



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

擴展  
Expanding  
New  
Future  
2015  
Interim Report  
新未來  
中期報告



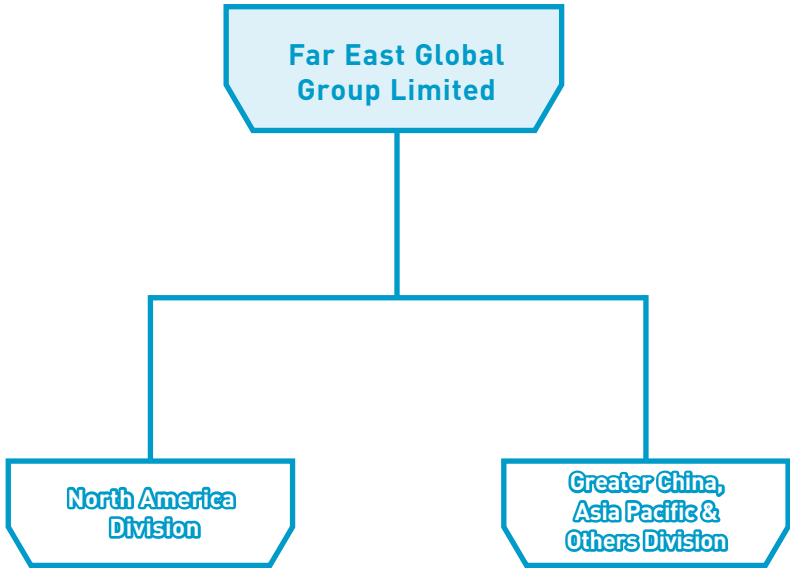
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# Corporate Structure



# 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

# 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](http://www.fareastglobal.com)

## **FINANCIAL CALENDAR**

### **Interim Results Announcement**

12 August 2015

### **Closure of register of members**

10-11 September 2015  
(both days inclusive)

### **Interim Dividend Payable**

5 October 2015

# Chairman's Statement

In the first half of 2015, Far East Global Group Limited and its subsidiaries (collectively referred to as the "Group") saw orderly implementation of group strategies, refined and innovated management and governance policies. Its curtain wall business grew steadily, whereas its general contracting business progressed well. Milestone achievements had also been made in the strategic implementation of its investment business. Meanwhile, the Group accomplished strategic governance targets with the creation of a regional management platform and a decision-making committee for significant operational matters. As a result, the Group laid a solid foundation for improving operating results and optimizing business structure.

## RESULTS

During the six months ended 30 June 2015, the Group's principal activities recorded a revenue of HK\$963 million, representing a year-on-year increase of 32.8%; profit attributable to the owners of the Company was HK\$49 million, representing a year-on-year increase of 21.3%; and earnings per share was HK2.27 cents, representing a year-on-year increase of 21.3%. The Board of Directors has declared the payment of an interim dividend of HK0.6 cent per share for the six months ended 30 June 2015 (2014: HK0.5 cent per share), a 20% increase over the same period last year.

## BUSINESS REVIEW

### Market conditions

In the first half of 2015, the economy maintained moderate growth in the United States, significantly bolstering market confidence. In Hong Kong, the economic conditions were relatively stable. In Europe, economic growth suffered a setback due to the Greek debt crisis. In Mainland China, the economy maintained a healthy growth rate, but such growth rate slowed down due to many factors including the transformation of economy's structure.

In line with the overall economic conditions, the construction market in North America had a steady recovery. The Group was also faced with more growth opportunities. During the period, the Group successfully bid for the MGM Hotel Project, Maryland, United States; and the PARQ Casino Project, Vancouver, Canada. The Group also continued the negotiation on premium projects with favorable commercial terms and high profit margin.

## Chairman's Statement (Continued)

In 2015, the Group continued to appoint a number of its core staff members at headquarters to key positions to assist with the Company's operation and management. In the first half of 2015, indicators for North America showed a significant improvement as compared against last year. Among which, the value of newly awarded contracts amounted to HK\$509 million, which was 1.1 times that of the same period in last year.

The curtain wall market in general appeared satisfactory in Hong Kong and Macau and the Group's business continued to grow in the region. During the year, several new curtain wall contracts, including Hong Kong's Medical Centre of Excellence in Paediatrics, Shangri-La Hotel, and Castle Peak Road in Tuen Mun's So Kwun Wat, were awarded. As a recognized premium service provider for curtain wall projects in the market, Far East Global could fully coordinate the departments of interior design, production and engineering, and cope with multi-party concerns including owners and general contractors. By demonstrating its excellent bidding capabilities, the Group constantly consolidates its market share in Hong Kong and Macau. In addition, the Board and the management team believe that sustainable competitive advantages depend on highly efficient performance of contracts for a long period. Therefore, the Group constantly focuses on managing the work schedule, quality, safety, cash, efficiency and other aspects of the projects in progress, while mobilizing and maximizing the initiative of the project team through result based incentive scheme.

As to the general contracting business, the contract awarded for the Hong Kong Emperor Hotel project in the third quarter of last year progressed well. Since no profit was carried forward as at 30 June 2015, the results for the first half of the year did not reflect the profit of such project. At the same time, the Group remained active in bidding for small- to medium-size housing construction projects in Hong Kong.

