，讓本集團有機會招徠並留住他們，使其成為休閒玩家。其二，發掘出一批傳統實體渠道未能覆蓋的潛在彩民，因為互聯網及手機一直是他們購買彩票的首選工具。

有別於市場上其他抽獎式彩票，競彩為玩家提供純屬機會遊戲無法比擬的樂趣及刺激感。彩民需要有關體育賽事的資訊及分析，協助他們作出購買彩票的決定。因此，我們重申，電子彩票配送平台（尤其是透過個人電腦使用互聯網）誠為競彩發展的理想平台。

澳客作為發展成熟的線上彩票平台，品牌廣受中國競彩彩民推崇，以可靠、流暢及別具一格的線上彩票體驗聞名。然而，市場上機會不絕，可讓我們加強與對競彩認識不多的潛在競彩新彩民的關係。建基於本集團在線上彩票配送平台方面的豐富專業知識，我們已採取一項合作策略，以此推動業務拓展。我們已經並將繼續與於互聯網世界擁有廣大客戶基礎的領先業者合作。該等業者包括主導市場的門戶網站、線上遊戲網站及其他主要官方宣傳門戶網站。此策略不僅使本集團能以較低的市場推廣成本接觸更多互聯網跨渠道用戶，讓我們獲得及接觸更多潛在客戶，同時為夥伴的客戶增值。

與此同時，手機科技現正令彩民習慣及市場環境急速轉變。目前，本集團的手機電子彩票平台透過為福利彩票提供服務，於市場上穩佔席位。我們預期彩票行業將利用世界盃舉行期間廣泛應用手機渠道的經驗，進一步推行手機彩票配送。有鑑於此，本集團已投放相當資源，運用我們的手機彩票配送專長，把握體育彩票方面即將出現的機會。

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Separately from the general trend evolving over the internet and mobile network, the increased public awareness of lottery products has also created a perfect environment for financial institutions such as retail bank to play a part in supporting the growth of lottery market. The lottery and financial services industries have converged when the latter starts to offer value added services to their customers with innovative and convenient way to purchase lottery. In its attempt to promote the development of this new lottery distribution channel, the Group has participated in designing and provision of a comprehensive and specialized system solution for financial institutions to equip their various customer interfaces with lottery distribution functions, from ATMs and service counters at local branches to telephone and cyber banking portals. This solution serves as an intermediate unit by bridging the banking channels with existing lottery network and connecting them with the provincial lottery centers. Currently, the Group has already started the test run of the solution in 4 provinces and in cooperation with 7 major financial institutions in China. Going forward, we will continue to step up our efforts in building up our business network with provincial financial institutions as we believe the expansion of banking channel for lottery will be part of the maturing of China's electronic lottery distribution market as lottery players are seeking their preferred network.

While the Group has been successful over the years in establishing our lottery operations in China as one of the leading comprehensive lottery service providers, we have been reviewing our corporate strategy continuously in aim of diversifying our business coverage from the traditional lottery-centric operations to other potential peripheral business sectors with high growth potential on the one hand, and creating synergies to improve the efficiency and effectiveness of our lottery operations on the other hand. We believe this is a key step forward for the Group to diversify our business and further expand our horizons to maximize shareholders' value.

Looking to the future, innovation will remain as the key for us to stay ahead of competition to meet customers' expectation and distinguish ourselves to be the top performers from other average companies in the market. Development of new lottery products and evolution of lottery distribution channels will continue to drive industry growth accomplished by the marketing initiatives set out by the lottery authorities. These are the two important elements that will bring Chinese lottery market to the next level in future by expanding the size of lottery players, hence an increased lottery spending. Since these developments will give further impetus to the industry, we are confident that the Welfare and Sports Lotteries in China will continue to make significant contributions for the good causes which benefit the general public in China. As a major participant in China's lottery industry, supporting the ongoing development of lottery in China will always be at the heart of our mission and we intend to continue to play a vital role in this cause.

管理層討論及分析

(續)

除了互聯網及手機網絡上不斷演化的大趨勢外，大眾日益關注彩票產品亦為零售銀行等金融機構造就參與支持彩票市場增長的極佳環境。彩票與金融服務行業已密不可分，金融服務業現時開始為客戶提供增值服務，以創新便捷的方式購買彩票。本集團力圖促進此新彩票配送渠道發展，因而參與設計及提供金融機構專用的全面系統解決方案，讓金融機構不同的客戶介面，從各地分行的自動櫃員機及服務櫃位以至電話及銀行門戶網站均配備彩票配送功能。此解決方案作為中介單元，橋接銀行渠道與現有彩票網絡，再接通各省彩票中心。目前，本集團已開始於四個省份測試此解決方案，並與中國七家主要金融機構合作。未來，本集團將繼續加大力度建構與省級金融機構的業務網絡，我們相信，彩民正在搜尋喜愛的網絡，因此，開拓銀行彩票渠道將可令中國電子彩票配送市場更加成熟。

