



建聯集團有限公司^{*}
Chinney Alliance Group Limited

(Incorporated in Bermuda with limited liability)

Stock Code : 385

Interim Report 2015

CONTENTS

Corporate Information	2
Review of Operations	4
Condensed Consolidated Statement of Profit or Loss	8
Condensed Consolidated Statement of Comprehensive Income	9
Condensed Consolidated Statement of Financial Position	10
Condensed Consolidated Statement of Changes in Equity	12
Condensed Consolidated Statement of Cash Flows	13
Notes to the Condensed Consolidated Interim Financial Statements	15
Other Information	28

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Non-Executive Directors

Herman Man-Hei FUNG
Wendy Kim-See GAN

Independent Non-Executive Directors

Yuen-Tin NG
Chi-Chiu WU
Ronald James BLAKE

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

COMPANY SECRETARY

Yun-Sang LO

PRINCIPAL BANKERS

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

AUDITORS

Ernst & Young

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Management (Bermuda) Ltd.
Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

REGISTERED OFFICE

Clarendon House
Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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

STOCK CODE

00385

BUSINESS ADDRESSES AND CONTACTS

Chinney Alliance Group Limited

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

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

Kin Wing Engineering Company Limited Kin Wing Foundations Limited

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

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

Shun Cheong Electrical Engineering Company Limited Westco Airconditioning Limited

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

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

Westco Chinney Limited

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

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

Chinney Construction Company, Limited

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

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

DrilTech Ground Engineering Limited DrilTech Geotechnical Engineering Limited

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

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

Jacobson van den Berg (Hong Kong) Limited

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

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

Chinney Alliance Engineering Limited

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

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

REVIEW OF OPERATIONS

RESULTS

The board of directors (the “Board”) of Chinney Alliance Group Limited (the “Company”, collectively with its subsidiaries, the “Group”) is pleased to announce that the Group recorded a revenue of HK\$2,170 million for the six months ended 30 June 2015 (2014: HK\$1,760 million). The profit for the period was HK\$77.4 million (2014: HK\$30.4 million).

INTERIM DIVIDEND

The Board does not propose the payment of an interim dividend for the six months ended 30 June 2015 (2014: Nil).

BUSINESS REVIEW AND PROSPECTS

Trading of plastics and chemicals products

The Plastic Trading division, which consists of Jacobson van den Berg (Hong Kong) Limited and other companies, contributed a revenue of HK\$275 million (2014: HK\$264 million) with operating profit of HK\$4.6 million (2014: HK\$2.4 million). While the revenue increased slightly in the current period, the operating profit improved even better which was mainly attributable to higher rebate from suppliers for attainment of sales target in current period and net exchange gain from translation of the division’s Renminbi assets was recorded in current period versus a net loss in 2014. Although there were signs of recovery in external market in the period under review, the division faced keen competition from peers. The manufacturers in the Mainland China, which were the principal customers of the division, also faced the problem of sluggish demand and over capacity. With the Mainland China market slowing down, the operating margin will be further squeezed. The division continues to explore new products and services to broaden the lines of business and to enhance earnings.

Building related contracting services

Shun Cheong Investments Limited and its subsidiaries (“Shun Cheong”) contributed a revenue of HK\$503 million (2014: HK\$375 million) and an operating profit of HK\$15.0 million (2014: HK\$2.4 million). The improvement was mainly attributable to more projects awarded and commenced. The division acquired a trading of building services equipment business during the period under review for vertical diversification of business to achieve better cost efficiency. The division’s clients include property developers, government departments and public sector in Hong Kong and hotel and resorts in Macau. Although the tendering of four public housing projects is postponed by the Hong Kong Housing Authority due to the recent lead-in-water incident, the division has satisfactory contracts on hand with an aggregate sum of HK\$2,170 million as at 30 June 2015. Subsequent to the period end, the division was awarded HK\$483 million worth of contracts.

Foundation piling and ground investigation

The principal subsidiaries of the division include Kin Wing Engineering Company Limited, Kin Wing Foundations Limited and DrillTech Ground Engineering Limited. The revenue for the period was HK\$871 million (2014: HK\$679 million) and operating profit was HK\$81.9 million (2014: HK\$38.5 million). The increase in revenue of the division was mainly attributable to projects with larger contract sum awarded during the period. With better profit margin, the division’s profitability improved further. The division’s projects are mainly from the private sector. On 18 August 2015, the Group has submitted an application to The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for the spin-off and separate listing of the foundation division, details of which are set out in the section “Proposed Spin-off and Separate Listing of Foundation Business and Proposed Major Transaction” below. As at 30 June 2015, the division has outstanding contracts on hand of HK\$1,591 million, with additional HK\$337 million worth of projects awarded after the end of the reporting period.