## Chairman's Statement (Continued)

As pricing wars and a few disorderly competitions are commonly seen in the curtain wall market in Mainland China, coupled with the slowdown in the pace of growth of the Mainland China economy due to domestic transformation of the economic structure and weak international consumption, the Group always maintains a prudent attitude towards bidding in the Mainland China market. During the year, the Group successfully bid for many relatively premium projects for Apple specialty stores, as well as Chow Tai Fook in Tianjin and the UpperHills Project. In consideration of the number of high-rise buildings to be constructed in the next few years in the Mainland China market and the country's likely core position in the global curtain wall market, the Group has researched and formulated development strategies, stepped up its efforts in the Mainland China market and developed its factory in Shenzhen into a regional production base and design center as part of the Group's deployment of brand promotion and market expansion efforts in the Mainland China market.

In addition to the Greater China region and North America, the Group will continue to follow up the premium glass curtain wall projects in other regions, especially new design and supply models.

In 2014, Far East Global established its investment and development department and accelerated the pace of development of its investment business with focus on industries in Mainland China that are supported by the state policies including "New Urbanization Development", environmental protection related sectors in particular. The vice chairman of the Board of the Group directly led the investment business, and proactively researched new businesses suitable for the development of the Company. Some milestone developments were achieved during the exploration phase.



# Chairman's Statement (Continued)

## **New projects awarded**

During the six months ended 30 June 2015, the Group undertook 14 additional contracts in total, representing a contractual value of approximately HK\$1,527 million. Amongst which, the North American region was HK\$509 million, accounting for 33%, whereas the Asia-Pacific region and the Greater China region amounted to HK\$1,018 million, accounting for 67%.

## **Projects in progress**

As at 30 June 2015, the Group's total contractual value of the projects in progress amounted to approximately HK\$5,286 million, among which the contractual value attributable to the uncompleted projects was approximately HK\$3,559 million.

## **Financial management**

In 2015, the Group continued to enhance its financial management. Under the principle of stringent financial management, the Group improved the utilization of its capital and actively explored the financing channels. In addition, the Group focused on expediting its collection of payments due from projects, therefore improving working capital turnover rates. As at 30 June 2015, the Group's bank deposits amounted to a total of HK\$237 million. The total borrowings amounted to HK\$378 million, and the net gearing ratio was 13.9%. The Group is in a financially-sound position with adequate credit facilities to meet the need of its future business development.

## **Human resource management**

By persisting in the "people-oriented" managerial philosophy, Far East Global emphasizes on attraction, retention and cultivation of all levels of talent that recognize and adhere to its corporate vision. Far East Global strives to create a fair selection and employment platform, providing multi-dimensional training and performance assessment mechanisms. In addition, the Group provides a healthy environment for professional competition and development amongst its employees. During the year, the Group launched a lecturer system to enrich training and exchanging of ideas. The Group also continued to improve its KPI assessment for the purposes of establishing a scientific assessment system. By creating a variety of systems that cover an employee's recruitment, training, performance assessment, remuneration and others, the Group will improve employee satisfaction and work efficiency. As at 30 June 2015, the Group's total number of employees was 1,654.

# Chairman's Statement (Continued)

## Social responsibilities

The Group has been a participant in public welfare events such as "Walks for Millions" and "Kids' Dream" for many years. The Group is also named a "Caring Company" by actively promoting the "Earth Hour" event, demonstrating its dedication towards the community and contribution to social harmony and stability.

## PROSPECTS

For 2015, many risks remain that affect regional economic trends, including a declining price of crude oil, unstable geopolitical conditions, Greek debt crisis, etc. It is expected that global economic development will be faced with uncertainties. In Hong Kong, a favorable construction market will continue. In Macau, the casino industry will show a downward trend. In United States, the market will maintain its growth momentum arising from 2014. As to the Mainland China economy, it is expected that a relatively high growth rate will be maintained due to stimulation policies. In the next few years, as a result of Mainland China's "new model of urbanization", reforms and innovation in the public services and the "one belt and one road" policies, enormous business opportunities are expected to arise in Mainland China, Asian countries and European markets involved in public services, infrastructure and housing construction.

## Development strategies

The Group will continue to focus on the work schedule, quality, safety, cash and cost-effective management of projects, while improving the synergies created during in design, production and installation processes. The Group will sharpen its integrated competitive edges in its curtain wall business. By integrating resources, the Group will increase its market shares in three major markets, including Hong Kong and Macau, North America and Mainland China. Meanwhile, the Group will explore other overseas markets, while maintaining satisfactory profitability. For Hong Kong and Macau and the Mainland China markets, the Group will continue to wield the advantages of CSCIHL as well as CSCECL's larger platform, while innovating collaborative models. As to the North American market, the Group will constantly explore premium tender projects of private developers, while expanding the scale of new contracts.

## Chairman's Statement (Continued)

In addition to constantly crystallizing achievements of integration, the Group will gauge certain critical issues and determine the proper timing for deepening and expanding the level and scope of integration work. Being able to identify and acknowledge all kinds of issues appearing over the course of integration work, the Board wishes to establish and maintain a healthy system through continuous exploration and attempts. This system will promote multilateral benefits for shareholders, the Board, the management, the employees, and customers, while continuing the growth of the Group's profitability.

In respect of its general contracting business, the Group will learn from its controlling shareholder – CSCIHL's rich experience in project management, in particular general contracting, bringing into play the synergistic effects with CSCIHL in Hong Kong to ensure that quality projects are obtained.

In the investment field, the Group will facilitate its pace of investment and transformation, while demonstrating the synergy effects with the parent company, actively exploring the feasibility of asset injection by the parent company and leveraging their rich experiences and resources. Taking into account market conditions and government policies, the Group will closely study new development opportunities surfacing or arising from the economic upgrade in Mainland China. In doing so, the Group will maximize its capabilities of developing a dual core businesses.

### ACKNOWLEDGEMENT

I hereby express my heartfelt appreciation towards all Shareholders, Directors, employees, and customers for their support over the year.