本集團雖然已於過往年度成功將旗下中國彩票業務打造成領先綜合彩票服務供應商之一，然而，我們亦一直檢討企業策略，旨在令旗下以傳統彩票為主的業務，得以多元化發展至覆蓋其他增長潛力龐大的潛在週邊業務部分，同時創造協同效益，提升各彩票業務的效益及成效。我們相信，此乃本集團多元化發展旗下業務，進一步開拓視野，提高股東價值的重要一步。

展望未來，創新仍然為本集團在競爭中保持領先的關鍵，可讓我們符合客戶期望，並從市場上芸芸公司中脫穎而出，成為頂尖業者。新彩票產品發展及彩票配送渠道演化，配合彩票機關推出市場推廣措施，將繼續推動行業增長。二者均為重要元素，有助擴大彩民規模，進而增加彩票消費，帶領中國彩票市場邁向未來新階段。有關發展將為行業更添動力，我們相信，中國福利及體育彩票將繼續對惠及中國普羅大眾的公益事業作出重大貢獻。作為中國彩票業的主要參與者，支持中國彩票業不斷發展一直都是本集團的要務，我們擬繼續為此發揮重要作用。

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

FINANCIAL REVIEW

Financial Results

For the six months ended 30 June 2014, the Group achieved an encouraging result. During the period, the Group recorded a turnover of HK\$1,250,686,000 (2013: HK\$1,150,087,000), representing an increase of 9% over the last year. The increase was attributable to the increase in turnover from the lottery business.

The unaudited profit attributable to equity shareholders of the Company was HK\$551,023,000 (2013: HK\$490,896,000). The earnings per share was 6.14 HK cents (2013: 5.80 HK cents). Fully diluted earnings per share was 5.64 HK cents (2013: 5.37 HK cents).

Liquidity, Financial Resources and Funding

At 30 June 2014, the equity attributable to equity shareholders of the Company amounted to HK\$6,912,871,000 as compared to HK\$5,964,020,000 at the end of the previous year.

At 30 June 2014, the Group had cash reserves of approximately HK\$2,551,178,000 (31 December 2013: HK\$1,146,266,000), which included approximately HK\$332,000 (31 December 2013: HK\$336,000) of clients' funds that were kept in designated segregated bank accounts.

In 2011 and 2012, the Company issued 6% convertible bonds due 2016 in principal amount of HK\$964,700,000 and HK\$429,000,000 respectively (together, the "2016 Convertible Bonds"). Each 2016 Convertible Bond will be convertible into fully paid ordinary shares of HK\$0.01 each (the "Shares") of the Company at the applicable conversion price of HK\$0.5800 per Share. The 2016 Convertible Bonds bear interest at the rate of 6% per annum payable semi-annually in arrears. During the period under review, conversion rights attached to the 2016 Convertible Bonds of HK\$282,800,000 in principal amount had been exercised by the holders thereof. As at 30 June 2014, the principal amount of the 2016 Convertible Bonds outstanding was HK\$683,000,000 (31 December 2013: HK\$965,800,000).

In April 2014, the Company entered into a subscription agreement whereby the Company agreed to issue up to HK\$1,900,000,000 in aggregate principal amount of 4.5% convertible bonds due 2019 (the "2019 Convertible Bonds"). During the period under review, the total issue size of the 2019 Convertible Bonds was HK\$1,600,000,000 in principal amount. Each 2019 Convertible Bond will be convertible into fully paid ordinary Shares of the Company at an initial conversion price of HK\$1.4070 per Share. The 2019 Convertible Bonds bear interest at the rate of 4.5% per annum payable semi-annually in arrears. During the period under review, there was no conversion of the 2019 Convertible Bonds into Shares by the bondholders and no redemption of the 2019 Convertible Bonds made by the Company. As at 30 June 2014, the principal amount of the 2019 Convertible Bonds outstanding was HK\$1,600,000,000.

管理層討論及分析

(續)

財務回顧

財務業績

截至二零一四年六月三十日止六個月，本集團之業績令人鼓舞。期內，本集團錄得營業額1,250,686,000港元（二零一三年：1,150,087,000港元），較去年上升9%。營業額上升是由於彩票業務營業額增加所致。

未經審核本公司權益股東應佔溢利為551,023,000港元（二零一三年：490,896,000港元）。每股盈利為6.14港仙（二零一三年：5.80港仙）。每股全面攤薄盈利為5.64港仙（二零一三年：5.37港仙）。

流動資金、財務資源及融資

於二零一四年六月三十日，本公司權益股東應佔權益為6,912,871,000港元，去年年終則為5,964,020,000港元。

於二零一四年六月三十日，本集團持有現金儲備約2,551,178,000港元（二零一三年十二月三十一日：1,146,266,000港元），包括存放於指定銀行獨立賬戶之客戶資金約332,000港元（二零一三年十二月三十一日：336,000港元）。

於二零一一年及二零一二年，本公司分別發行本金額964,700,000港元及429,000,000港元於二零一六年到期之6厘可換股債券（統稱「二零一六年可換股債券」）。每份二零一六年可換股債券將可按每股股份0.5800港元之適用轉換價轉換為本公司每股面值0.01港元之繳足普通股（「股份」）。二零一六年可換股債券按年利率6厘計息，利息須每半年期末支付。於回顧期內，二零一六年可換股債券持有人已行使本金額282,800,000港元之二零一六年可換股債券所附帶之轉換權。於二零一四年六月三十日，未獲轉換之二零一六年可換股債券之本金額為683,000,000港元（二零一三年十二月三十一日：965,800,000港元）。

