



鴻隆控股
HONG LONG
Holdings

鴻隆控股有限公司
Hong Long Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock Code 股份編號: 1383

2010

Interim Report 中期報告



我們的願景 -
創造城市新生活

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. ZENG Yunshu (*Chairman*)
Mr. ZHANG Yijun (*Vice Chairman and Chief Executive Officer*)
Mr. ZHANG Yiyun (*Vice Chairman and Co-President*)
Mr. ZENG Sheng (*Vice Chairman and Co-President*)
Ms. YE Qingdong (*Vice President*)
Mr. OUYANG Junxin

Independent Non-Executive Directors

Dr. LI Jun
Mr. CHEUNG Ngai Lam
Mr. WANG Fosong
Mr. LI Wai Keung

AUTHORISED REPRESENTATIVES

Mr. ZENG Yunshu
Mr. ZHANG Yijun

COMPANY SECRETARY

Mr. CHU Kin Wang, Peleus
(FCPA, FCCA, ACIS, HKICS, MBA)

AUDITOR

KPMG

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
George Town
Grand Cayman KY1-1111
The Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN THE PRC

Level 8, Hong Long Building
Nanhai Avenue
Nanshan District
Shenzhen, Guangdong Province
The PRC

董事會

執行董事

曾雲樞先生 (*主席*)
張宜均先生 (*副主席及總裁*)
張奕炎先生 (*副主席及聯席總裁*)
曾 勝先生 (*副主席及聯席總裁*)
葉慶東女士 (*副總裁*)
歐陽俊新先生

獨立非執行董事

李 珺博士
張毅林先生
王佛松先生
李偉強先生

授權代表

曾雲樞先生
張宜均先生

公司秘書

朱健宏先生
(FCPA、FCCA、ACIS、HKICS、MBA)

核數師

畢馬威會計師事務所

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681
George Town
Grand Cayman KY1-1111
The Cayman Islands

中國主要營業地點

中國
廣東省深圳
南山區
南海大道
鴻隆大廈8樓

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 4906
49/F, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
George Town
Grand Cayman
The Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
26th Floor
Tesbury Centre
28 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

In Hong Kong:

The Hongkong and Shanghai Banking Corporation Limited
Bank of China (Hong Kong) Limited

In the PRC:

China Construction Bank
Industrial and Commercial Bank of China
China Bank of Communications
Agricultural Bank of China
Hua Xia Bank
Industrial Bank Co., Ltd.
Shanghai Pudong Development Bank

INVESTOR RELATIONS

For other information relating to the Company, please contact
Corporate Communications Department
website: www.hlkg.net
e-mail: ir@hlkg.net

香港主要營業地點

香港
灣仔
港灣道18號
中環廣場49樓
4906室

開曼群島主要股份過戶登記處

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
George Town
Grand Cayman
The Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東28號
金鐘匯中心26樓

主要往來銀行

在香港:

香港上海滙豐銀行有限公司
中國銀行(香港)有限公司

在中國:

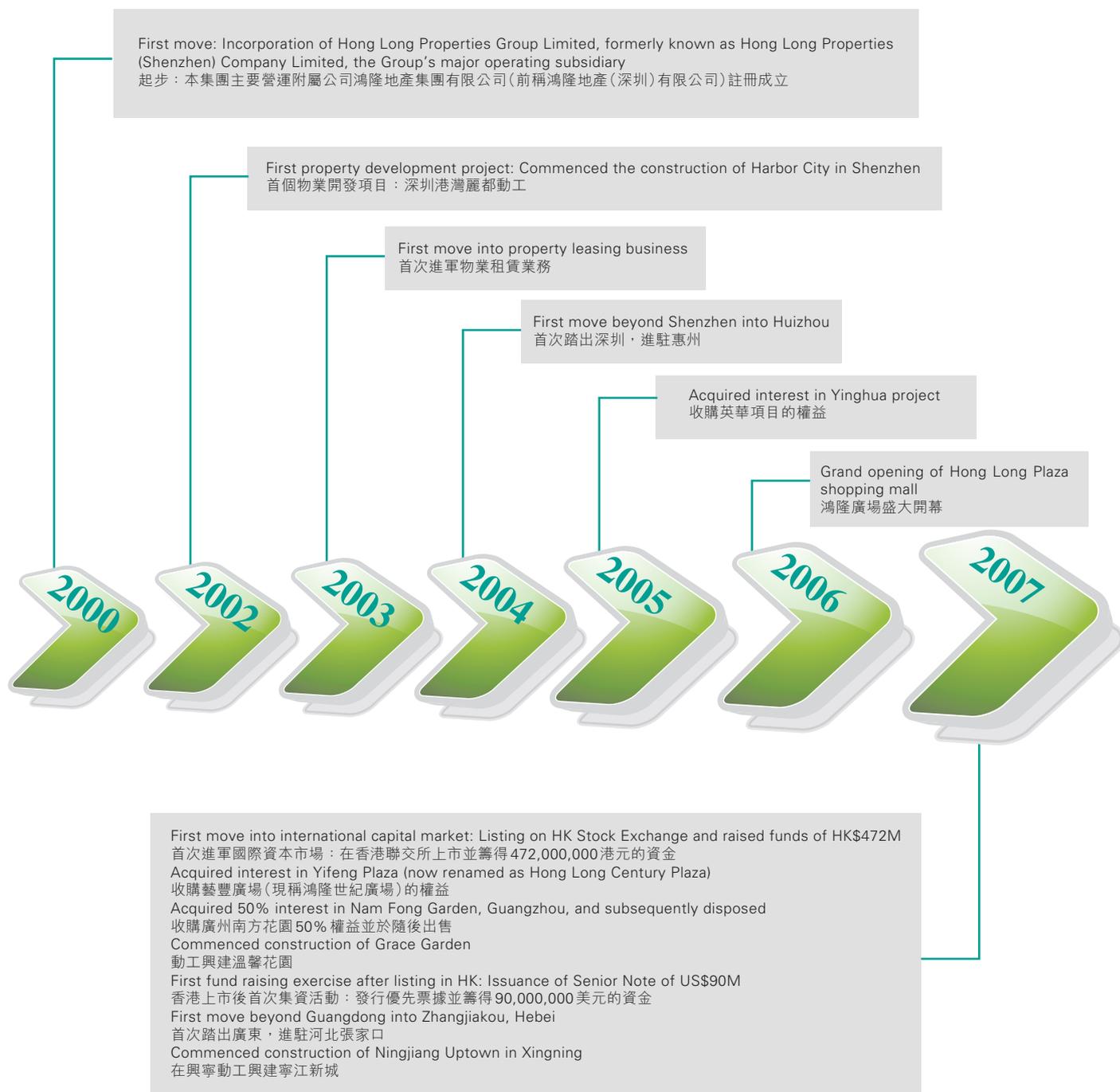
中國建設銀行
中國工商銀行
中國交通銀行
中國農業銀行
華夏銀行
興業銀行
上海浦東發展銀行