By Order of the Board  
**Far East Global Group Limited**  
**Zhou Yong**  
*Chairman and Non-executive Director*

Hong Kong, 12 August 2015

# Management Discussion and Analysis

## OVERALL PERFORMANCE

For the six months ended 30 June 2015, the Group has delivered shareholder value through sustainable growth and performance. With the strong order book over the last few years and our good transformational opportunities across all business segments, the Group recorded aggregate revenue of HK\$963 million (30 June 2014: HK\$725 million), an increase of 32.8% as compared with the corresponding period of last year. The profit attributable to owners of the Company was HK\$49 million (30 June 2014: HK\$40 million), an increase of 21.3% as compared with the corresponding period of last year. The basic earnings per share was HK2.27 cents (30 June 2014: HK1.87 cents), representing the growth of 21.3% as compared with the same period last year.

## Segment analysis

North America Division achieved a turnover of HK\$364 million (30 June 2014: HK\$441 million) during the period under review, representing a decrease of about 17.5 % compared to last corresponding period. This turnover contributes about 37.8% of the Group's revenue. North America has seen marked improvements in operations since arrival of new senior management in the second quarter of 2014. Gross margins on recent projects have stabilized and improved. Overhead and administrative expenses have also been lowered. North America Division generated a gross profit of HK\$12 million (30 June 2014: HK\$13 million) during the period under review. North America Division has secured two new contracts in Vancouver and Baltimore with the aggregated amount of HK\$508 million during the period under review.

Greater China, Asia and Other Division began to reap benefits from three projects of Wynn Palace Cotai, MGM Cotai and Louis XIII in Macau and the diversification into new general contracting business since 2014 as these projects contributed turnover and improved operating profit. Revenue derived from Greater China, Asia and Other Division increased by HK\$316 million, or 111%, from HK\$284 million for the six months ended 30 June 2014 to HK\$600 million for the six months ended 30 June 2015. The gross profit increased by HK\$27 million from HK\$91 million for the six months ended 30 June 2014 to HK\$118 million for the six months ended 30 June 2015.

# Management Discussion and Analysis (Continued)

## Administrative expenses

With continuous resources allocation and utilization, administrative expenses decreased by 11.8% to HK\$82 million (30 June 2014: HK\$93 million) for the six months ended 30 June 2015.

## Finance costs

For the six months ended 30 June 2015, the Group's finance costs were HK\$6 million (30 June 2014: HK\$5 million). The increments in bank borrowings escalated the finance costs during the period.

## New contracts awarded

The Group recorded a new contract value of HK\$1,527 million in the six months ended 30 June 2015, representing a growth of 35.4% as compared with the same period last year. Major new contracts include the following:-

- Centre of Excellence in Paediatrics in Kai Tak Development, Hong Kong
- Shangri-La Hotel, Kowloon Inland Lot No. 11205, Hong Kong
- No. 423 in No. 48 district, Castle Peak Road, So Kwun Wat, Tuen Mun, Hong Kong
- Sheung Lok Street and Sheung Shing Street, Ho ManTin, Kowloon, Hong Kong
- Chow Tai Fook Financial Center, Tianjin City, People's Republic of China
- Vancouver Urban Resort, Vancouver, Canada
- MGM National Harbor, Baltimore, USA

# Management Discussion and Analysis (Continued)

## 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 2015, the Group had bank balances and cash of HK\$237 million (31 December 2014: HK\$242 million), total borrowings of the Group were HK\$378 million (31 December 2014: HK\$335 million). The Group's net gearing ratio (net debt to total equity) as at 30 June 2015 was approximately 13.9% (31 December 2014: 9.5%). Furthermore, the Group had unutilised banking facilities (including performance guarantee facilities, working capital facilities and loan facilities) of approximately HK\$819 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.

The maturities of the Group's total borrowings as at 30 June 2015 and 31 December 2014 are set out as follows:

|  | <b>30 June<br/>2015</b> | 31 December<br>2014 |
|--|-------------------------|---------------------|
|  | <b>HK\$' 000</b>        | HK\$' 000           |
| On demand or within one year                     | <b>163,964</b>          | 119,585             |
| More than one year but not exceeding two years   | <b>200,544</b>          | 200,564             |
| More than two years but not more than five years | <b>13,967</b>           | 15,214              |
| <b>Total borrowings</b>                          | <b>378,475</b>          | 335,363             |

## Management Discussion and Analysis (Continued)

The portfolio of the currencies of bank deposits of the Group as at 30 June 2015 and 31 December 2014 is set out as follows:

|                             | <b>30 June<br/>2015</b> | 31 December<br>2014 |
|-----------------------------|-------------------------|---------------------|
|                             | %                       | %                   |
| United States Dollars       | <b>2</b>                | 5                   |
| Hong Kong Dollars           | <b>63</b>               | 18                  |
| Renminbi                    | <b>14</b>               | 12                  |
| Macau Pataca                | <b>7</b>                | 16                  |
| Great British Pound         | <b>5</b>                | 2                   |
| Australian Dollars          | <b>5</b>                | 5                   |
| United Arab Emirates Dirham | <b>3</b>                | 37                  |
| Others                      | <b>1</b>                | 5                   |

As at 30 June 2015, the Group's equity attributable to owners of the Company amounted to HK\$1,187 million (31 December 2014: HK\$1,155 million), comprising issued capital of HK\$22 million (31 December 2014: HK\$22 million) and reserves of HK\$1,165 million (31 December 2014: HK\$1,133 million).