於二零一四年四月，本公司訂立認購協議，據此，本公司同意發行本金總額最高為1,900,000,000港元於二零一九年到期之4.5厘可換股債券（「二零一九年可換股債券」）。於回顧期內，二零一九年可換股債券之總發行規模為本金額1,600,000,000港元。每份二零一九年可換股債券將可按每股股份1.4070港元之初步轉換價轉換為本公司繳足普通股。二零一九年可換股債券按年利率4.5厘計息，利息須每半年期末支付。於回顧期內，債券持有人並無將二零一九年可換股債券轉換為股份，而本公司亦無贖回二零一九年可換股債券。於二零一四年六月三十日，未獲轉換之二零一九年可換股債券之本金額為1,600,000,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

The gearing ratio as at 30 June 2014 was 28.42% (31 December 2013: 15.51%). The gearing ratio was derived by dividing the total borrowings including the convertible bonds, obligation under finance leases and bank borrowings of approximately HK\$2,058,498,000 by the amount of total equity. The liquidity ratio of the Group, represented by a ratio between current assets over current liabilities, was 1,361% (31 December 2013: 1,474%), reflecting adequacy of financial resources.

The Group had outstanding bank borrowings of approximately HK\$87,500,000 as at 30 June 2014 (31 December 2013: approximately HK\$70,656,000). The bank borrowings were denominated in Renminbi and interest bearing at prevailing commercial lending rates. The Group's land and building were pledged to secure the bank borrowings. It is expected that all these borrowings will be repaid by internal generated funds.

Taking into account the financial resources available to the Group including internally generated funds and available banking facilities, the Group has sufficient working capital to meet its present requirements.

Pledge of Assets

At 30 June 2014, the Group's land and building with total market value of approximately HK\$87,250,000 (31 December 2013: HK\$86,795,000) were pledged to banks to secure the bank borrowings granted to the Group.

Share Capital

106,000,000 new shares of HK\$0.01 each were issued and allotted during the period upon exercise of share options granted by the Company.

471,333,329 new shares of HK\$0.01 each were issued and allotted during the period upon exercise of conversion rights attached to the 2016 Convertible Bonds. Share premium increased by approximately HK\$293,525,000 accordingly.

20,125,000 shares of HK\$0.01 each were repurchased by the Company and cancelled during the period.

As at 30 June 2014, the total number of issued shares of the Company was 9,288,980,523. Save as disclosed above, there was no change in the Company's share capital structure during the period under review.

管理層討論及分析

(續)

於二零一四年六月三十日之負債比率為28.42% (二零一三年十二月三十一日: 15.51%)。負債比率為將借貸總額 (包括可換股債券、融資租賃債務及銀行借貸, 約為2,058,498,000港元) 除以權益總額。本集團以流動資產除以流動負債計算之流動資金比率為1,361% (二零一三年十二月三十一日: 1,474%), 反映財務資源充裕。

本集團於二零一四年六月三十日之未償還銀行借貸約為87,500,000港元 (二零一三年十二月三十一日: 約70,656,000港元)。銀行借貸以人民幣為單位, 並以現行商業貸款利率計息。本集團之土地及樓宇已作抵押, 作為銀行借貸之擔保。上述所有借貸預期將以內部資金償還。

連同本集團可動用之財務資源, 包括內部資金及可動用銀行信貸, 本集團具備充足營運資金應付現時之需要。

資產抵押

於二零一四年六月三十日, 本集團總市值約87,250,000港元 (二零一三年十二月三十一日: 86,795,000港元) 之土地及樓宇已抵押予銀行, 作為本集團獲授銀行借貸之擔保。

股本

因本公司授出之購股權獲行使, 本公司於期內發行及配發106,000,000股每股面值0.01港元之新股份。

因二零一六年可換股債券所附帶之轉換權獲行使, 本公司於期內發行及配發471,333,329股每股面值0.01港元之新股份。股份溢價因而增加約293,525,000港元。

本公司於期內購回及註銷20,125,000股每股面值0.01港元之股份。

於二零一四年六月三十日, 本公司之已發行股份總數為9,288,980,523股。除上文所披露者外, 本公司之股本架構於回顧期內並無變動。

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

2016 Convertible Bonds

The Company issued the 2016 Convertible Bonds in 2011 and 2012 respectively which shall, upon conversion, be convertible into fully paid Shares at an initial conversion price of HK\$0.6175 per Share. Pursuant to the adjustment provisions in the terms and conditions of the 2016 Convertible Bonds, (i) adjustment has been made to the conversion price of the 2016 Convertible Bonds from HK\$0.6175 per Share to HK\$0.6100 per Share with effect from 19 June 2013 as a result of the approval and declaration of the final dividend for the year ended 31 December 2012; (ii) further adjustment has been made to the conversion price of the 2016 Convertible Bonds from HK\$0.6100 per Share to HK\$0.6000 per Share with effect from 31 October 2013 as a result of the declaration of the interim dividend for the six months ended 30 June 2013; and (iii) further adjustment has been made to the conversion price of the 2016 Convertible Bonds from HK\$0.6000 per Share to HK\$0.5800 per Share with effect from 19 June 2014 as a result of the approval and declaration of the final dividend for the year ended 31 December 2013.