BUSINESS REVIEW AND PROSPECTS *(continued)*

Building construction

The division consists of Chinney Construction Company, Limited and Chinney Builders Company Limited which operate in Hong Kong and Chinney Timwill Construction (Macau) Company Limited which operates in Macau. During the period, the division recorded a revenue of HK\$514 million (2014: HK\$439 million) with an operating profit of HK\$6.0 million (2014: HK\$7.4 million). Since the new projects undertaken in the current period were still in early stage of construction, profits of these projects were not yet recognised in respect of works done in accordance with the accounting policies adopted and the profit of the division was thus lower than that of last year. The division's client base included schools, institutions, property developers, hospitality and non-profit organisations in Hong Kong and Macau. As at 30 June 2015, the division had outstanding contracts on hand of HK\$1,752 million. Subsequent to the period end, the division is awarded HK\$39 million worth of contracts.

Other businesses

Other businesses include the holding of properties for the Group's own use and the distribution of aviation system and other hi-tech products engaged by Chinney Alliance Engineering Limited ("CAE"). CAE recorded a revenue of HK\$8 million (2014: HK\$4 million) and an operating loss of HK\$1.0 million (2014: loss of HK\$2.8 million). The testing of the new air traffic management system of the Hong Kong airport resumes after the end of the reporting period and CAE would record revenue from this and related projects upon completion of the testing stage.

The properties holding recorded a loss of HK\$0.6 million which was mainly due to depreciation charges.

The Group's share of the profits and losses of associates reported net losses of HK\$0.5 million. As reported in the last annual report, Jiangxi Kaitong New Materials Company Limited decided to close with factory land returned to local government with compensation. The Group's investment in a real estate property in Hangzhou, the People's Republic of China (the "PRC"), which is held for rental income, managed to reduce its loss with improved occupancy rate.

FINANCIAL REVIEW

Liquidity and financial resources

Total interest-bearing debts of the Group amounted to HK\$269.4 million as at 30 June 2015 (31 December 2014: HK\$241.8 million), of which HK\$266.2 million or 99% (31 December 2014: HK\$238.2 million or 99%) were classified as current liabilities. Included in the current portion of bank and other borrowings were trust receipt loans of HK\$189.6 million (31 December 2014: HK\$165.5 million). The increase in trust receipt loans was mainly due to the purchase of materials and equipment for installation for the projects of Shun Cheong. Current ratio of the Group as at 30 June 2015, measured by total current assets over total current liabilities, was 1.2 (31 December 2014: 1.2). Total unpledged cash and bank balances as at 30 June 2015 was HK\$535.7 million (31 December 2014: HK\$372.6 million), which exceeded the total interest-bearing borrowings of HK\$269.4 million. During the period under review, the Group's cash and cash equivalents (net of bank overdrafts) increased by HK\$160 million, which was attributable to net cash inflows from operations of HK\$215 million, cash out flows from purchase of items of property, plant and equipment of HK\$66 million, net cash payment for the acquisition of a trading of building services equipment business of HK\$12 million, and net cash inflows from financing of HK\$23 million, which was mainly due to increase in trust receipt loans.

The Group had a total of HK\$949 million undrawn banking facilities at end of the reporting period available for its working capital, trade finance and issue of performance/surety bonds. The gearing ratio of the Group, measured by total interest-bearing borrowings of HK\$269.4 million over the equity attributable to the holders of the Company of HK\$1,005.1 million, was 26.9% as at 30 June 2015 (31 December 2014: 25.4%).

REVIEW OF OPERATIONS

FINANCIAL REVIEW *(continued)*

Funding and treasury policy

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

Pledge of assets

As at 30 June 2015, certain properties and a time deposit having aggregate book value of HK\$270.5 million and HK\$1 million respectively were pledged to banks to secure certain bank loans and general banking facilities extended to the Group. In addition, time deposits of HK\$20.8 million were pledged to banks to secure the performance/surety bonds issued in favour of the Group's clients on contracting works.

Contingent liability

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

Employees and remuneration policies

The Group employed approximately 1,250 staff in Hong Kong and other parts of the PRC as at 30 June 2015. Remuneration packages are reviewed annually and determined by reference to market pay and individual performance. In addition to salary payments and year-end discretionary bonuses, the Group also provides other employment benefits including medical insurance cover, provident fund and educational subsidies to eligible staff.