### 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.

# Management Discussion and Analysis (Continued)

## **EMPLOYEES AND REMUNERATION POLICY**

At 30 June 2015, the Group employed a total of 1,654 (31 December 2014: 1,519) 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 |                   |
|---|-------|----------------------------------|-------------------|
|   |       | 2015<br>HK\$' 000                | 2014<br>HK\$' 000 |
| Revenue                                       | 3     | <b>963,408</b>                   | 725,244           |
| Cost of sales                                 |       | <b>(834,055)</b>                 | (621,259)         |
| Gross profit                                  |       | <b>129,353</b>                   | 103,985           |
| Other income and other gains, net             | 4     | <b>1,758</b>                     | 8,546             |
| Administrative expenses                       |       | <b>(82,063)</b>                  | (92,648)          |
| Distribution and selling expenses             |       | <b>(5,931)</b>                   | (9,268)           |
| Finance costs                                 | 5     | <b>(6,109)</b>                   | (4,790)           |
| Profit before tax                             | 6     | <b>37,008</b>                    | 5,825             |
| Income tax (charge)/credit                    | 7     | <b>(2,254)</b>                   | 15,691            |
| Profit for the period                         |       | <b>34,754</b>                    | 21,516            |
| Profit/(loss) for the period attributable to: |       |                                  |                   |
| Owners of the Company                         |       | <b>48,986</b>                    | 40,386            |
| Non-controlling interests                     |       | <b>(14,232)</b>                  | (18,870)          |
|   |       | <b>34,754</b>                    | 21,516            |
| Earnings per share (HK cents)                 |       |                                  |                   |
| Basic and diluted                             | 9     | <b>2.27</b>                      | 1.87              |

# Unaudited Condensed Consolidated Statement of Comprehensive Income

|   | For the six months<br>ended 30 June |                   |
|---|-------------------------------------|-------------------|
|   | 2015<br>HK\$' 000                   | 2014<br>HK\$' 000 |
| Profit for the period   | <b>34,754</b>                       | 21,516            |
| Other comprehensive income<br><i>Items that may be reclassified to profit or loss</i> |                                     |                   |
| Exchange differences on translating foreign<br>operations                             | <b>(13,772)</b>                     | (8,454)           |
| Gain on fair value changes of available-for-sale<br>investments                       | <b>113</b>                          | –                 |
| Other comprehensive income for the period,<br>net of tax                              | <b>(13,659)</b>                     | (8,454)           |
| <b>Total comprehensive income for the period</b>                                      | <b>21,095</b>                       | 13,062            |
| Total comprehensive income for the period<br>attributable to:                         |                                     |                   |
| Owners of the Company   | <b>42,682</b>                       | 34,431            |
| Non-controlling interests   | <b>(21,587)</b>                     | (21,369)          |
|   | <b>21,095</b>                       | 13,062            |

# Unaudited Condensed Consolidated Statement of Financial Position

|   | Notes | 30 June<br>2015<br>HK\$' 000<br>(unaudited) | 31 December<br>2014<br>HK\$' 000<br>(audited) |
|---|-------|---|---|
| <b>Non-current Assets</b>                     |       |   |   |
| Property, plant and equipment                 | 10    | 148,208                                     | 154,525                                       |
| Goodwill                                      | 11    | 138,149                                     | 138,149                                       |
| Deposits and prepayments                      |       | –   | 1,654   |
| Available-for-sale investments                |       | 18,966                                      | 18,853  |
| Deferred tax assets                           |       | 173,840                                     | 154,801                                       |
|   |       | <b>479,163</b>                              | 467,982                                       |
| <b>Current Assets</b>                         |       |   |   |
| Inventories                                   |       | 8,864                                       | 12,551  |
| Amounts due from customers for contract work  |       | 648,132                                     | 672,474                                       |
| Trade and other receivables                   | 12    | 468,340                                     | 468,832                                       |
| Deposits and prepayments                      |       | 46,170                                      | 30,739  |
| Tax recoverable                               |       | 2,737                                       | 4,760   |
| Bank and cash balances                        |       | 237,085                                     | 242,030                                       |
|   |       | <b>1,411,328</b>                            | 1,431,386                                     |
| <b>Current Liabilities</b>                    |       |   |   |
| Bank and other borrowings                     | 13    | 163,964                                     | 119,585                                       |
| Amounts due to customers for contract work    |       | 51,514                                      | 33,864  |
| Trade payables, other payables and accruals   | 14    | 284,111                                     | 329,462                                       |
| Finance lease payables                        |       | 994   | 998   |
| Current tax payables                          |       | 38,479                                      | 23,824  |
| Dividend payables                             |       | 10,778                                      | –   |
| Amounts due to fellow subsidiaries            |       | 31,178                                      | 59,311  |
| Deposits received and advances from customers |       | 48,978                                      | 80,497  |
|   |       | <b>629,996</b>                              | 647,541                                       |

# Unaudited Condensed Consolidated Statement of Financial Position (Continued)

|  | Notes | 30 June<br>2015<br>HK\$'000<br>(unaudited) | 31 December<br>2014<br>HK\$'000<br>(audited) |
|--|-------|--|--|
| <b>Net Current Assets</b>                    |       | <b>781,332</b>                             | 783,845                                      |
| <b>Total Assets less Current Liabilities</b> |       | <b>1,260,495</b>                           | 1,251,827                                    |
| <b>Capital and Reserves</b>                  |       |  |  |
| Share capital                                | 15    | <b>21,555</b>                              | 21,555                                       |
| Share premium and reserves                   |       | <b>1,165,213</b>                           | 1,133,309                                    |
| Equity attributable to owners of the Company |       | <b>1,186,768</b>                           | 1,154,864                                    |
| Non-controlling interests                    |       | <b>(144,162)</b>                           | (122,588)                                    |
|  |       | <b>1,042,606</b>                           | 1,032,276                                    |
| <b>Non-current liabilities</b>               |       |  |  |
| Bank and other borrowings                    | 13    | <b>214,511</b>                             | 215,778                                      |
| Finance lease payables                       |       | <b>3,085</b>                               | 3,480  |
| Deferred tax liabilities                     |       | <b>293</b>                                 | 293  |
|  |       | <b>217,889</b>                             | 219,551                                      |
|  |       | <b>1,260,495</b>                           | 1,251,827                                    |