During the period under review, conversion rights attached to the 2016 Convertible Bonds of HK\$282,800,000 in principal amount had been exercised by the holders thereof. As at 30 June 2014, the principal amount of the 2016 Convertible Bonds outstanding was HK\$683,000,000. The 2016 Convertible Bonds are currently listed on the Singapore Exchange Securities Trading Limited.

As at the date hereof, the principal amount of the 2016 Convertible Bonds remaining outstanding is HK\$678,000,000. Each 2016 Convertible Bond will be convertible into fully paid Shares at an applicable conversion price of HK\$0.5800 per Share upon conversion.

Pursuant to the terms and conditions of the 2016 Convertible Bonds, the Company may at any time after 28 September 2014 and prior to the maturity date of the 2016 Convertible Bonds, and subject to the provisions of the terms and conditions thereof, redeem in whole, or in part, the 2016 Convertible Bonds for the time being outstanding at their principal amount together with interest accrued to the date fixed for redemption. The Board will consider the circumstances and may redeem the 2016 Convertible Bonds as and when appropriate.

管理層討論及分析

(續)

二零一六年可換股債券

本公司分別於二零一一年及二零一二年發行二零一六年可換股債券，於轉換時可按每股股份0.6175港元之初步轉換價轉換為繳足股份。根據二零一六年可換股債券之條款及條件內之調整條文，(i)由於批准及宣派截至二零一二年十二月三十一日止年度之末期股息，二零一六年可換股債券之轉換價由每股股份0.6175港元調整至每股股份0.6100港元，自二零一三年六月十九日起生效；(ii)由於宣派截至二零一三年六月三十日止六個月之中期股息，二零一六年可換股債券之轉換價由每股股份0.6100港元進一步調整至每股股份0.6000港元，自二零一三年十月三十一日起生效；及(iii)由於批准及宣派截至二零一三年十二月三十一日止年度之末期股息，二零一六年可換股債券之轉換價由每股股份0.6000港元進一步調整至每股股份0.5800港元，自二零一四年六月十九日起生效。

於回顧期內，二零一六年可換股債券持有人已行使本金額282,800,000港元之二零一六年可換股債券所附帶之轉換權。於二零一四年六月三十日，未獲轉換之二零一六年可換股債券之本金額為683,000,000港元。二零一六年可換股債券現時於新加坡證券交易所上市。

於本報告日期，仍未獲轉換之二零一六年可換股債券之本金額為678,000,000港元。每份二零一六年可換股債券於轉換時可按每股股份0.5800港元之適用轉換價轉換為繳足股份。

根據二零一六年可換股債券之條款及條件，本公司可於二零一四年九月二十八日後至二零一六年可換股債券到期日前，隨時按本金額（連同累計至所定贖回日之利息）贖回全部或部分當時未獲轉換之二零一六年可換股債券，惟須受限於當中條款及條件之規定。董事會將視乎情況，考慮在適當時候贖回二零一六年可換股債券。

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Issue of 2019 Convertible Bonds

On 9 April 2014, the Company entered into a subscription agreement with Daiwa Capital Markets Hong Kong Limited and Merrill Lynch Far East Limited whereby the Company agreed to issue up to HK\$1,900,000,000 in aggregate principal amount of 4.5% convertible bonds due 2019 at the issue price of 100% of the principal amount thereof. The 2019 Convertible Bonds shall, upon conversion, entitle the holders thereof to subscribe for the Shares at an initial conversion price of HK\$1.4070 per Share.

As at 30 June 2014, the total issue size of the 2019 Convertible Bonds was HK\$1,600,000,000 in principal amount, comprising:

- 1) Firm Bonds of HK\$1,200,000,000 in principal amount issued on 17 April 2014; and
- 2) Option Bonds of HK\$400,000,000 in principal amount issued on 17 April 2014.

The total gross proceeds from the issue of the 2019 Convertible Bonds during the period under review were HK\$1,600,000,000, which shall be used to finance the Group's business expansion through organic growth and potential joint ventures and acquisition opportunities that may arise in the future and for general corporate and working capital needs.

Subsequent to the period end date, VC Bonds of HK\$300,000,000 in principal amount were issued on 8 July 2014, bringing the total issue size of the 2019 Convertible Bonds to HK\$1,900,000,000 in principal amount.

The 2019 Convertible Bonds are currently listed on the Singapore Exchange Securities Trading Limited. Details of the issue of the 2019 Convertible Bonds and the principal terms thereof are set out in the Company's announcements dated 10 April 2014, 17 April 2014, 13 May 2014 and 8 July 2014 respectively, and the Company's circular dated 23 May 2014.

There was no movement in the 2019 Convertible Bonds since issuance and during the period under review.