投資者關係

有關本公司的其他資料
請聯絡企業傳訊部
網址: www.hlkg.net
電郵: ir@hlkg.net

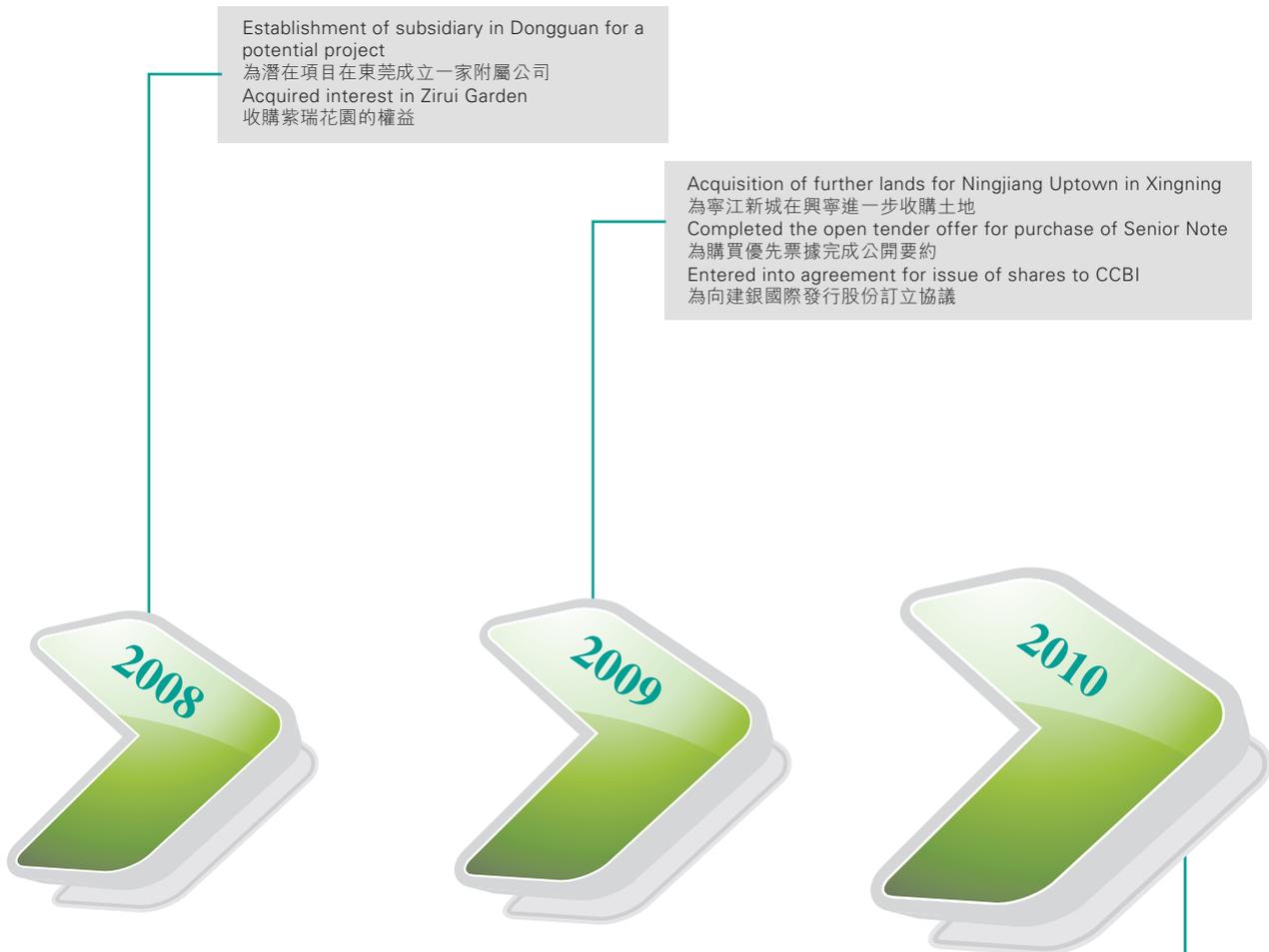
Corporate Development Milestone

公司發展歷程



Corporate Development Milestone

公司發展歷程



- Entered into strategic cooperative agreement with China Construction Bank for the comprehensive banking facilities of RMB10 billion
與中國建設銀行訂立戰略性合作協議，綜合授信額度為人民幣100億元
- Entered into acquisition agreement for project at Pinghu Street, Longgang of Shenzhen
為深圳市龍崗區平湖街道的項目訂立收購協議
- Entered into cooperative framework agreement with the Management Committee of Shenyang Economic and Technological Development Zone of Liaoning Province, PRC for the construction project of Shenyang Tiexi Industrial New City
為瀋陽鐵西產業新城建設項目與中國遼寧省瀋陽經濟技術開發區管委會訂立合作框架協議
- Declaration of special dividend of HK\$0.15 per share with scrip dividend for the 3rd anniversary of listing in Hong Kong
為慶祝公司於香港上市三週年，宣派每股0.15港元的特別股息，並附設以股代息計劃
- Acquisition of 52% equity interest in Dayawan project for developing a complex of residential and hotel of about 1,200,000m² GFA.
收購大亞灣項目52%股本權益以發展含住宅及酒店的綜合樓宇，建築面積約1,200,000m²。
- Entered into the agreement with independent third party pursuant to which all parties agreed to cooperate to develop the project at Cao Pu Mu Mian Ling District.
與獨立第三方訂立一項協議，據此，所有訂約方同意合作開發草埔木棉嶺片區項目。
- Entered into the agreement with Shenzhen City Construction Development (Group) Company pursuant to which the parties agreed to cooperate to develop the Project at Yuanling residential area (South), Futian District, Shenzhen according to the Urban Regeneration Measures.
與深圳城市建設開發(集團)公司訂立一項協議，據此，訂約方同意按照城市更新辦法合作開發位於深圳福田區園嶺住宅區(南)的項目。
- Entered into the letter of intent with the People's Government of Huangjiang Town, Dongguan and the Village Committee of Jitigang Village, Huangjiang Town, Dongguan pursuant to which each party agreed to cooperate to develop the urban renewal project at the land on both sides of Huancheng South Road, Jitigang Village, Huangjiang Town, Dongguan.
與東莞市黃江鎮人民政府及東莞市黃江鎮鷄啼崗村村民委員會訂立合作意向書，據此，各方同意合作開發位於東莞市黃江鎮鷄啼崗村環城南路兩旁地塊的城市更新項目。