# Unaudited Condensed Consolidated Statement of Changes in Equity

|   | Attributable to owners of the Company |                       |                  |                              |                                |                                      |                    |                  |           | Non-controlling interests | Total equity |
|---|---------------------------------------|-----------------------|------------------|------------------------------|--------------------------------|--------------------------------------|--------------------|------------------|-----------|---------------------------|--------------|
|   | Share capital                         | Share premium account | Special reserves | Share-based payments reserve | Investment revaluation reserve | Foreign currency translation reserve | Statutory reserves | Retained profits | Total     |                           |              |
|   | HK\$'000                              | HK\$'000              | HK\$'000         | HK\$'000                     | HK\$'000                       | HK\$'000                             | HK\$'000           | HK\$'000         | HK\$'000  | HK\$'000                  | HK\$'000     |
| At 1 January 2014   |                                       |                       |                  |                              |                                |                                      |                    |                  |           |                           |              |
| As previously stated  | 21,555                                | 898,654               | (1,254)          | 4,636                        | (937)                          | 5,844                                | 12                 | 201,521          | 1,130,031 | (54,465)                  | 1,075,566    |
| Effect of combination under common control (Note a)               | -                                     | -                     | (16,000)         | -                            | -                              | -                                    | -                  | 21,829           | 5,829     | -                         | 5,829        |
| As restated   | 21,555                                | 898,654               | (17,254)         | 4,636                        | (937)                          | 5,844                                | 12                 | 223,350          | 1,135,860 | (54,465)                  | 1,081,395    |
| Profit/(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)         | 4,636                        | (937)                          | (111)                                | 12                 | 252,958          | 1,151,697 | (75,834)                  | 1,075,863    |

# Unaudited Condensed Consolidated Statement of Changes in Equity (Continued)

|   | Attributable to owners of the Company |                       |                  |                              |                                |                                      |                    |                  |           |                           |              |
|---|---------------------------------------|-----------------------|------------------|------------------------------|--------------------------------|--------------------------------------|--------------------|------------------|-----------|---------------------------|--------------|
|   | Share capital                         | Share premium account | Special reserves | Share-based payments reserve | Investment revaluation reserve | Foreign currency translation reserve | Statutory reserves | Retained profits | Total     | Non-controlling interests | Total equity |
|   | HK\$' 000                             | HK\$' 000             | HK\$' 000        | HK\$' 000                    | HK\$' 000                      | HK\$' 000                            | HK\$' 000          | HK\$' 000        | HK\$' 000 | HK\$' 000                 | HK\$' 000    |
| At 1 January 2015   | 21,555                                | 898,654               | (25,053)         | 4,636                        | (648)                          | (3,824)                              | 12                 | 259,532          | 1,154,864 | (122,588)                 | 1,032,276    |
| Profit/(loss) for the period                                      | -                                     | -                     | -                | -                            | -                              | -                                    | -                  | 48,986           | 48,986    | (14,232)                  | 34,754       |
| Gain on fair value changes of available-for-sales investments     | -                                     | -                     | -                | -                            | 113                            | -                                    | -                  | -                | 113       | -                         | 113          |
| Exchange differences arising on translation of foreign operations | -                                     | -                     | -                | -                            | -                              | (6,417)                              | -                  | -                | (6,417)   | (7,355)                   | (13,772)     |
| Total comprehensive income for the period                         | -                                     | -                     | -                | -                            | 113                            | (6,417)                              | -                  | 48,986           | 42,682    | (21,587)                  | 21,095       |
| Contribution from non-controlling interests of a subsidiary       | -                                     | -                     | -                | -                            | -                              | -                                    | -                  | -                | -         | 13                        | 13           |
| 2014 Final dividend payable (Note 8)                              | -                                     | -                     | -                | -                            | -                              | -                                    | -                  | (10,778)         | (10,778)  | -                         | (10,778)     |
| At 30 June 2015   | 21,555                                | 898,654               | (25,053)         | 4,636                        | (535)                          | (10,241)                             | 12                 | 297,740          | 1,186,768 | (144,162)                 | 1,042,606    |