管理層討論及分析

(續)

發行二零一九年可換股債券

於二零一四年四月九日，本公司與大和資本市場香港有限公司及美林遠東有限公司訂立認購協議，據此，本公司同意按二零一九年可換股債券本金額100%之發行價發行本金總額最高為1,900,000,000港元於二零一九年到期之4.5厘可換股債券。於轉換時，二零一九年可換股債券持有人有權按每股股份1.4070港元之初步轉換價認購股份。

於二零一四年六月三十日，二零一九年可換股債券之總發行規模為本金額1,600,000,000港元，包括：

- 1) 於二零一四年四月十七日發行本金額為1,200,000,000港元之實發債券；及
- 2) 於二零一四年四月十七日發行本金額為400,000,000港元之增發債券。

於回顧期內，發行二零一九年可換股債券之所得款項總額為1,600,000,000港元，將用於提供資金，支持本集團藉內部增長及在日後出現機會時組織合營企業及進行收購，以擴張業務，並將用作一般企業及營運資金。

於本期間結算日後，本金額300,000,000港元之陳先生債券已於二零一四年七月八日發行，令二零一九年可換股債券之總發行規模達致本金額1,900,000,000港元。

二零一九年可換股債券現時於新加坡證券交易所上市。發行二零一九年可換股債券之詳情及其主要條款分別載於本公司日期為二零一四年四月十日、二零一四年四月十七日、二零一四年五月十三日及二零一四年七月八日之公布及本公司日期為二零一四年五月二十三日之通函內。

自發行後及於回顧期內，二零一九年可換股債券並無任何變動。

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Exposure to Exchange Rate Risk and Interest Rate Risk

The Group's assets, liabilities and transactions are mainly denominated either in Hong Kong dollar or Renminbi. The Group did not enter into any foreign exchange forward contracts to hedge against exchange rates fluctuations. Foreign exchange risk arising from the normal course of operations is considered to be minimal and the management will closely monitor the fluctuation in the currency and take appropriate actions when condition arises.

In terms of the interest rate risk exposures, the Group does not have any significant interest rate risk as the interest rates currently remain at low levels.

Acquisitions and Disposals of Subsidiaries

The Group had no material acquisition and disposal of subsidiaries during the six months ended 30 June 2014.

Human Resources

At 30 June 2014, the Group had 1,433 employees.

The Group remunerated its employees mainly based on the individual's performance and experience. Apart from the basic remuneration, discretionary bonus and share options may be granted to eligible employees by reference to the Group's performance as well as the individual's performance.

The Group will continue to emphasise on staff training and total quality management to better prepare its staff members for the upcoming changes and challenges in the market and industry.

管理層討論及分析

(續)

匯率風險及利率風險

本集團之資產、負債及交易主要以港元或人民幣計算。本集團並無訂立任何外匯遠期合約以對沖匯率波動。在一般業務過程中，外匯風險極微，惟管理層將密切監察貨幣波動情況，並於有需要時採取適當行動。

於利率風險方面，由於現時利率維持於低水平，故本集團並無任何重大利率風險。

收購及出售附屬公司

於截至二零一四年六月三十日止六個月內，本集團並無重大收購及出售附屬公司。

人力資源

於二零一四年六月三十日，本集團共有1,433名僱員。

本集團主要按個別員工之表現及經驗釐定僱員薪酬。除基本薪酬外，本集團亦會按本集團業績表現及個別員工表現向合資格僱員發放酌情花紅及授出購股權。

本集團將繼續重視員工培訓及全面品質管理，使員工能作好充分準備，面對市場及行業未來之轉變及挑戰。

OTHER INFORMATION

其他資料

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

As at 30 June 2014, the interests or short positions of the Directors and chief executives in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Long position in the ordinary shares of HK\$0.01 each ("Shares") and underlying Shares in the Company

Name of Director	Nature of interest	Number of Shares held
董事姓名	權益性質	所持股份數目

Chan How Chung, Victor	Interests of controlled corporation	1,425,206,488 (Note A)
陳孝聰	受控制公司權益	(附註A)

Notes:

- A. Among these Shares, 1,127,065,711 Shares are held by Keen Start Limited and 298,140,777 Shares are held by Kingly Profits Corporation. Both Keen Start Limited and Kingly Profits Corporation are indirectly wholly owned by Mr Chan How Chung, Victor.
- B. On 12 April 2014, Kingly Profits Corporation has agreed to purchase and is therefore deemed to be interested in 213,219,616 underlying Shares to be derived from the convertible bonds in the aggregate principal amount of HK\$300,000,000 at the applicable conversion price of HK\$1.4070 per Share. The said convertible bonds has been issued by the Company on 8 July 2014.