PROPOSED SPIN-OFF AND SEPARATE LISTING OF THE FOUNDATION BUSINESS ON THE MAIN BOARD OF THE STOCK EXCHANGE AND POSSIBLE MAJOR TRANSACTION

As detailed in the Company's announcement published on 18 August 2015, the Group submitted an application to the Stock Exchange for the listing of and permission to deal with the shares of Chinney Kin Wing Holdings Limited ("Kin Wing"), a company incorporated in Bermuda with limited liability and the proposed holding company of the foundation division of the Group (the "Proposed Spin-off"). It is intended that the Company will retain not less than 50% interests in the issued share capital of Kin Wing upon the completion of the Proposed Spin-off. The Proposed Spin-off constitutes a deemed disposal of the interest in a subsidiary of the Company under Rule 14.29 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"). As one or more of the applicable percentage ratios represented by the Proposed Spin-off is or are expected to be 25% or more, the Proposed Spin-off, if proceeded, will constitute a major transaction for the Company under Chapter 14 of the Listing Rules. The Proposed Spin-off is therefore subject to, among other things, the approval of the shareholders of the Company (the "Shareholders") under paragraph 3(e)(1) of Practice Note 15 of the Listing Rules ("PN 15") and Chapter 14 of the Listing Rules. The Company will comply with the requirements under paragraph 3(e)(1) of PN15 and the applicable requirements of Chapter 14 of the Listing Rules (including the announcement, circular, appointment of an independent financial adviser and shareholders' approval requirements) as and when necessary.

Enhancement Investments Limited ("EIL"), Chinney Capital Limited ("CCL") and Multi-Investment Group Limited ("MGL"), which are controlled by Dr. James Sai-Wing Wong, are interested in an aggregate of 435,940,216 ordinary shares of the Company, representing approximately 73.28% of the issued share capital of the Company. On the basis that no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Proposed Spin-off, the Company intends to obtain a written approval from EIL, CCL and MGL for the Proposed Spin-off in accordance with Rule 14.44 of the Listing Rules and upon such written shareholders' approval being obtained, the Proposed Spin-off will be taken to have been duly approved in lieu of holding a general meeting of the Company.

OUTLOOK

The recent announcement of the US Manufacturing Purchasing Manager Index dropped unexpectedly in August 2015 to 52.9, the lowest since October 2013 as output, new orders and employment all grew at a slower pace. In the Eurozone, the resignation of the Greece Prime Minister would bring uncertainty to the Euro debt crisis if new leader was elected and the policies would change. The Chinese Government intends to shift growth away from the export-dominated model that operated more than a decade with double-digit growth rates and to achieve the next stage of economic development through more sustainable, domestic-led growth, encouraging urbanisation, and increasing the role of markets. However, the shift could not be achieved in short term and there are signs to indicate the slowdown of the China Economy with interest rates cut repeatedly and global commodity prices dropped continuously. The tension in the northeast Asia region brings further uncertainty to the global political and economic environment. All these reflected in the falling of major stock markets over the world. It is therefore expected the US Federal Reserve might delay the interest rate rise so as not to worsen the world economy.

In Hong Kong, the Gross Domestic Product of the second quarter of 2015 improved slightly to 2.8% in real term over a year from 2.4% of first quarter, which was contributed by strong private consumption on the back of favourable job and income prospects. While the recent devaluation of Renminbi would ease the costs of living in Hong Kong and costs of production in China, the Hong Kong retail market would be affected by conservative spending of visitors. Traditional manufacturing based countries like China are still relying on the recovery of external markets to support their production capacity and this would achieve when the economy shifts more to domestic oriented consumption. The Group's plastic trading business would continue to face a tough year. Although the Group's three construction related divisions have satisfactory contracts on hand and benefited from the drop in commodity prices for awarded contracts, they are all cautious in the determination tender prices to maintain competitive pricing and profitability.

APPRECIATION

I would like to thank my fellow directors for their advices and support and all staff for their hard work and contribution for the success during the period under review.