## 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

|   | <b>For the six months ended 30 June</b> |           |
|---|---|-----------|
|   | <b>2015</b>                             | 2014      |
|   | <b>HK\$' 000</b>                        | HK\$' 000 |
| <b>Net cash used in operating activities</b>                          | <b>(25,612)</b>                         | (30,820)  |
| <b>Cash flows from investing activities</b>                           |   |           |
| Purchase of property, plant and equipment                             | <b>(4,054)</b>                          | (5,148)   |
| Proceeds from disposals of property, plant and equipment              | <b>38</b>                               | -         |
| Interest received   | <b>284</b>                              | 753       |
| <b>Net cash used in investing activities</b>                          | <b>(3,732)</b>                          | (4,395)   |
| <b>Cash flows from financing activities</b>                           |   |           |
| Finance costs paid  | <b>(6,109)</b>                          | (4,790)   |
| Drawdown/(repayment) of new bank loans                                | <b>43,112</b>                           | (456,487) |
| Receipt from an intermediate holding company                          | -                                       | 96,470    |
| Receipt from fellow subsidiaries                                      | -                                       | 312,308   |
| Repayment of finance lease payables                                   | <b>(399)</b>                            | (450)     |
| Contribution from non-controlling interests                           | <b>13</b>                               | -         |
| Payment to a fellow subsidiary pursuant to common control combination | -                                       | (2,000)   |
| Distribution of reserve to a former shareholder                       | -                                       | (7,816)   |
| <b>Net cash from/(used in) financing activities</b>                   | <b>36,617</b>                           | (62,765)  |
| <b>Net increase/(decrease) in cash and cash equivalents</b>           | <b>7,273</b>                            | (97,980)  |
| <b>Effect of foreign exchange rate changes</b>                        | <b>(12,218)</b>                         | (7,482)   |
| <b>Cash and cash equivalents at beginning of period</b>               | <b>242,030</b>                          | 310,452   |
| <b>Cash and cash equivalents at end of period</b>                     | <b>237,085</b>                          | 204,990   |
| <b>Analysis of cash and cash equivalents</b>                          |   |           |
| Bank and cash balances  | <b>237,085</b>                          | 204,990   |

# Notes to the Unaudited Condensed Financial Statements

## 1 BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the six months ended 30 June 2015 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to 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 2014, 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.



# 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 2014.

The revised standard and improvements to existing standards, which are mandatory for the financial year beginning on or after 1 January 2015, are either currently not relevant to the Group or had no material impact on the Group's condensed consolidated financial statements.

The Group has not early adopted the following new standards, amendments and improvements to existing standards that have been issued but are not yet effective.

|  |  |
|--|--|
| Amendments to HKAS 1                         | Disclosure Initiative <sup>1</sup>   |
| Amendments to HKAS 16 and HKAS 38            | Clarification of Acceptable Methods of Depreciation and Amortisation <sup>1</sup>                  |
| Amendments to HKAS 16 and HKAS 41            | Bearer Plants <sup>1</sup>   |
| Amendments to HKAS 27                        | Equity Method in Separate Financial Statements <sup>1</sup>  |
| Amendments to HKFRS 10 and HKAS 28           | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup> |
| Amendments to HKFRS 10, HKFRS 12 and HKAS 28 | Investment Entities: Applying the Consolidation Exception <sup>1</sup>                             |
| Amendments to HKFRS 11                       | Accounting for Acquisition of Interests in Joint Operations <sup>1</sup>                           |
| HKFRS 9                                      | Financial Instruments <sup>3</sup>   |
| HKFRS 14                                     | Regulatory Deferral Accounts <sup>1</sup>  |
| HKFRS 15                                     | Revenue from Contracts with Customers <sup>2</sup>   |
| Annual Improvements Project                  | Annual Improvements 2012-2014 Cycle <sup>1</sup>   |

# Notes to the Unaudited Condensed Financial Statements (Continued)

## 2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

|        |   |   |
|--------|---|---|
| Notes: | 1 | Effective for annual periods beginning on or after 1 January 2016 |
|        | 2 | Effective for annual periods beginning on or after 1 January 2017 |
|        | 3 | Effective for annual periods beginning on or after 1 January 2018 |

The Group has not early adopted the above new standards, amendments and improvements to existing standards, and is not yet in a position to state whether there are substantial changes to the Group's accounting policies and presentation of the Group's condensed consolidated financial statements.

## 3 REVENUE AND SEGMENT INFORMATION

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

As a result of structure reorganisation, the Group has reclassified the reportable segments into two divisions, 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, Asia and Others includes projects in the People's Republic of China (the "PRC"), Hong Kong and Macau, Singapore, the United Arab 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 2015 and 2014 are as follows:

|  | Revenue           |                   | Gross profit      |                   | Segment result    |                   |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | 2015<br>HK\$' 000 | 2014<br>HK\$' 000 | 2015<br>HK\$' 000 | 2014<br>HK\$' 000 | 2015<br>HK\$' 000 | 2014<br>HK\$' 000 |
| North America                          | 363,850           | 441,158           | 11,549            | 13,292            | (28,548)          | (32,954)          |
| Greater China, Asia<br>and Others      | 599,558           | 284,086           | 117,804           | 90,693            | 90,945            | 63,718            |
| <b>Total</b>                           | <b>963,408</b>    | <b>725,244</b>    | <b>129,353</b>    | <b>103,985</b>    | <b>62,397</b>     | <b>30,764</b>     |
| Unallocated administrative<br>expenses |                   |                   |                   |                   | (19,402)          | (20,273)          |
| Other income and<br>other gains, net   |                   |                   |                   |                   | 122               | 124               |
| Finance costs                          |                   |                   |                   |                   | (6,109)           | (4,790)           |
| <b>Profit before tax</b>               |                   |                   |                   |                   | <b>37,008</b>     | <b>5,825</b>      |

## 4 OTHER INCOME AND OTHER GAINS, NET

|                      | For the six months<br>ended 30 June |                   |
|----------------------|-------------------------------------|-------------------|
|                      | 2015<br>HK\$' 000                   | 2014<br>HK\$' 000 |
| Bank interest income | 284                                 | 753               |
| Sundry income        | 1,474                               | 7,793             |
|                      | <b>1,758</b>                        | <b>8,546</b>      |