Save as disclosed above, as at 30 June 2014, none of the Directors or chief executives had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

董事及主要行政人員之權益

於二零一四年六月三十日，董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中擁有根據證券及期貨條例第352條須記錄在本公司存置之名冊上之權益或淡倉，或根據上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益或淡倉如下：

於本公司每股面值0.01港元普通股（「股份」）及相關股份之好倉

Number of underlying Shares held	Total	Percentage of issued share capital
所持相關股份數目	總計	佔已發行股本百分比

213,219,616 (Note B)	1,638,426,104	17.64%
(附註B)		

附註：

- A. 於該等股份中，1,127,065,711股股份由Keen Start Limited持有及298,140,777股股份由Kingly Profits Corporation持有。Keen Start Limited及Kingly Profits Corporation均由陳孝聰先生間接全資擁有。
- B. 於二零一四年四月十二日，Kingly Profits Corporation同意購買並因而被視為於213,219,616股相關股份中擁有權益，該等相關股份產生自本金總額300,000,000港元之可換股債券（按每股股份1.4070港元之適用轉換價計算）。上述可換股債券於二零一四年七月八日由本公司發行。

除上文所披露者外，於二零一四年六月三十日，董事或主要行政人員概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中擁有記錄在根據證券及期貨條例第352條須存置之名冊上之任何權益或淡倉，或根據標準守則須知會本公司及聯交所之任何權益或淡倉。

OTHER INFORMATION

(continued)

SHARE OPTIONS

The movements in share options granted under the share option scheme adopted by the Company on 28 June 2012 (the "2012 Scheme") during the six months ended 30 June 2014 are shown below:

2012 Scheme

Category of participant 參與人士類別	Number of options 購股權數目				At 30 June 2014 於二零一四年 六月三十日	Date of offer to grant options 授出購股權 要約日期	Exercise price per Share 每股 股份行使價 (HK\$) (港元)	Exercisable period 行使期
	At 1 January 2014 於二零一四年 一月一日	Granted during the period 期內授出	Exercised during the period 期內行使	Lapsed during the period 期內失效				
Employees 僱員	6,000,000	-	(6,000,000) ¹	-	-	04/02/2013	0.680	05/02/2013 - 03/02/2015
	-	102,000,000	(100,000,000) ²	-	2,000,000	07/01/2014	1.090	13/01/2014 - 06/01/2016
Total 總計	<u>6,000,000</u>	<u>102,000,000</u>	<u>(106,000,000)</u>	<u>-</u>	<u>2,000,000</u>			

Remarks:

- 1 The weighted average closing price of the Shares immediately before the date on which the options were exercised was HK\$1.1283.
- 2 The weighted average closing price of the Shares immediately before the date on which the options were exercised was HK\$1.0998.

At 30 June 2014, no Director had any interests in options to subscribe for Shares.

During the six months ended 30 June 2014, 102,000,000 number of share options were granted under the 2012 Scheme. The closing price of the Shares on 6 January 2014, being the trading date immediately before the date of offer to grant of such options was HK\$1.08.

The fair value of options granted during the period as determined by using the Black-Scholes Option Pricing Model was approximately HK\$7,206,012. Key assumptions used in the valuation of the options granted on 7 January 2014 include an expected volatility of share price of 41.02% per annum, and a risk-free rate of interest of 0.10% per annum on the date of grant. The expected volatility is based on the historical volatility of the Company's share price over the previous year.

其他資料

(續)

購股權

於截至二零一四年六月三十日止六個月內根據本公司於二零一二年六月二十八日採納之購股權計劃(「二零一二年計劃」)授出之購股權變動列示如下:

二零一二年計劃

Category of participant 參與人士類別	Number of options 購股權數目				At 30 June 2014 於二零一四年 六月三十日	Date of offer to grant options 授出購股權 要約日期	Exercise price per Share 每股 股份行使價 (HK\$) (港元)	Exercisable period 行使期
	At 1 January 2014 於二零一四年 一月一日	Granted during the period 期內授出	Exercised during the period 期內行使	Lapsed during the period 期內失效				
Employees 僱員	6,000,000	-	(6,000,000) ¹	-	-	04/02/2013	0.680	05/02/2013 - 03/02/2015
	-	102,000,000	(100,000,000) ²	-	2,000,000	07/01/2014	1.090	13/01/2014 - 06/01/2016
Total 總計	<u>6,000,000</u>	<u>102,000,000</u>	<u>(106,000,000)</u>	<u>-</u>	<u>2,000,000</u>			

註:

- 1 緊接購股權獲行使日期前，股份之加權平均收市價為1.1283港元。
- 2 緊接購股權獲行使日期前，股份之加權平均收市價為1.0998港元。

於二零一四年六月三十日，概無董事於可認購股份之購股權中擁有任何權益。

於截至二零一四年六月三十日止六個月內，根據二零一二年計劃，102,000,000份購股權獲授出。股份於二零一四年一月六日(即緊接要約授出該等購股權日期前之交易日)之收市價為1.08港元。

期內授出之購股權之公允值乃使用布力克-舒爾茨期權定價模型釐定，約為7,206,012港元。就二零一四年一月七日授出之購股權估值時所採用之主要假設包括授出當日股價之預期波幅每年41.02%以及無風險利率每年0.10%。預期波幅乃按本公司股價於過去一年之歷史波幅釐定。

OTHER INFORMATION

(continued)

其他資料

(續)

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2014, the interests or short positions of the following parties (other than a director or chief executive of the Company) in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