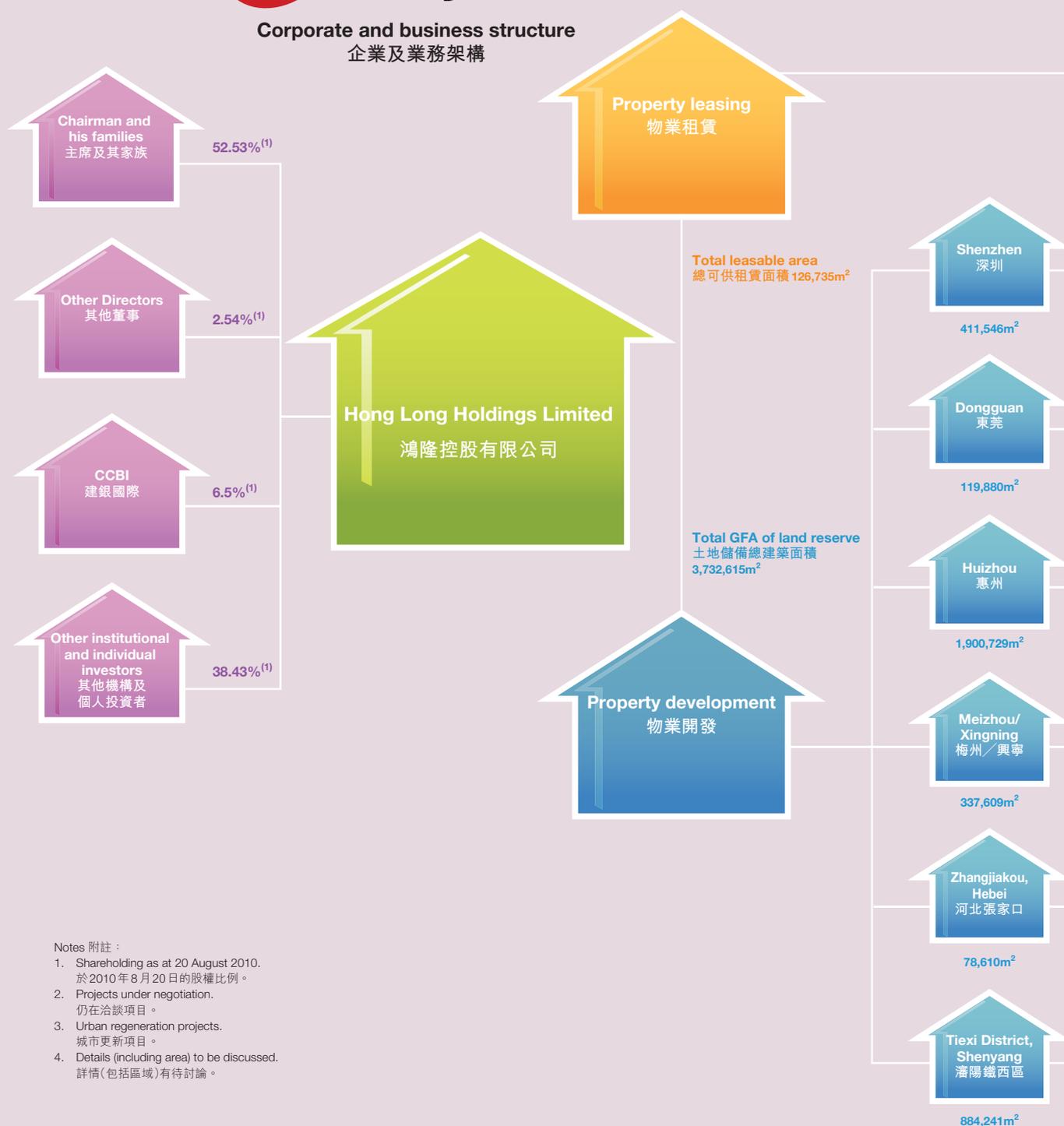
Business Scope

公司業務結構



鴻隆控股
HONG LONG
Holdings

Corporate and business structure
企業及業務架構

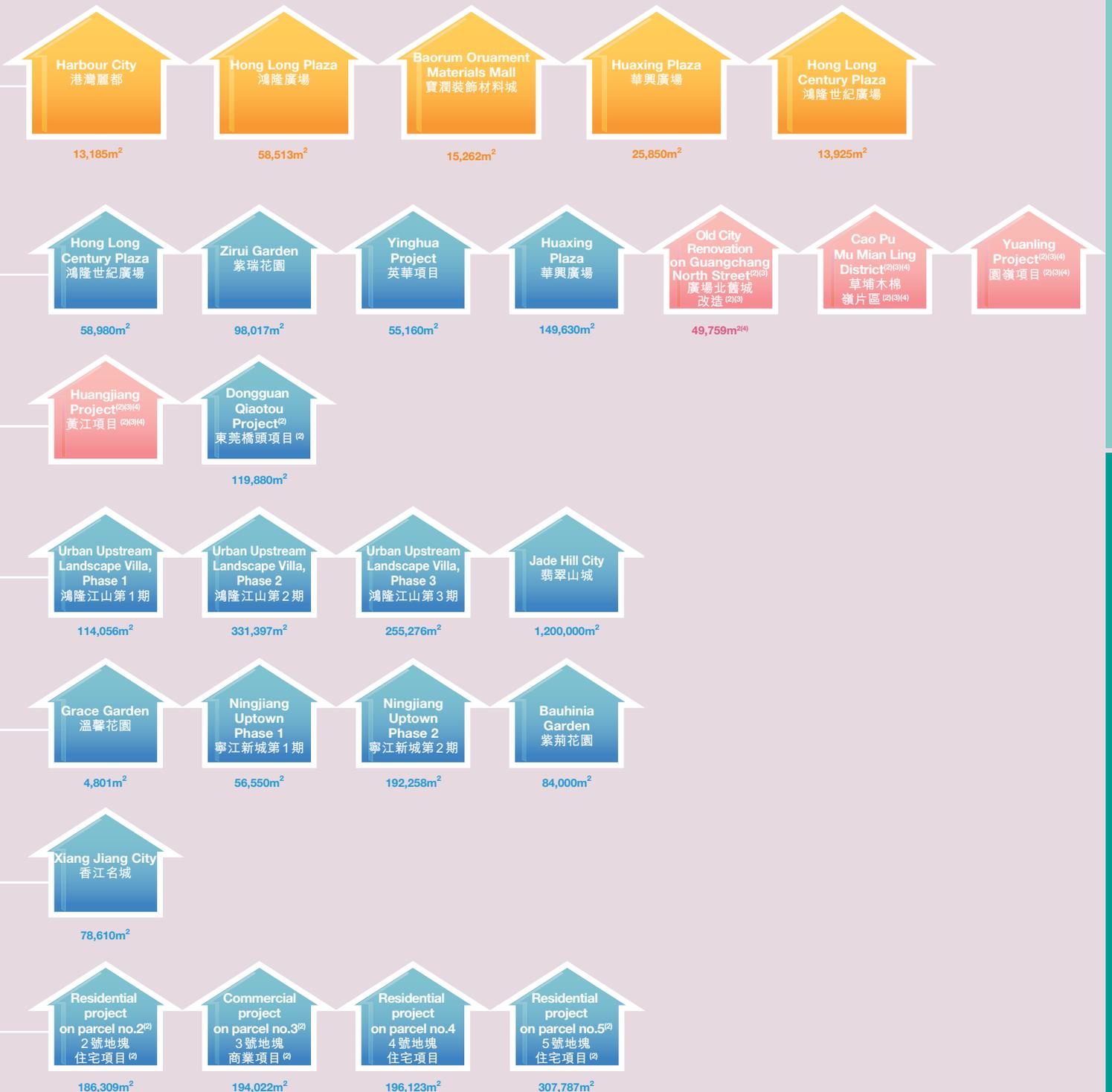


Notes 附註：

- Shareholding as at 20 August 2010.
於2010年8月20日的股權比例。
- Projects under negotiation.
仍在洽談項目。
- Urban regeneration projects.
城市更新項目。
- Details (including area) to be discussed.
詳情(包括區域)有待討論。

Business Scope

公司業務結構



Properties Portfolio Overview

物業組合概覽

PROPERTY DEVELOPMENT BUSINESS

Completed projects

Project name	Place	Site area (m ²)		Actual GFA (m ²)			Total	Saleable area (m ²)	Sold area (m ²)	Commencement/ completion date	Interest attributable to the Group
		Residential	Shop	Office	Others ⁽¹⁾						
Harbor City	Shenzhen	19,822	61,252	14,959	—	19,366	95,577	76,211	75,901	2002/Q2–2003/Q3	100%
Hong Long Plaza	Shenzhen	19,832	72,035	64,397	—	36,198	172,630	136,432	136,250	2005/Q1–2006/Q4	100%
Hong Long High Technology Industrial Park	Shenzhen	119,326	—	—	—	237,939	237,939	237,939	237,939	2005/Q2–2006/Q4	100%
Grace Garden	Meizhou	5,570	30,793	1,468	—	1,188	33,449	33,449	28,647	2007/Q4–2009/Q4	100%
		164,550	164,080	80,824	—	294,691	539,595	484,031	478,737		