# Notes to the Unaudited Condensed Financial Statements (Continued)

## 5 FINANCE COSTS

|  | For the six months ended 30 June |              |
|--|----------------------------------|--------------|
|  | 2015                             | 2014         |
|  | HK\$' 000                        | HK\$' 000    |
| Interest on bank loans and overdrafts wholly repayable within five years | 5,966                            | 4,576        |
| Interest on other loans wholly repayable within five years               | –                                | 74           |
| Finance lease charges  | 143                              | 140          |
| <b>Total finance cost incurred</b>                                       | <b>6,109</b>                     | <b>4,790</b> |

## 6 PROFIT BEFORE TAX

|  | For the six months ended 30 June |              |
|--|----------------------------------|--------------|
|  | 2015                             | 2014         |
|  | HK\$' 000                        | HK\$' 000    |
| Profit before tax has been arrived at after charging:        |                                  |              |
| Amortisation of project backlogs                             | –                                | 7,956        |
| Depreciation included in cost of contracting works performed | 3,820                            | 2,954        |
| Depreciation included in administrative expenses             | 4,992                            | 5,950        |
| Depreciation included in distribution and selling expenses   | 3                                | 7            |
| <b>Total</b>   | <b>8,815</b>                     | <b>8,911</b> |

# Notes to the Unaudited Condensed Financial Statements (Continued)

## 7 INCOME TAX CHARGE/(CREDIT)

|   | For the six months ended 30 June |                   |
|---|----------------------------------|-------------------|
|   | 2015<br>HK\$' 000                | 2014<br>HK\$' 000 |
| Current tax – Hong Kong profits tax           |                                  |                   |
| Provision for the period                      | 1,800                            | –                 |
| Overprovision in prior years                  | –                                | (3,062)           |
|   | <b>1,800</b>                     | (3,062)           |
| Current tax – overseas                        |                                  |                   |
| Provision for the period                      | 20,466                           | 2,764             |
| Underprovision/(overprovision) in prior years | 100                              | (193)             |
|   | <b>20,566</b>                    | 2,571             |
| Deferred tax                                  | <b>(20,112)</b>                  | (15,200)          |
| Income tax charge/(credit) for the period     | <b>2,254</b>                     | (15,691)          |

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 2015 (30 June 2014: 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.

# Notes to the Unaudited Condensed Financial Statements (Continued)

## 8 DIVIDENDS

|  | For the six months ended 30 June |           |
|--|----------------------------------|-----------|
|  | 2015                             | 2014      |
|  | HK\$' 000                        | HK\$' 000 |
| Dividend recognized as distribution during the period  |                                  |           |
| 2014 final dividend of HK0.5 cent per share payable on 6 July 2015 (six months ended 30 June 2014: 2013 final dividend paid of HK0.5 cent per share) | 10,778                           | 10,778    |

The Board has declared the payment of an interim dividend of HK0.6 cent per share (30 June 2014: HK0.5 cent per share), amounting to approximately HK\$12,933,000 (30 June 2014: approximately HK\$10,778,000) payable on 5 October 2015 to shareholders whose names appear on the register of members of the Company on 11 September 2015. 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 |                   |
|--|----------------------------------|-------------------|
|  | 2015<br>HK\$' 000                | 2014<br>HK\$' 000 |
| <b>Earnings</b>  |                                  |                   |
| Profit attributable to owners of the Company, used in the basic and diluted earnings per share calculation | <b>48,986</b>                    | 40,386            |
|  | <b>2015</b>                      | 2014              |
| <b>Number of shares</b>  | <b>' 000</b>                     | ' 000             |
| Weighted average number of ordinary shares used in basic and diluted earnings per share calculation        | <b>2,155,545</b>                 | 2,155,545         |
| Basic and diluted earnings per share (HK cents)  | <b>2.27</b>                      | 1.87              |

The diluted earnings per share for the six months ended 30 June 2015 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\$4,054,000 (30 June 2014: approximately HK\$5,148,000) on additions to property, plant and equipment.

# Notes to the Unaudited Condensed Financial Statements (Continued)

## 11 GOODWILL

|   | HK\$' 000 |
|---|-----------|
| Cost, at 30 June 2015 and 31 December 2014            | 159,707   |
| Impairment, at 30 June 2015 and 31 December 2014      | (21,558)  |
| Carrying values, at 30 June 2015 and 31 December 2014 | 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.

The carrying amount of goodwill had been allocated to the CGU relating to the operations of Gamma North America, Inc. ("Gamma Group") 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%. These rates do not exceed the average long-term growth rate for the relevant markets. The pre-tax rates used to discount the forecast cash flows are ranging from 16.1% to 18.3%.



# 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:

|                       | <b>30 June<br/>2015<br/>HK\$' 000</b> | 31 December<br>2014<br>HK\$' 000 |
|-----------------------|---------------------------------------|----------------------------------|
| Trade receivables:    |                                       |                                  |
| 0 to 30 days          | <b>97,623</b>                         | 114,500                          |
| 31 to 60 days         | <b>42,334</b>                         | 89,666                           |
| 61 to 90 days         | <b>4,118</b>                          | 4,187                            |
| More than 90 days     | <b>50,168</b>                         | 34,612                           |
|                       | <b>194,243</b>                        | 242,965                          |
| Retention receivables | <b>228,195</b>                        | 174,849                          |
|                       | <b>422,438</b>                        | 417,814                          |
| Other receivables     | <b>45,902</b>                         | 51,018                           |
|                       | <b>468,340</b>                        | 468,832                          |

Except for the receivable arising from construction contracts which are billed and immediately payable in accordance with the terms of the relevant agreement, the Group generally allows an average credit period not exceeding 90 days (31 December 2014: 90 days) to its customers and the retention receivables are repayable approximately one year after the expiry of the defect liability period of construction projects.