主要股東權益

於二零一四年六月三十日，按本公司根據證券及期貨條例第336條須存置之登記冊所載，下列各方（除本公司董事或主要行政人員外）於本公司股份或相關股份中擁有之權益或淡倉如下：

Long position in the Shares and underlying Shares in the Company

於本公司股份及相關股份之好倉

Name of Shareholder	Nature of interest	Number of Shares held	Number of underlying Shares held	Total	Percentage of issued share capital
股東名稱／姓名	權益性質	所持股份數目	所持相關股份數目	總計	佔已發行股本百分比
Keen Start Limited	Beneficial owner 實益擁有人	1,127,065,711 (L) (Note A) (附註A)	–	1,127,065,711 (L)	12.13% (L)
Discovery Capital Management, LLC	Investment manager 投資經理	517,550,943 (L)	160,323,887 (L)	677,874,830 (L)	7.30% (L)
Citrone Robert	Interest of controlled corporation 受控制公司權益	433,725,000 (L)	242,914,980 (L)	676,639,980 (L)	7.28% (L)
Capital Research and Management Company	Investment manager 投資經理	677,129,500 (L)	–	677,129,500 (L)	7.29% (L)
Mutual Fund Elite	Custodian corporation/ approved lending agent 託管公司／認可借貸代理	567,732,497 (L)	–	567,732,497 (L)	6.11% (L)
Discovery Global Opportunity Master Fund, Ltd.	Beneficial owner 實益擁有人	332,882,901 (L)	193,665,892 (L)	526,548,793 (L)	5.67% (L)
Morgan Stanley	Interest of controlled corporation 受控制公司權益	514,893,676 (L) 388,438,534 (S)	5,825,000 (L) 1,550,000 (S)	520,718,676 (L) 389,988,534 (S)	5.61% (L) 4.20 (S)
Kingly Profits Corporation	Beneficial owner 實益擁有人	298,140,777 (L) (Note B) (附註B)	213,219,616 (L) (Note B) (附註B)	511,360,393 (L)	5.51% (L)

Remarks: (L) – Long Position, (S) – Short Position

註：(L) – 好倉、(S) – 淡倉

Notes:

附註：

A. These Shares are held by Keen Start Limited as beneficial owner. Keen Start Limited is wholly owned by Smart Ease Corporation, which in turn, is wholly owned by Mr Chan How Chung, Victor. The interest disclosed herein was included in the interest of Mr Chan How Chung, Victor as disclosed in the section under “Interests of Directors and Chief Executives” in this report.

A. 該等股份由Keen Start Limited作為實益擁有人持有。Keen Start Limited由Smart Ease Corporation全資擁有，而Smart Ease Corporation由陳孝聰先生全資擁有。誠如本報告「董事及主要行政人員之權益」一節所披露，於此披露之權益計入陳孝聰先生之權益內。

B. These Shares and underlying Shares are held by Kingly Profits Corporation as beneficial owner. Kingly Profits Corporation is wholly owned by Smart Ease Corporation, which in turn, is wholly owned by Mr Chan How Chung, Victor. The interest disclosed herein was included in the interest of Mr Chan How Chung, Victor as disclosed in the section under “Interests of Directors and Chief Executives” in this report.

B. 該等股份及相關股份由Kingly Profits Corporation作為實益擁有人持有。Kingly Profits Corporation由Smart Ease Corporation全資擁有，而Smart Ease Corporation由陳孝聰先生全資擁有。誠如本報告「董事及主要行政人員之權益」一節所披露，於此披露之權益計入陳孝聰先生之權益內。

Save as disclosed above, the register required to be kept under Section 336 of the SFO shows that as at 30 June 2014, the Company had not been notified of any other person who had an interest or short position in the shares or underlying shares of the Company.

除上文所披露者外，根據證券及期貨條例第336條須存置之登記冊所顯示，於二零一四年六月三十日，本公司並無獲知會任何其他人士於本公司股份或相關股份中擁有權益或淡倉。

OTHER INFORMATION

(continued)

INTERIM DIVIDEND

The Board has declared an interim dividend of 2.30 HK cents per share for the six months ended 30 June 2014 (2013: 1.70 HK cents per share). The interim dividend will be payable in scrip form with a cash alternative to shareholders whose names appear on the register of members of the Company on 31 October 2014. A circular giving full details of the interim scrip dividend and the election form will be sent to shareholders as soon as practicable. Payment of the scrip dividend is conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the new shares to be issued as the scrip dividend. Share certificates for the scrip shares and/or dividend warrants are expected to be sent to shareholders on or around 10 December 2014.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 30 October 2014 to Friday, 31 October 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 transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 29 October 2014.

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

During the six months ended 30 June 2014, the Company repurchased a total of 20,125,000 ordinary shares on the Stock Exchange at an aggregate consideration of HK\$15,837,500 pursuant to the general mandate granted by the shareholders of the Company at the annual general meeting held on 11 June 2013. Details of the repurchases of shares were as follows:

Month/Year	Total number of ordinary shares repurchased	Repurchase consideration per Share		Aggregate consideration (expenses excluded) 總代價 (不包括開支)
		Highest 最高	Lowest 最低	
年/月	所購回 普通股總數	每股股份購回代價		HK\$ 港元
May 2014 二零一四年五月	20,125,000	0.79	0.78	15,837,500

All the repurchased shares were cancelled during the period and the issued share capital of the Company was reduced by the par value thereof. The above repurchases were effected with a view to benefit shareholders of the Company as a whole in enhancing the net assets and earnings per share of the Company.