Properties under development/to be developed

Project name	Place	Site area (m ²)		Planned GFA (m ²)				Total	Saleable area (m ²)	Sold area (m ²)	Planned commencement/ completion date	Interest attributable to the Group
		Residential	Shop	Office	Hotel	Others ⁽¹⁾						
Hong Long Century Plaza	Shenzhen	n/a	6,580	13,925	52,400	—	10,512	83,417	72,905	—	2008/Q2–2010/Q4	100%
Yinghua	Shenzhen	9,237	48,180	6,980	—	—	2,790	57,950	55,160	—	2010/Q4–2011/Q4	100%
Zirui Garden	Shenzhen	43,538	90,015	8,002	—	—	36,732	134,749	98,017	—	2008/Q1–2012/Q4	100%
Huaxing Plaza	Shenzhen	50,000	149,630	25,850	—	—	4,550	180,030	175,480	—	2010/Q2–2013/Q4	100%
Urban Upstream Landscape Villa (Phase 1)	Huizhou	120,580	117,334	12,417	—	—	33,867	163,618	129,751	15,695	2007/Q2–2011/Q4	82%
Urban Upstream Landscape Villa (Phase 2)	Huizhou	301,843	303,397	28,000	—	—	55,323	386,720	331,397	—	2011/Q1–2012/Q4	82%
Urban Upstream Landscape Villa (Phase 3)	Huizhou	77,519	240,870	14,406	—	—	59,757	315,033	255,276	—	2011/Q4–2013/Q4	82%
Jade Hill City	Huizhou	714,656	1,139,453	—	—	60,547	—	1,200,000	1,200,000	—	2010/Q2–2016/Q4	52%
Ningjiang Uptown Phase 1	Xingning	38,827	84,093	5,784	—	—	5,500	95,377	89,877	33,327	2007/Q3–2011/Q4	100%
Ningjiang Uptown Phase 2	Xingning	186,908	178,580	13,678	—	—	83,198	275,546	192,258	—	2011/Q1–2013/Q4	100%
Bauhinia Garden	Xingning	28,526	75,500	8,500	—	—	1,000	85,000	84,000	—	2011/Q2–2012/Q4	100%
Xiang Jiang City	Zhangjiakou	152,603	157,514	9,661	40,000	—	4,780	211,955	207,175	128,565	2007/Q3–2011/Q4	100%
Tiexi New City	Shenyang	369,766	690,219	—	194,022	—	—	884,241	884,241	—	2010/Q2–2016/Q2	100%
		2,094,003	3,281,365	147,203	286,422	60,547	298,009	4,073,546	3,775,537	177,587		

PROJECTS UNDER NEGOTIATION⁽²⁾

Project name	Place	Site area (m ²)		Planned GFA (m ²)			Total	Saleable area (m ²)	Planned commencement/ completion date	Interest attributable to the Group
		Residential	Shop	Office	Others ⁽¹⁾					
Old City Renovation on Guangchang North Street	Shenzhen	10,636	29,759	20,000	—	20,000	69,759	49,759	2011/Q1–2013/Q4	100%
Dongguan Qiaotou	Dongguan	47,952	95,904	23,976	—	—	119,880	119,880	2011/Q1–2012/Q4	90%
		58,588	125,663	43,976	—	20,000	189,639	169,639		

Property leasing business

Project name	Place	100% owned by the Group	
		Leaseable area (m ²)	
Harbor City	Shenzhen	3,136	
Hong Long Plaza	Shenzhen	58,513	
Baorun Ornament Materials Mall	Shenzhen	7,653	
		69,302	

Property for own use

Project name	Place	100% owned by the Group	
		Useable area (m ²)	
8/F, Hong Long Building	Shenzhen	748	

(1) Includes club house and car parking spaces.

(2) Excluded Cao Pu Mu Mian Lian District, Yuanling Project and Huangjiang Project which are under negotiation.

Properties Portfolio Overview

物業組合概覽

物業開發業務 已完成項目

項目名稱	地點	土地面積 (m ²)	住宅	實際建築面積 (m ²)			可銷售面積 (m ²)	已銷售面積 (m ²)	動工/ 竣工時間	本集團 所佔權益	
				商舖	寫字樓	其他 ⁽¹⁾					
港灣麗都	深圳	19,822	61,252	14,959	—	19,366	95,577	76,211	75,901	2002/Q2–2003/Q3	100%
鴻隆廣場	深圳	19,832	72,035	64,397	—	36,198	172,630	136,432	136,250	2005/Q1–2006/Q4	100%
鴻隆高科技工業園	深圳	119,326	—	—	—	237,939	237,939	237,939	237,939	2005/Q2–2006/Q4	100%
溫馨花園	梅州	5,570	30,793	1,468	—	1,188	33,449	33,449	28,647	2007/Q4–2009/Q4	100%
		164,550	164,080	80,824	—	294,691	539,595	484,031	478,737		

在開發／待開發項目

項目名稱	地點	土地面積 (m ²)	住宅	規劃建築面積 (m ²)				可銷售面積 (m ²)	已銷售面積 (m ²)	規劃動工/ 竣工時間	本集團 所佔權益	
				商舖	寫字樓	酒店	其他 ⁽¹⁾					
鴻隆世紀廣場	深圳	不適用	6,580	13,925	52,400	—	10,512	83,417	72,905	—	2008/Q2–2010/Q4	100%
英華項目	深圳	9,237	48,180	6,980	—	—	2,790	57,950	55,160	—	2010/Q4–2011/Q4	100%
紫瑞花園	深圳	43,538	90,015	8,002	—	—	36,732	134,749	98,017	—	2008/Q1–2012/Q4	100%
華興廣場	深圳	50,000	149,630	25,850	—	—	4,550	180,030	175,480	—	2010/Q2–2013/Q4	100%
鴻隆江山1期	惠州	120,580	117,334	12,417	—	—	33,867	163,618	129,751	15,695	2007/Q2–2011/Q4	82%
鴻隆江山2期	惠州	301,843	303,397	28,000	—	—	55,323	386,720	331,397	—	2011/Q1–2012/Q4	82%
鴻隆江山3期	惠州	77,519	240,870	14,406	—	—	59,757	315,033	255,276	—	2011/Q4–2013/Q4	82%
翡翠山城	惠州	714,656	1,139,453	—	—	60,547	—	1,200,000	1,200,000	—	2010/Q2–2016/Q4	52%
寧江新城1期	興寧	38,827	84,093	5,784	—	—	5,500	95,377	89,877	33,327	2007/Q3–2011/Q4	100%
寧江新城2期	興寧	186,908	178,580	13,678	—	—	83,198	275,546	192,258	—	2011/Q1–2013/Q4	100%
紫荊花園	興寧	28,526	75,500	8,500	—	—	1,000	85,000	84,000	—	2011/Q2–2012/Q4	100%
香江名城	張家口	152,603	157,514	9,661	40,000	—	4,780	211,955	207,175	128,565	2007/Q3–2011/Q4	100%
鐵西新城項目	瀋陽	369,766	690,219	—	194,022	—	—	884,241	884,241	—	2010/Q2–2016/Q2	100%
		2,094,003	3,281,365	147,203	286,422	60,547	298,009	4,073,546	3,775,537	177,587		