By Order of the Board
James Sai-Wing Wong
Chairman

Hong Kong, 28 August 2015

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Six months ended 30 June	
		2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
REVENUE	3	2,170,305	1,759,975
Cost of sales/services provided		(1,895,311)	(1,573,080)
Gross profit		274,994	186,895
Other income	3	4,337	5,146
Selling and distribution costs		(5,456)	(4,946)
Administrative expenses		(173,340)	(143,948)
Other operating expenses, net		(2,564)	(1,309)
Finance costs	4	(2,460)	(3,445)
Share of profits and losses of associates		(489)	(1,057)
PROFIT BEFORE TAX	5	95,022	37,336
Income tax expense	6	(17,652)	(6,941)
PROFIT FOR THE PERIOD		77,370	30,395
Attributable to:			
Owners of the Company		77,370	30,395
		HK cents	HK cents
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	7		
Basic and diluted		13.01	5.11

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
PROFIT FOR THE PERIOD	<u>77,370</u>	<u>30,395</u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations and net other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>79</u>	<u>(1,414)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>77,449</u>	<u>28,981</u>
Attributable to:		
Owners of the Company	<u>77,449</u>	<u>28,981</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		732,446	699,626
Investment properties		16,697	16,697
Investments in associates		48,969	48,460
Investment in a joint venture		–	–
Goodwill		12,528	5,767
Deferred tax assets		3,385	2,229
Other assets		2,345	2,345
Total non-current assets		<u>816,370</u>	<u>775,124</u>
CURRENT ASSETS			
Inventories		62,254	69,833
Gross amount due from contract customers		250,222	198,643
Trade receivables	8	494,839	539,684
Retention monies receivable		363,847	311,084
Amount due from a joint venture		967	967
Prepayments, deposits and other receivables		111,630	105,577
Tax recoverable		2,961	2,219
Pledged time deposits		21,811	20,077
Cash and cash equivalents		535,703	372,555
Total current assets		<u>1,844,234</u>	<u>1,620,639</u>
CURRENT LIABILITIES			
Gross amount due to contract customers		782,165	617,937
Trade and bills payables	9	289,200	291,164
Trust receipt loans		189,553	165,489
Retention monies payable		140,325	120,762
Other payables and accruals		71,120	87,461
Tax payable		31,182	15,070
Interest-bearing bank borrowings		76,678	72,702
Total current liabilities		<u>1,580,223</u>	<u>1,370,585</u>
NET CURRENT ASSETS		<u>264,011</u>	<u>250,054</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,080,381</u>	<u>1,025,178</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
TOTAL ASSETS LESS CURRENT LIABILITIES		1,080,381	1,025,178
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		3,176	3,617
Deferred tax liabilities		72,150	70,159
Total non-current liabilities		75,326	73,776
Net assets		1,005,055	951,402
EQUITY			
Equity attributable to owners of the Company			
Issued capital	10	59,490	59,490
Reserves		945,565	868,116
Proposed final dividend		–	23,796
Total equity		1,005,055	951,402

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company								Total equity (Unaudited) HK\$'000		
	Issued capital (Unaudited) HK\$'000	Share premium account (Unaudited) HK\$'000	Contributed surplus (Unaudited) HK\$'000	Asset revaluation reserve (Unaudited) HK\$'000	Legal reserve (Unaudited) HK\$'000	Exchange fluctuation reserve (Unaudited) HK\$'000	Retained profits (Unaudited) HK\$'000	Proposed final dividend (Unaudited) HK\$'000			
	At 1 January 2015	59,490	60,978	120,946	237,792	49	2,656	445,695		23,796	951,402
	Profit for the period	-	-	-	-	-	-	77,370		-	77,370
Other comprehensive income for the period:											
Exchange differences on translation of foreign operations	-	-	-	-	-	79	-	-	79		
Total comprehensive income for the period	-	-	-	-	-	79	77,370	-	77,449		
Release of revaluation reserve on land and buildings to retained profits	-	-	-	(3,991)	-	-	3,991	-	-		
Final 2014 dividend declared	-	-	-	-	-	-	-	(23,796)	(23,796)		
At 30 June 2015	59,490	60,978*	120,946*	233,801*	49*	2,735*	527,056*	-	1,005,055		
At 1 January 2014	59,490	60,978	120,946	195,763	49	3,063	320,569	20,821	781,679		
Profit for the period	-	-	-	-	-	-	30,395	-	30,395		
Other comprehensive income for the period:											
Exchange differences on translation of foreign operations	-	-	-	-	-	(1,414)	-	-	(1,414)		
Total comprehensive income for the period	-	-	-	-	-	(1,414)	30,395	-	28,981		
Release of revaluation reserve on land and buildings to retained profits	-	-	-	(3,304)	-	-	3,304	-	-		
Final 2013 dividend declared	-	-	-	-	-	-	-	(20,821)	(20,821)		
At 30 June 2014	59,490	60,978	120,946	192,459	49	1,649	354,268	-	789,839		