其他資料

(續)

中期股息

董事會已宣派截至二零一四年六月三十日止六個月之中期股息每股2.30港仙(二零一三年:每股1.70港仙)。中期股息將採用以股代息方式派發予於二零一四年十月三十一日名列本公司股東名冊之股東,彼等亦可選擇收取現金。載有以股代息派發中期股息全部詳情之通函及選擇表格將於實際可行情況下儘快寄發予股東。採用以股代息方式派發股息須待聯交所上市委員會批准將予發行作為代息股份之新股份上市及買賣後,方可作實。代息股份股票及/或股息單預期於二零一四年十二月十日或前後寄發予股東。

暫停辦理股份過戶登記手續

本公司將於二零一四年十月三十日(星期四)至二零一四年十月三十一日(星期五)(包括首尾兩日)暫停辦理股份過戶登記手續,期間概不會進行本公司股份過戶登記。凡欲獲派中期股息者,須於二零一四年十月二十九日(星期三)下午四時三十分前,將所有過戶文件連同有關股票送交本公司股份過戶登記處香港分處卓佳標準有限公司(地址為香港皇后大道東183號合和中心22樓)辦理登記。

買賣或贖回本公司上市證券

於截至二零一四年六月三十日止六個月內,本公司根據本公司股東於二零一三年六月十一日舉行之股東週年大會上授出之一般授權,以總代價15,837,500港元於聯交所合共購回20,125,000股普通股。有關股份回購之詳情如下:

所有購回之股份已於期內註銷,而本公司之已發行股本乃按有關面值而作扣減。進行以上購回旨在透過提高本公司之每股淨資產及盈利而令本公司股東整體獲益。

OTHER INFORMATION

(continued)

Save as disclosed above, there was no purchase, sale or redemption by the Company or any of its subsidiaries of any listed securities of the Company during the period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following specific enquiries by the Company, that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2014.

AUDIT COMMITTEE

The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the unaudited interim financial statements for the six months ended 30 June 2014.

CORPORATE GOVERNANCE

None of the Directors is aware of any information which would reasonably indicate that the Company is not, or was not, throughout the six months period, in compliance with the code provisions (the "Code Provision(s)") under the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, except the following deviations:

Under the Code Provision A.2.1, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. The Company does not at present have a Chairman nor a Chief Executive. Nevertheless, the main duties and responsibilities of a Chairman and a Chief Executive are currently held by separate individuals with written guidelines for the division of responsibilities with a view to maintain an effective segregation of duties between the management of the Board and the day-to-day management of the Group's business and operations. The Company will continue to review the effectiveness of the Group's corporate governance structure and consider the appointment of a Chairman of the Board and a Chief Executive if candidates with suitable leadership, knowledge, skills and experience can be identified within or outside the Group.

Under the Code Provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. Currently, the independent non-executive Directors are not appointed for a specific term, but are subject to retirement by rotation at the Company's annual general meeting as specified in the Company's bye-laws.

By order of the Board

Chan How Chung, Victor
Executive Director

Hong Kong, 28 August 2014

其他資料

(續)

除以上所披露者外，本公司或其任何附屬公司於期內概無買賣或贖回本公司任何上市證券。

董事進行證券交易之標準守則

本公司已採納上市規則附錄10所載之標準守則，作為董事進行證券交易之準則。經本公司作出明確查詢後，全體董事均已確認彼等已於截至二零一四年六月三十日止六個月內一直遵守標準守則所規定之標準。

審核委員會

審核委員會已會同管理層審閱本集團採納之會計原則及慣例，並討論內部監控及財務申報事宜，包括審閱截至二零一四年六月三十日止六個月之未經審核中期財務報表。

企業管治

董事概不知悉任何資料合理顯示，本公司現時或曾於六個月期內之任何時間未有遵守上市規則附錄14所載之企業管治守則之守則條文（「守則條文」），惟有以下偏離：

根據守則條文A.2.1條，主席及行政總裁之角色應予以區分，且不應由同一人擔任。主席及行政總裁之責任應作清晰區分，並以書面載列。本公司目前並無主席或行政總裁。然而，為繼續有效區分董事會管理與本集團業務及營運之日常管理職責，主席及行政總裁之主要職務及責任目前由獨立之個別人士根據有關區別責任之書面指引擔任。本公司將繼續檢討本集團企業管治架構之成效，並考慮於本集團內部或以外物色具備合適領導才能、知識、技能及經驗之人選分別擔任董事會主席及行政總裁職位。

根據守則條文A.4.1條，非執行董事應按指定任期委任並須重選。現時，獨立非執行董事並無指定任期，惟須按本公司之公司細則所指定於本公司之股東週年大會上輪值告退。

承董事會命

執行董事
陳孝聰

香港，二零一四年八月二十八日