在洽談項目⁽²⁾

項目名稱	地點	土地面積 (m ²)	住宅	規劃建築面積 (m ²)			可銷售面積 (m ²)	規劃動工/ 竣工時間	本集團 所佔權益	
				商舖	寫字樓	其他 ⁽¹⁾				
廣場北舊城改造	深圳	10,636	29,759	20,000	—	20,000	69,759	49,759	2011/Q1–2013/Q4	100%
東莞橋頭項目	東莞	47,952	95,904	23,976	—	—	119,880	119,880	2011/Q1–2012/Q4	90%
		58,588	125,663	43,976	—	20,000	189,639	169,639		

商業物業租賃

項目名稱	地點	可出租面積 (m ²)	
		本集團佔 100% 權益	其他
港灣麗都	深圳	3,136	—
鴻隆廣場	深圳	58,513	—
寶潤裝飾材料城	深圳	7,653	—
		69,302	—

自用物業

項目名稱	地點	可用面積 (m ²)	
		本集團佔 100% 權益	其他
鴻隆大廈8樓	深圳	748	—

(1) 含住客會所和停車位
(2) 未含在洽談的深圳草埔木棉嶺片區、深圳園嶺和東莞黃江項目

Management Discussion and Analysis

管理層討論及分析

FINANCIAL AND OPERATIONAL HIGHLIGHTS

- Revenue of the Group for the first half of 2010 was RMB113.37 million, representing an increase of RMB41.69 million (or 58.2%) over the same period of 2009.
- Profit attributable to equity shareholders of the Company for the first half of 2010 was RMB62.07 million representing an increase of RMB60.92 million (or 5,320.6%) over the same period of 2009.
- Basic earnings per share for the first half of 2010 was RMB5.22 cents, representing an increase of RMB5.11 cents (or 4,645.5%) over the same period of 2009.
- Total assets increased from RMB4.56 billion as at 31 December 2009 to RMB6.62 billion as at 30 June 2010.
- Leverage (total interest-bearing borrowings divided by total assets) was 47.6% as at 30 June 2010 (31 December 2009: 38.8%).
- Having a properties portfolio (including properties under development and project under negotiation) of about approximately 4,000,000m², we will continue to pursue further land reserves for our sustainable development.

FINANCIAL REVIEW

Turnover: Turnover comprises of sales proceeds of properties delivered and property leasing income. In the first half of 2010, we have delivered 26,777m² for Urban Upstream Landscape Villa, Grace Garden, Ningjiang Uptown and Xiang Jiang City while we have delivered about 13,806m² for Xiang Jiang City in the first half of 2009.

Other revenue: The decrease was mainly due to the reversal of impairment of loss on loans and advances in the first half of 2009 while there was none in 2010.

Other net income: The decrease was mainly due to the gain on the repurchases of the Senior Note in the first half of 2009 while there was none in 2010.

Selling and distribution expenses: The increase in the first half 2010 was mainly due to more advertisement and promotion costs for various projects on hands.

General and administrative expenses: The increase was mainly due to the increase in manpower and resources to cope with the Group's rapid expansion.

營運及財務摘要

- 2010年上半年本集團的收入為人民幣113.37百萬元，較2009年同期增加人民幣41.69百萬元（即58.2%）。
- 2010年上半年本公司權益股東應佔溢利為人民幣62.07百萬元，較2009年同期增加人民幣60.92百萬元（即5,320.6%）。
- 2010年上半年每股基本盈利為人民幣5.22分，較2009年同期增加人民幣5.11分（即4,645.5%）。
- 總資產由2009年12月31日的人民幣45.6億元增加至2010年6月30日的人民幣66.2億元。
- 於2010年6月30日槓桿比率（計息借貸總額除以總資產）為47.6%（2009年12月31日：38.8%）。
- 擁有的約4,000,000m²的物業組合（包括發展中物業及磋商中項目），本集團為持續發展將繼續擴充土地儲備。

財務回顧

營業額：營業額包括交付物業的銷售所得款及物業租賃收入。我們於2010年上半年交付鴻隆江山、溫馨花園、寧江新城及香江名城26,777m²，而於2009年上半年我們則交付了香江名城約13,806m²。

其他收入：減少主要由於2009年上半年有貸款及墊款的減值虧損撥回而2010年不再錄得所致。

其他收益淨額：減少主要由於2009年上半年有購回優先票據之收益而於2010年不再錄得所致。

銷售及分銷費用：於2010年上半年增加主要由於就各手頭項目所付的廣告及市場推廣費用增加所致。

一般及行政費用：增加主要由於增添人手及資源以應付本集團的急速擴展。

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FINANCIAL REVIEW (CONTINUED)

Other operating expenses: we have donated approximately RMB553,000 for charity purpose in the first half of 2010.

Net increase in fair value of investment properties: The increase was mainly due to the prevailing market conditions.

Net increase in fair value of investment properties under development: In the first of 2010, certain portion of Hong Long Century Plaza has been classified as investment properties under development. The increase in fair value was due to the prevailing market conditions.

Net change in fair value of derivative financial instruments: In September 2007, the Company issued Senior Note with warrants. The change in fair value, as assessed by independent valuer has been recorded in the consolidated statement of comprehensive income. It is a non-cash item.

Finance costs: The decrease was mainly due to the reduction of Senior Note balance after the repurchase in 2009.

Income tax: The increase was mainly due to the substantial increase in fair value of investment properties (including under development).

Segment analysis: While principally engaged in the development of middle to high range residential and commercial properties in the PRC, we expect stronger recurrent cash flow from commercial properties leasing in the future. In the first half of 2010, property development income and property leasing income accounted for approximately 72.6% and 27.4% of the turnover respectively.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING

Cash at bank and in hand and pledged deposits as at 30 June 2010 amounted to approximately RMB668.83 million (31 December 2009: RMB290.52 million), which included 588.46 million, 7.53 million and 33.49 million denominated in RMB, US\$ and HK\$ respectively.

We had total interest-bearing borrowings of RMB3,148.37 million as at 30 June 2010 (31 December 2009: RMB1,769.63 million), approximately RMB1,068.93 million was repayable within one year, RMB1,507.84 million was repayable more than one year but less than two years; RMB248.00 million was repayable more than two years but less than five years inclusive and RMB323.60 million was repayable over five years. Except for the borrowings with principal amount of US\$12.00 million and HK\$40.00 million and the Senior Note, all of the Group's borrowings carried interest at floating rates. Our leverage (interest-bearing borrowings divided by total assets) as at 30 June 2010 was 47.6% (31 December 2009: 38.8%).