* These reserve accounts comprise the consolidated reserves of HK\$945,565,000 in the condensed consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Six months ended 30 June	
		2015	2014
		(Unaudited) HK\$'000	(Unaudited) HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		95,022	37,336
Adjustments for:			
Finance costs	4	2,460	3,445
Share of profits and losses of associates		489	1,057
Depreciation	5	31,154	25,337
Bad debts written off	5	1	–
Write-back of provision for inventories included in cost of inventories sold		(1,694)	(758)
Gain on disposals of items of property, plant and equipment	5	2,336	(88)
Loss on disposal of an investment property	5	–	548
Interest income	3	(1,937)	(2,007)
		127,831	64,870
Decrease in inventories		11,104	22,783
Decrease/(increase) in gross amount due from contract customers		(51,289)	22,962
Decrease in trade receivables		48,062	42,960
Increase in retention monies receivable		(52,763)	(34,601)
Increase in prepayments, deposits and other receivables		(5,385)	(12,244)
Increase in gross amount due to contract customers		164,228	102,326
Decrease in trade and bills payables		(2,682)	(50,465)
Increase in retention monies payable		19,563	7,751
Decrease in other payable and accruals		(16,548)	(18,287)
Cash generated from operations		242,121	148,055
Interest received		858	928
Interest paid		(2,460)	(3,434)
Interest element of finance lease rental payments		–	(11)
Dividend paid		(23,796)	(20,821)
Hong Kong profits tax paid, net		(1,426)	(421)
Net cash flows from operating activities		215,297	124,296

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2015	2014
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of items of property, plant and equipment	(66,566)	(23,777)
Purchase of a subsidiary	(11,614)	–
Proceeds from disposals of items of property, plant and equipment	5	551
Proceeds from disposal of an investment property	–	7,713
Net cash flows used in investing activities	<u>(78,175)</u>	<u>(15,513)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in trust receipt loans	24,064	31,035
New bank loans	64,563	57,800
Repayment of bank loans	(63,936)	(116,281)
Increase in pledged time deposits	(1,734)	(2,111)
Capital element of finance lease rental payments	–	(79)
Net cash flows from/(used in) financing activities	<u>22,957</u>	<u>(29,636)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at beginning of period	371,578	313,087
Effect of foreign exchange rate changes, net	161	(186)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>531,818</u>	<u>392,048</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	376,754	203,863
Non-pledged time deposits with original maturity of less than three months when acquired	<u>158,949</u>	<u>190,225</u>
Cash and cash equivalents as stated in the condensed consolidated statement of financial position	535,703	394,088
Time deposit with original maturity of less than three months when acquired, pledged as security for bank overdrafts facility	1,000	1,000
Bank overdrafts	<u>(4,885)</u>	<u>(3,040)</u>
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	<u>531,818</u>	<u>392,048</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

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

The unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in the financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2014.

The condensed consolidated interim financial statements have been prepared under the historical cost convention, except for investment properties and certain buildings classified as property, plant and equipment, which have been measured at fair value. The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014 except as described below. In the current period, the Group has applied, for the first time, the following revised and amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA which are effective for the Group's financial year beginning on 1 January 2015.

Amendments to HKAS 19	<i>Defined Benefit Plans: Employee Contributions</i>
<i>Annual Improvements 2010-2012 Cycle</i>	Amendments to a number of HKFRSs
<i>Annual Improvements 2011-2013 Cycle</i>	Amendments to a number of HKFRSs

The adoption of the above revised HKFRSs had no material effect on the results and financial position for the current or prior accounting periods which have been prepared and presented.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2. OPERATING SEGMENT INFORMATION

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

Six months ended 30 June 2015

	Plastic and chemical products (Unaudited) HK\$'000	Building related contracting services (Unaudited) HK\$'000	Foundation piling and ground investigation (Unaudited) HK\$'000	Building construction (Unaudited) HK\$'000	Others (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Segment revenue:						
Sales to external customers	274,654	502,657	871,355	513,978	7,661	2,170,305
Intersegment sales	–	17,424	–	–	65	17,489
Other revenue	2,025	217	51	1	631	2,925
	276,679	520,298	871,406	513,979	8,357	2,190,719
<i>Reconciliation:</i>						
Elimination of intersegment sales						(17,489)
Revenue						2,173,230
Segment results	4,607	14,998	81,924	5,950	(1,695)	105,784
<i>Reconciliation:</i>						
Interest income and unallocated gains						1,412
Unallocated expenses						(11,685)
Share of profits and losses of associates						(489)
Profit before tax						95,022