# Notes to the Unaudited Condensed Financial Statements (Continued)

## 13 BANK AND OTHER BORROWINGS

The borrowings are repayable as follows:

|  | <b>30 June<br/>2015<br/>HK\$' 000</b> | 31 December<br>2014<br>HK\$' 000 |
|--|---------------------------------------|----------------------------------|
| On demand or within one year                         | <b>163,964</b>                        | 119,585                          |
| In the second year                                   | <b>200,544</b>                        | 200,564                          |
| In the third to fifth years, inclusive               | <b>13,967</b>                         | 15,214                           |
|  | <b>378,475</b>                        | 335,363                          |
| Less: Amount due for settlement within twelve months | <b>(163,964)</b>                      | (119,585)                        |
| Amount due for settlement after twelve months        | <b>214,511</b>                        | 215,778                          |

|                  | Hong Kong<br>dollar<br>HK\$' 000 | Canadian<br>dollar<br>HK\$' 000 | United<br>States<br>dollar<br>HK\$' 000 | Total<br>HK\$' 000 |
|------------------|----------------------------------|---------------------------------|---|--------------------|
| 30 June 2015     | <b>200,000</b>                   | <b>68,911</b>                   | <b>109,564</b>                          | <b>378,475</b>     |
| 31 December 2014 | 200,000                          | 17,008                          | 118,355                                 | 335,363            |

The average interest rates for bank loans at 30 June 2015 was 2.97% [31 December 2014: 3.16%].

# Notes to the Unaudited Condensed Financial Statements (Continued)

## 14 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

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

|   | <b>30 June<br/>2015<br/>HK\$' 000</b> | 31 December<br>2014<br>HK\$' 000 |
|---|---------------------------------------|----------------------------------|
| Trade payables:                             |                                       |                                  |
| 0 to 30 days                                | <b>138,366</b>                        | 184,724                          |
| 31 to 60 days                               | <b>7,490</b>                          | 20,403                           |
| More than 60 days                           | <b>23,788</b>                         | 14,501                           |
|   | <b>169,644</b>                        | 219,628                          |
| Retention payables                          | <b>41,107</b>                         | 36,414                           |
|   | <b>210,751</b>                        | 256,042                          |
| Other payables and accruals                 | <b>73,360</b>                         | 73,420                           |
| Trade payables, other payables and accruals | <b>284,111</b>                        | 329,462                          |

As at 30 June 2015, the amount of retention payables expected to be due after more than twelve months was approximately HK\$10,467,000 (31 December 2014: approximately HK\$5,137,000).

# 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<br>At 30 June 2015 and<br>31 December 2014 | 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 |                   |
|---|----------------------------------|-------------------|
|   | 2015<br>HK\$ '000                | 2014<br>HK\$ '000 |
| Construction fees received from fellow subsidiaries | 149,571                          | 66,630            |
| Service income received from fellow subsidiaries    | 594                              | 45,297            |
| Service fees paid to fellow subsidiaries            | 7,730                            | -                 |

# Other Information

## INTERIM DIVIDEND

The Board has declared the payment of an interim dividend of HK0.6 cent per share (30 June 2014: HK0.5 cent per share), payable on Monday, 5 October 2015 to shareholders whose names appear on the register of members of the Company on Friday, 11 September 2015.

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 10 September 2015 to Friday, 11 September 2015, 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, 9 September 2015.

## SHARE CAPITAL

The Company's total issued share capital as at 30 June 2015 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 2015.

As at 1 January 2015 and 30 June 2015, 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 2015, 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 <sup>(Note)</sup> |
|------------------|------------------|---------------------|--------------------------------|--|
| Zhu Yijian       | Beneficial owner | Personal interest   | 1,000,000                      | 0.046                                  |
| 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 2015 (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 corporation 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 <sup>(3)</sup> |
|------------------|----------------------------------|----------------------------------|-----------|-------------------------------------|
|                  | Personal interest <sup>(1)</sup> | Share options <sup>(2)</sup>     |           |                                     |
| Zhou Yong        | 3,233,027                        | -                                | 3,233,027 | 0.081                               |
| Zhang Yifeng     | 236,000                          | 61                               | 236,061   | 0.006                               |
| Zhu Yijian       | 1,322,211                        | -                                | 1,322,211 | 0.033                               |
| Chan Sim Wang    | 28,800                           | -                                | 28,800    | 0.001                               |

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 2015 (i.e. 4,012,417,632 ordinary shares).

Save as disclosed above, as at 30 June 2015, 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 2015, 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 2015, 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:

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

| Name of Shareholder   | Capacity                           | Number of ordinary shares held | Total         | % of shares in issue <sup>(1)</sup> |
|---|------------------------------------|--------------------------------|---------------|-------------------------------------|
| 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") <sup>(2)</sup>               | Interest in controlled corporation | 1,596,403,279                  | 1,596,403,279 | 74.06                               |
| China Overseas Holdings Limited ("COHL") <sup>(3)</sup>   | 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") <sup>(3)</sup> | Interest in controlled corporation | 1,596,403,279                  | 1,596,403,279 | 74.06                               |
| China State Construction Engineering Corporation ("CSCEC") <sup>(3)</sup>                       | Interest in controlled corporation | 1,596,403,279                  | 1,596,403,279 | 74.06                               |



## Other Information (Continued)

### Notes:

1. The percentage is based on the total number of ordinary shares of the Company in issue as at 30 June 2015 (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 58.22% 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 2015, 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.

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

During the six months ended 30 June 2015, 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 2015 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").

## Other Information (Continued)

### **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 2015 have been reviewed by the Audit Committee which comprises three Independent Non-executive Directors.



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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