財務回顧(續)

其他營運費用：本集團於2010年上半年為慈善捐獻約人民幣553,000元。

投資物業的公允值的增加淨額：增加主要由於現行市況所致。

發展中投資物業的公允值的增加淨額：於2010年上半年，鴻隆世紀廣場的若干單位分類為發展中投資物業。公允值的增加由於現行市況所致。

衍生金融工具的公允值變動淨額：於2007年9月，本公司發行附有認股權證的優先票據。該部分的公允值變動(由獨立估值師評估)已記錄於綜合全面收益表，其為非現金項目。

融資成本：減少主要由於2009年購回後優先票據結餘減少所致。

所得稅：增加主要由於投資物業(包括發展中)公允值大幅增加所致。

分部分析：本集團主要於中國從事中高檔住宅及商業物業開發，同時預期今後可從物業租賃業務產生較強大的經常性現金流量。於2010年上半年，物業開發收入及物業租賃收入佔營業額分別約佔72.6%及27.4%。

流動資金、財務資源及負債比率

於2010年6月30日，銀行存款及現金及抵押存款約達人民幣668.83百萬元(2009年12月31日：人民幣290.52百萬元)，包括人民幣588.46百萬元、7.53百萬美元及港幣33.49百萬元。

於2010年6月30日，本集團的計息借貸總額約為人民幣3,148.37百萬元(2009年12月31日：人民幣1,769.63百萬元)，須於一年內償還的借貸額約人民幣1,068.93百萬元；多於一年，但少於兩年償還約為人民幣1,507.84百萬元；多於2年，但少於五年償還(首尾兩年包括在內)約為人民幣248.00百萬元，多於五年償還約人民幣323.60百萬元。除本金12.00百萬美元及40.00百萬港元借貸及優先票據外，本集團全部借貸均以浮動息率計息。而本集團於2010年6月30日的槓桿比率(計息借貸總額除以總資產)為47.6%(2009年12月31日：38.8%)。

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LIQUIDITY, FINANCIAL RESOURCES AND GEARING (CONTINUED)

As at 30 June 2010, we had total current assets of approximately RMB4,789.52 million (31 December 2009: RMB3,120.39 million) and total current liabilities of approximately RMB2,475.17 million (31 December 2009: RMB1,210.39 million).

CHARGE ON ASSETS

As at 30 June 2010, bank loans of approximately RMB2,845.54 million were secured by certain bank deposits, property, investment properties and properties for future development and under development for sales of approximately RMB82.90 million, RMB9.63 million, RMB1,286.00 million and RMB1,099.12 million respectively.

SENIOR NOTE

For the details of Senior Note, please refer to the note 12 to the unaudited interim report.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Group's monetary assets, loans and transaction are principally denominated in RMB. Except for the Senior Note and an aggregate borrowings of US\$52.00 million, all of the Group's borrowings are denominated in RMB. The Group did not engage in any derivative activities and did not commit to any financial instruments to hedge its balance sheet exposure as at 30 June 2010.

CONTINGENT LIABILITIES

Save for the guarantees given to banks for mortgage facilities (at a maximum of RMB370.00 million) granted to purchasers of the Group's properties, the Group had no other material contingent liabilities as at 30 June 2010.

TREASURY POLICIES AND CAPITAL STRUCTURE

The Group adopts a prudent approach with respect to treasury and funding policies, with a focus on risk management and transactions that are directly related to the underlying business of the Group.

流動資金、財務資源及負債比率 (續)

於2010年6月30日，本集團有總流動資產約人民幣4,789.52百萬元(2009年12月31日：人民幣3,120.39百萬元)及總流動負債約人民幣2,475.17百萬元(2009年12月31日：人民幣1,210.39百萬元)。

對資產的抵押

於2010年6月30日，銀行貸款約人民幣2,845.54百萬元分別由本集團分別約值人民幣82.90百萬元、人民幣9.63百萬元、人民幣1,286.00百萬元及人民幣1,099.12百萬元的若干銀行存款、物業、投資物業及有待開發及開發中的銷售物業作抵押。

優先票據

有關優先票據之詳情，請參考未經審核中期報告附註12。

匯率波動風險及有關對沖

本集團的貨幣資產、貸款和交易主要以人民幣計值。除優先票據及合共52.00百萬美元之借貸外，本集團借貸全部以人民幣計值。於2010年6月30日，本集團並沒有參與任何衍生工具活動及並無對任何金融工具作出承擔以對沖資產負債表的風險。

或然負債

除就授予本集團物業買方之抵押信貸給予銀行之擔保(最高為人民幣370.00百萬元)外，本集團於2010年6月30日並無任何其他重大或然負債。

財資政策及資本結構

本集團就其財資和融資政策採取審慎策略，並專注於風險管理及與本集團之相關業務有直接關係之交易。

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管理層討論及分析

EMPLOYEES

As at 30 June 2010, the Group had a staff force of approximately 475 employees. Of this, most were stationed in the PRC. The remuneration of employees was in line with the market trend and commensurable to the level of pay in the industry. Remuneration of the Group's employees includes basic salaries, bonuses and long-term incentives (such as pre-IPO Share Options and Share Option Scheme). Total staff costs incurred for the first half of 2010 was approximately RMB14.19 million.

INTERIM DIVIDEND

The board of directors ("Board") does not recommend the payment of an interim dividend for the six months ended 30 June 2010 (2009: Nil).

BUSINESS REVIEW

The Group is principally engaged in the development of middle to high range residential and commercial properties as well as leasing of commercial properties in the Guangdong, Hebei and Liaoning Provinces, the PRC.

The Group has its business presence in Guangdong, including Shenzhen, Huizhou, Meizhou and Xingning. Since 2007, the Group has expanded beyond Guangdong by acquiring Xiang Jiang City project in Zhangjiakou of Hebei Province. In 2010, the Group firstly established its presence in Shenyang of Liaoning province. The expansion signifies the Group's successful launch of the projects and confidence in second tier cities in the PRC where there is great demand for better living environment.

For investment properties portfolio, the Group's leasable gross floor area ("GFA") is approximately 87,000m², out of which, the Group owned approximately 59,000m² of Hong Long Plaza following its completion in late 2006. We will continue to pursue increase in investment properties portfolio and expect stronger cash inflows from property leasing segment.

Summary of development and status of existing projects are reported in the following paragraphs.

Projects under development

Hong Long Century Plaza: In April 2007, the Group acquired approximately 70,000m² GFA of Hong Long Century Plaza in a public auction at a consideration of approximately RMB482 million. Since then, the Group has acquired further GFA from other owners for consolidated development. It is a complex of offices, residential units and hotel of approximately 83,417m² GFA located at the prime location in Luohu district, Shenzhen. In April 2010, the Group has launched pre-sales of certain offices and was well received by the market. It is a great achievement of the Group to step into the development of offices and hotel.

僱員

於2010年6月30日，本集團擁有約475名員工，其中絕大部份在中國工作。僱員的薪酬與市場趨勢一致，可與業內的薪酬水平相比。本集團僱員的薪酬包括基本薪金、花紅及長期獎勵（如首次公開發售前認股權及認股權計劃）。2010年上半年所產生的員工成本總額約為人民幣14.19百萬元。

中期股息

董事會（「董事會」）已議決不派截至2010年6月30日止六個月之中期股息（2009年：無）。

業務回顧

本集團主要在中國廣東省、河北省及遼寧省從事中高檔住宅及商業物業的開發和商業物業的租賃業務。

本集團於廣東的業務版圖包括深圳、惠州、梅州及興寧。自2007年起，本集團透過取得位於河北省張家口的香江名城項目而擴展至廣東以外。於2010年，本集團首次在遼寧省瀋陽市建立版圖。該擴展象徵著本集團所推出項目的成功，並確立信心發展對優質生活環境有龐大需求的二線城市。

在投資物業組合方面，隨著鴻隆廣場於2006年尾竣工後（其中約59,000m²為本集團所擁有），本集團可供租賃之建築面積（「建築面積」）增加至約87,000m²。本集團繼續尋求增加物業投資組合，預期自物業租賃分部獲得更多現金流入。

現有項目之發展及狀況於下文概述。

發展中項目

鴻隆世紀廣場：於2007年4月，本集團透過公開拍賣以約人民幣482百萬元之代價收購鴻隆世紀廣場約70,000m²建築面積。此後，本集團自其他擁有人進一步收購建築面積用於綜合發展。鴻隆世紀廣場是一座含寫字樓、住宅單位及酒店的綜合樓宇，約83,417m²的建築面積位於深圳羅湖區黃金地段。本集團於2010年4月已開始預售若干寫字樓，市場反應甚好。此乃本集團步入寫字樓及酒店發展取得的重大成就。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (CONTINUED)

Projects under development (continued)

Urban Upstream Landscape Villa: The total site area and planned GFA is approximately 500,000m² and 863,000m² respectively. Out of which, the site area and planned GFA for phase 1 is approximately 121,000m² and 164,000m² respectively. The Group commenced the pre-sales of phase 1 in October 2008. In March 2009, the Group disposed of a 18% equity interest in the subsidiary which holds the project. The Group has delivered approximately 1,265m² GFA in the first half of 2010.