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2. OPERATING SEGMENT INFORMATION *(continued)*

As at 30 June 2015

	Plastic and chemical products (Unaudited) <i>HK\$'000</i>	Building related contracting services (Unaudited) <i>HK\$'000</i>	Foundation piling and ground investigation (Unaudited) <i>HK\$'000</i>	Building construction (Unaudited) <i>HK\$'000</i>	Others (Unaudited) <i>HK\$'000</i>	Total (Unaudited) <i>HK\$'000</i>
Segment assets	336,468	580,680	1,080,086	429,179	172,929	2,599,342
<i>Reconciliation:</i>						
Elimination of intersegment receivables						(16,432)
Investments in associates						48,969
Corporate and other unallocated assets						<u>28,725</u>
Total assets						<u>2,660,604</u>
Segment liabilities	155,911	401,246	743,656	215,031	51,034	1,566,878
<i>Reconciliation:</i>						
Elimination of intersegment payables						(16,432)
Corporate and other unallocated liabilities						<u>105,103</u>
Total liabilities						<u>1,655,549</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2. OPERATING SEGMENT INFORMATION *(continued)*

Six months ended 30 June 2014

	Plastic and chemical products (Unaudited) <i>HK\$'000</i>	Building related contracting services (Unaudited) <i>HK\$'000</i>	Foundation piling and ground investigation (Unaudited) <i>HK\$'000</i>	Building construction (Unaudited) <i>HK\$'000</i>	Others (Unaudited) <i>HK\$'000</i>	Total (Unaudited) <i>HK\$'000</i>
Segment revenue:						
Sales to external customers	263,956	375,101	678,770	438,559	3,589	1,759,975
Intersegment sales	–	6,711	–	–	359	7,070
Other revenue	<u>1,522</u>	<u>1</u>	<u>89</u>	<u>1</u>	<u>629</u>	<u>2,242</u>
	265,478	381,813	678,859	438,560	4,577	1,769,287
<i>Reconciliation:</i>						
Elimination of intersegment sales						<u>(7,070)</u>
Revenue						<u>1,762,217</u>
Segment results	2,367	2,416	38,531	7,361	(3,338)	47,337
<i>Reconciliation:</i>						
Interest income and unallocated gains						1,169
Unallocated expenses						(10,113)
Share of profits and losses of associates						<u>(1,057)</u>
Profit before tax						<u>37,336</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2. OPERATING SEGMENT INFORMATION *(continued)*

As at 31 December 2014

	Plastic and chemical products (Audited) <i>HK\$'000</i>	Building related contracting services (Audited) <i>HK\$'000</i>	Foundation piling and ground investigation (Audited) <i>HK\$'000</i>	Building construction (Audited) <i>HK\$'000</i>	Others (Audited) <i>HK\$'000</i>	Total (Audited) <i>HK\$'000</i>
Segment assets	319,293	537,982	866,742	410,594	170,434	2,305,045
<i>Reconciliation:</i>						
Elimination of intersegment receivables						(24,574)
Investments in associates						48,460
Corporate and other unallocated assets						<u>66,832</u>
Total assets						<u>2,395,763</u>
Segment liabilities	140,836	372,787	612,439	201,434	54,663	1,382,159
<i>Reconciliation:</i>						
Elimination of intersegment payables						(24,574)
Corporate and other unallocated liabilities						<u>86,776</u>
Total liabilities						<u>1,444,361</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3. REVENUE AND OTHER INCOME

	Six months ended 30 June	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Revenue		
Sale of goods	282,315	267,544
Construction contracts	1,887,990	1,492,431
	<u>2,170,305</u>	<u>1,759,975</u>
Other Income		
Interest income	1,937	2,007
Commission income	1,375	628
Gross rental income	631	629
Others	394	1,882
	<u>4,337</u>	<u>5,146</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4. FINANCE COSTS

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on bank loans and overdrafts wholly repayable within five years	2,460	3,355
Interest on bank loans wholly repayable after five years	–	79
Interest on finance leases	–	11
	<u>2,460</u>	<u>3,445</u>

No interest was capitalised by the Group in both periods.

5. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Depreciation	31,154	25,337
Employee benefit expense (including directors' remuneration)	91,173	80,728
Bad debts written off*	1	–
Loss/(gain) on disposal of items of property, plant and equipment*	2,336	(88)
Loss on disposal of an investment property*	–	548
Foreign exchange differences, net*	227	849

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

6. INCOME TAX

	Six months ended 30 June	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Group:		
Current – Hong Kong		
Charge for the period	15,630	5,175
Over provision in prior years	(10)	–
Current – Elsewhere	1,175	60
Deferred	857	1,706
Total tax charge for the period	17,652	6,941

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

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

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the Company of HK\$77,370,000 (2014: HK\$30,395,000) and the weighted average number of 594,899,245 ordinary shares in issue during both periods.

No adjustment has been made to the basic earnings per share amounts presented for the periods ended 30 June 2015 and 2014 in respect of a dilution as the Group has no potential dilutive ordinary shares in issue during both periods.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

8. TRADE RECEIVABLES

	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
Trade receivables	497,034	541,879
Impairment	(2,195)	(2,195)
	494,839	539,684

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

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

	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
Current to 30 days	302,517	340,082
31 to 60 days	112,888	107,600
61 to 90 days	43,900	61,158
Over 90 days	35,534	30,844
	494,839	539,684

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

9. TRADE AND BILLS PAYABLES

	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
Trade payables	258,062	275,315
Bills payable	31,138	15,849
	289,200	291,164

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

	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
Current to 30 days	188,762	196,142
31 to 60 days	36,091	52,272
61 to 90 days	4,386	11,951
Over 90 days	28,823	14,950
	258,062	275,315

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

10. SHARE CAPITAL

	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
Authorised: 2,500,000,000 (31 December 2014: 2,500,000,000) ordinary shares of HK\$0.10 each	250,000	250,000
Issued and fully paid: 594,899,245 (31 December 2014: 594,899,245) ordinary shares of HK\$0.10 each	59,490	59,490

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

11. RELATED PARTY TRANSACTIONS

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

	Notes	Six months ended 30 June	
		2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Share of rental and office expenses with a related company	(i)	1,458	1,474
Interest income from an associate	(ii)	1,375	1,375
Construction contract income from a related company	(iii)	24	916

Notes:

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

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

	Six months ended 30 June	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Short-term employee benefits	29,046	22,799
Post-employment benefits	753	677
Total compensation paid to key management personnel	29,799	23,476

12. CONTINGENT LIABILITY

As at 30 June 2015, the Group provided corporate guarantees and indemnities to certain banks for an aggregate amount of HK\$446,700,000 for the issue of surety/performance bonds in favour of the Group's clients on contracting works.

Save as disclosed above, the Group had no other material contingent liabilities as at 30 June 2015.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

13. OPERATING LEASE ARRANGEMENTS

(a) *As lessor*

During the period, the Group leases certain of its investment properties under operating lease arrangements, with leases negotiated for terms of two years (31 December 2014: two years). The terms of the leases generally also require the tenants to pay security deposits.

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

	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
Within one year	842	1,264
In the second to fifth years, inclusive	<u>—</u>	<u>211</u>
	842	1,475

(b) *As lessee*

The Group leases certain of its office properties under operation lease arrangements. Leases for properties are negotiated for terms ranging from one to three years (31 December 2014: one to three years).

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

	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
Within one year	5,717	5,028
In the second to fifth years, inclusive	<u>3,109</u>	<u>5,599</u>
	8,826	10,627

14. COMMITMENTS

In addition to the operating lease commitments detailed in note 13 above, the Group had capital commitment for the purchase of plant and machinery contracted but not provided for of HK\$14,522,000 as at 30 June 2015 (31 December 2014: HK\$11,654,000).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

Group	Carrying amounts		Fair Values	
	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
Financial liabilities				
Interest-bearing bank borrowings	<u>79,854</u>	<u>76,319</u>	<u>79,854</u>	<u>76,319</u>

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade receivables, trade and bills payables, retention monies receivable and payable, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, loan to an associate, an amount due from a joint venture and trust receipt loans approximate to their carrying amounts largely due to the short-term maturities of these instruments.

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

The fair values of the non-current portion of interest-bearing bank borrowings has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank and other borrowings as at 30 June 2015 was assessed to be insignificant.

Fair value hierarchy

As at 30 June 2015 and 31 December 2014, the Group did not have any financial assets measured at fair value.

The Group did not have any financial liabilities measured at fair value as at 30 June 2015 and 31 December 2014. As at 30 June 2015, the Group's financial liabilities not measured at fair value but for which fair values were disclosed included interest-bearing bank borrowings of HK\$79,854,000 (31 December 2014: HK\$76,319,000). The fair values of these financial liabilities disclosed were measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly (Level 2).