Grace Garden: In July 2007, the Group acquired 100% equity interest in a PRC company, which holds a piece of land in Meizhou at a consideration of RMB11 million. It has been developed as a complex of 2 residential blocks and some retail shops of approximately 33,000m² GFA. The Group commenced the pre-sales in June 2008. The Group has delivered approximately 5,577m² GFA in the first half of 2010.

Ningjiang Uptown: In October 2007, the Group formed a new wholly owned subsidiary in Xingning for development of a landmark project named as "Ningjiang Uptown". The phase 1 is a large scale complex of 9 residential blocks and some retail shops of approximately 95,000m² GFA. The Group commenced the pre-sales in October 2008. The Group has delivered approximately 14,571m² GFA in the first half of 2010.

Xiang Jiang City: In November 2007, the Group completed the acquisition of a company which holds 100% interest in Xiang Jiang City project in Zhangjiakou of Hebei Province. Xiang Jiang City is a project under development (a residential and commercial complex of approximately 212,000m² GFA) upon acquisition by the Group. The Group has delivered approximately 5,364m² GFA in the first half of 2010.

Zirui Garden: In March 2008, the Group entered into an agreement with an independent third party for acquiring 100% equity interest in Shenzhen City Zirui Real Estate Development Company Limited ("Shenzhen Zirui"). Shenzhen Zirui holds the Zirui Garden project in Buji County, Shenzhen. Zirui Garden consists of premier villa, residential units and retail shops with planned GFA of approximately 135,000m². The project is now under construction and planned to pre-sale and deliver by phases from 2011 onwards.

業務回顧(續)

發展中項目(續)

鴻隆江山：總地盤面積及規劃建築面積分別為500,000m²及863,000m²。而其中第1期之地盤面積及規劃建築面積分別為約121,000m²及164,000m²，本集團於2008年10月開始預售。於2009年3月，本集團出售持有該項目之附屬公司之18%股本權益。本集團於2010年上半年交付了約1,265m²建築面積。

溫馨花園：於2007年7月，本集團以人民幣11百萬元代價收購一間中國公司的100%股本權益。該公司於梅州擁有一幅土地，已發展為一項建築面積約33,000m²之兩幢住宅大廈及若干零售商店。本集團於2008年6月開始預售。本集團於2010年上半年交付了約5,577m²建築面積。

寧江新城：於2007年10月，本集團於興寧開立一間新組成的全資附屬公司，發展一項名為「寧江新城」的龐大地標項目。第1期為9幢住宅大廈及若干零售商店組成的大型綜合樓宇，建築面積約95,000m²。本集團於2008年10月開始預售。本集團於2010年上半年交付了約14,571m²建築面積。

香江名城：於2007年11月，本集團完成收購一間持有河北省張家口香江名城項目的100%權益的公司。香江名城為一項住宅與商業綜合樓宇，建築面積約212,000m²，被本集團收購時為一個發展中項目。本集團於2010年上半年交付了約5,364m²建築面積。

紫瑞花園：於2008年3月，本集團與一獨立第三方訂立協議，收購深圳市紫瑞房地產開發有限公司（「深圳紫瑞」）100%股本權益。深圳紫瑞持有於深圳布吉鎮紫瑞花園。紫瑞花園由高級別墅、住宅單位及零售商店組成，規劃建築面積約135,000m²。此項目現正在開發中，並計劃於2011年起分階段預售及交付。

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BUSINESS REVIEW (CONTINUED)

New projects in the first half of 2010

Huaxing Plaza: In January 2010, the Group entered into acquisition agreement for a project at Pinghu Street, Longgang of Shenzhen. It is a residential and commercial complex of approximately 150,000m² and 26,000m² respectively. It shall be developed in phases from 2010 to 2012.

Shenyang Project: In January 2010, the Group entered into cooperative framework agreement with the Management Committee of Shenyang Economic and Technological Development Zone of Liaoning Province ("Management Committee"), PRC for the construction project of Shenyang Tiexi Industrial New City. Subject to further discussion with Management Committee, the Group will jointly develop (1) Binshui Liwan Project (濱水麗灣項目), which will be developed into high-end residential and commercial integrated community, including golf park, commercial ancillary facilities, international medical institution, international educational institution (kindergarten, primary school and middle school) and landscape belt, of which 75 mu will be used for commercial and public services facilities and 800 mu for residential developments, with total investment of approximately RMB4 billion; (2) Core Area Project of the Management Committee, including international exhibition centre, five-star hotel, headquarters economy building of which the services building of Shenyang Economic and Technological Development Zone will be located, and adjacent residential developments, with total investment of approximately RMB1 billion; and (3) two parties will jointly establish Tiexi Industrial New City Investment Company (鐵西產業新城投資公司), in which the Group shall hold 40% equity interest. In April 2010, we have completed the tendering procedures for purchasing the land lot number 4 with planned GFA of approximately 196,000m². We are actively pursuit the development of the Core Area Project.

Jade Hill City Project: In April 2010, the Group acquired 52% equity in the Dayawan project company. Jade Hill City project is located in the western district of Guangdong Dayawan Economic and Technology Development Zone. It is a complex comprising a hotel and middle to high end residential and commercial units with planned GFA of about 1,200,000 m² GFA. Jade Hill City project was under development upon acquisition by the Group. We plan to commence the pre-sales of the first stage in late 2010.

業務回顧(續)

2010年上半年之新項目

華興廣場: 於2010年1月,本集團訂立收購協議,收購深圳市龍崗平湖街道一個項目。該項目為商住兩用綜合樓宇,住宅及商業單位分別約為150,000m²及26,000m²,將於2010年至2012年分期開發。

瀋陽項目: 於2010年1月,本集團與中國遼寧省瀋陽經濟技術開發區管委會(「管委會」)簽署了合作框架協議,以進行瀋陽鐵西產業新城的建設項目。待與管委會進一步商討後,本集團將共同開發(1)濱水麗灣項目:發展高檔的住宅和商業綜合小區,設施包括高爾夫公園、商業配套區、國際醫療機構、國際教育機構(幼兒園、小學和中學)和公園景觀帶,其中商業和公共服務設施項目佔地75畝,住宅發展項目用地800畝,總投資約人民幣40億元;(2)管委會核心建設項目:包括國際會展中心、五星級酒店、總部經濟大樓(包括瀋陽經濟技術開發區服務大廈)和周邊住宅項目,總投資約人民幣10億元;及(3)雙方合作組建鐵西產業新城投資公司,其中本集團應佔40%股本權益。本集團已完成收購規劃建築面積為196,000m²4號地段的招標程序。本集團積極尋求核心建設項目的發展。

翡翠山城項目: 於2010年4月,本公司於大亞灣項目公司收購52%股權。翡翠山城項目位於廣東大亞灣經濟技術開發區西區,為一個綜合性項目,包括酒店、中高檔住宅及商業單位,規劃建築面積約為1,200,000m²。翡翠山城項目由本集團收購後尚在開發中。本集團計劃於2010年底開始預售首期。

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BUSINESS REVIEW (CONTINUED)

Urban Regeneration Projects in Shenzhen and Dongguan

Old City Renovation on Guangchang North Street: In 2007, the Group obtained approval from Luohu district government, Shenzhen, for an old city renovation on Guangchang North Street (「廣場北街」舊城改造). It is located at the south of Hongbao Road (紅寶路), the west of Heping Road (和平路) and Dongmen Old Street (東門老街), the north of Shennan Road East (深南東路) and Shun Hing Plaza (深圳信興廣場地王大廈) and the east of Baoan Road South (寶安南路). It is located in the central commercial district of Luohu district of Shenzhen. The first phase of the project will occupy site area and planned GFA of approximately 11,000m² and 70,000m² respectively. We are actively pursuit the development of this project.