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (31 December 2014: Nil).

OTHER INFORMATION

CORPORATE GOVERNANCE

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules. On specific enquiries made, all directors of the Company have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2015.

Compliance with the Corporate Governance Code

In the opinion of the directors, the Company has complied with all relevant code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules during the period from 1 January to 30 June 2015, except A.4.1, A.4.2, A.5.1 to A.5.4 and A.6.7, which are explained below.

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

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

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

Dr. James Sai-Wing Wong, the beneficial owner of Chinney Investments, EIL and CCL, which collectively hold approximately 73.28% interest in the Company, is the Chairman of the Board to safeguard their investments in the Company. In addition, the Board considers that the continuity of the office of the chairman and managing director provide the Group with a strong and consistent leadership for the smooth operation of the businesses of the Group. As a result, the Board concurred that the chairman and the managing director need not be subject to retirement by rotation.

2. Code provisions A.5.1 to A.5.4 of the CG Code in respect of the establishment, terms of reference and resources of a nomination committee. The Company has not established a nomination committee. The Board is responsible for considering the suitability of a candidate to act as a director, and collectively approving and terminating the appointment of a director as this allows a more informed and balanced decision to be made. The Chairman is mainly responsible for identifying suitable candidates for members of the Board when there is a vacancy or an additional director is considered necessary. The Chairman will propose the appointment of such candidates to the Board for consideration and the Board will determine the suitability of the relevant candidates on the basis of their gender, age, professional qualifications and experience as well as educational background.
3. Code provision A.6.7 of the CG Code requires that independent non-executive directors and other non-executive directors shall attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Herman Man-Hei Fung, Mr. Chi-Chiu Wu and Mr. Alexander Yan-Zau Fang (who retired at the 2015 annual general meeting), being non-executive directors of the Company, did not attend the 2015 annual general meeting of the Company held on 1 June 2015 due to their engagement in their own official business.

CORPORATE GOVERNANCE *(continued)*

Audit Committee

Regular meetings have been held by the audit committee of the Company (the "Audit Committee") since establishment and it meets at least twice each year to review and supervise the Group's financial reporting process and internal control. The Company's interim results for the six months ended 30 June 2015 has not been audited, but has been reviewed by the Audit Committee.

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

As at 30 June 2015, the interests and short positions of the directors in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long positions in ordinary shares of the Company

Name of Director	Number of shares held, capacity and nature of interest			Total	Percentage of the Company's issued share capital
	Personal interests	Family interests	Corporate interests		
James Sai-Wing Wong	–	–	435,940,216 <i>(Note)</i>	435,940,216	73.28%

Note: Among these shares, 19,602,000 shares are held by CCL, 173,093,695 shares are held by MGL and 243,244,521 shares are held by EIL, all of which Dr. James Sai-Wing Wong is a director of and has beneficial interests in.

Save as disclosed above, as at 30 June 2015, none of the directors had registered an interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the six-month period ended 30 June 2015 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the directors or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

OTHER INFORMATION

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

As at 30 June 2015, the interests and short positions of those persons in the shares and underlying shares of the Company as recorded in the register of interests required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in ordinary shares of the Company

Name	Notes	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital
James Sai-Wing Wong	1, 2, 3	Interest through controlled corporations	435,940,216	73.28%
Lucky Year Finance Limited	1	Interest through a controlled corporation	173,093,695	29.10%
Chinney Holdings Limited	1	Interest through a controlled corporation	173,093,695	29.10%
Chinney Investments	1	Interest through a controlled corporation	173,093,695	29.10%
Newsworthy Resources Limited	1	Interest through a controlled corporation	173,093,695	29.10%
MGL	1	Beneficial owner	173,093,695	29.10%
EIL	2	Beneficial owner	243,244,521	40.89%

Notes:

1. Dr. James Sai-Wing Wong, Lucky Year Finance Limited, Chinney Holdings Limited, Chinney Investments, Newsworthy Resources Limited and MGL are deemed to be interested in the same parcel of 173,093,695 shares by virtue of section 316 of the SFO;
2. EIL is beneficially wholly owned by Dr. James Sai-Wing Wong; and
3. 19,602,000 shares are held by CCL, which is beneficially wholly owned by Dr. James Sai-Wing Wong.

Save as disclosed above, as at 30 June 2015, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares, underlying shares and debentures" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

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

Neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed shares during the six months ended 30 June 2015.