Cao Pu Mu Mian Ling District Project: In April 2010, the Group entered into an agreement with independent third party pursuant to which all parties agreed to cooperate to develop the project at Cao Pu Mu Mian Ling District, Shenzhen according to the Urban Regeneration Measures.

Yuanling Project: In May 2010, the Group entered into an agreement with Shenzhen City Construction Development (Group) Company pursuant to which the parties agreed to cooperate to develop the Project at Yuanling residential area (South), Futian District, Shenzhen according to the Urban Regeneration Measures.

Dongguan Huangjiang Project: In June 2010, the Group entered into the letter of intent with the People's Government of Huangjiang Town, Dongguan and the Village Committee of Jitigang Village, Huangjiang Town, Dongguan pursuant to which each party agreed to, among other things, cooperate to develop the renewal project of old towns, old villages and old plants, also known as "3 olds" at the land on both sides of Huancheng South Road, Jitigang Village, Huangjiang Town, Dongguan, which has a land use area of 367.5 mu.

The Group will make further announcement in relation to those Urban Regeneration Projects as and when appropriate.

業務回顧(續)

深圳及東莞的城市更新項目

廣場北街舊城改造：於2007年，本集團獲得深圳羅湖區政府批准進行「廣場北街」舊城改造項目。廣場北街項目位於紅寶路以南、和平路及東門老街以西、深南東路及深圳信興廣場地王大廈以北與寶安南路以東。廣場北街位於深圳羅湖區的商業區。項目首期地盤面積及規劃建築面積分別為11,000m²及70,000m²。本集團積極尋求該項目之發展。

草埔木棉嶺片區項目：於2010年4月，本集團與獨立第三方訂立一項協議，據此，所有訂約方同意按照城市更新辦法合作開發位於深圳草埔木棉嶺片區的項目。

園嶺項目：於2010年5月，本集團與深圳城市建設開發(集團)公司訂立一項協議，據此，訂約方同意按照城市更新辦法合作開發位於深圳福田區園嶺住宅區(南)的項目。

東莞黃江項目：於2010年6月，本集團與東莞市黃江鎮人民政府及東莞市黃江鎮鷄啼崗村村民委員會訂立合作意向書，據此，各方同意(其中包括)合作開發位於東莞市黃江鎮鷄啼崗村環城南路兩旁地塊的舊城鎮、舊村莊及舊廠房，亦稱作「3舊」，待改造的用地面積約367.5畝。

本集團將適時對該等城市更新項目作出進一步公佈。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (CONTINUED)

Other projects

Bauhinia Garden: In July 2004, the Group acquired a land of site area of approximately 29,000m² near the train station of Xingning for the development of Bauhinia Garden with planned GFA of approximately 85,000m². The Group plans to commence the development in due course.

Yinghua Project: In March 2005, the Group acquired 85.71% equity interest in Shenzhen Yinghua Development Company Limited (“Yinghua”) which holds a land of site area of approximately 9,000m² with planned GFA of approximately 58,000m². In November 2009, the Group completed the acquisition of remaining 14.29% equity interest in Yinghua and now wholly owned the project. The Group plans to commence the development in due course.

Dongguan Qiaotou Project: In March 2008, the Group established a 90% owned subsidiary in Dongguan. The Group is considering a residential and commercial complex of approximately 120,000m² GFA. The Group plans to commence the development in due course.

REVIEW AND OUTLOOK

As China has implemented various macroeconomic tightening measures in respect of the real estate market in the first half of 2010, we have formulated the “531” project timely, which refers to (i) a five-year development strategic plan; (ii) a three years rolling development and operation plan and (iii) a more scientific, standardized and perfect business process and management system.

At the same time, the Group timed the launching of our developments for sales properly, especially for the Hong Long Century Plaza located in the CBD of Shenzhen. As a result, we avoided the customer segment which was targeted in this policy tightening, maintained a robust sales competitiveness in the real estate market, and created a strong cash flow.

業務回顧(續)

其他項目

紫荊花園：於2004年7月，本集團收購興寧市火車站附近之一幅地盤面積約為29,000m²之土地，以開發紫荊花園，其規劃建築面積約85,000m²。本集團計劃於適當時候開始開發工作。

英華項目：於2005年3月，本集團收購深圳市英華實業發展有限公司(「英華」)85.71%之股本權益，該公司持有地盤面積約9,000m²及規劃建築面積約58,000m²之土地。本集團於2009年11月完成收購英華之餘下之14.29%股本權益，現全資擁有該項目。本集團計劃於適當時候開始開發工作。

東莞橋頭項目：於2008年3月，本集團於東莞成立一間擁有90%權益的附屬公司。本集團正考慮發展為一項建築面積約120,000m²的住宅及商業綜合樓宇。本集團計劃於適當時候開始開發工作。

回顧及展望

2010年上半年在國家宏觀調控房地產市場各種政策出台下，我們及時制定了「五三一」工程，即：(i)五年發展戰略規劃；(ii)三年滾動開發經營計劃及(iii)一套更科學、規範和完善的業務流程和管理系統。

同時，集團有節奏地推銷旗下的項目，尤其是位於深圳市核心商務圈的鴻隆世紀廣場，有效地規避了這次政策調控針對的客戶群，為集團在房地產市場保持了穩健的銷售競爭力，創造了可觀的現金流。

Management Discussion and Analysis

管理層討論及分析

REVIEW AND OUTLOOK (CONTINUED)

In addition, we implemented our plan strictly and achieved significant projects in land reserve development and finance:

- 1) We entered into a strategic cooperation agreement with the Construction Bank of China, with a combined credit facilities of RMB10 billion.
- 2) We acquired the project at Pinghu Street, Longgang of Shenzhen with a planned GFA of approximately 180,000 m².
- 3) We entered into a cooperative framework agreement with the Management Committee of Shenyang Economic and Technological Development Zone of Liaoning Province, PRC for the construction project of Shenyang Tiexi Industrial New City. Subsequently, the Group won the bid for land lot No.4 with a planned GFA of approximately 196,000 m² in April.
- 4) In celebration of the third anniversary of our listing in Hong Kong, a special dividend of HK\$0.15 per share was declared with a scrip dividend scheme.
- 5) We entered into an agreement with Shenzhen City Construction Development (Group) Company for cooperation in developing the urban regeneration project at Yuanling residential area (South), Futian District, Shenzhen with a total site area of approximately 145,000 m².
- 6) We entered into the letter of intent with the People's Government of Huangjiang Town, Dongguan and the Village Committee of Jitigang Village, Huangjiang Town, Dongguan for cooperation in developing the urban renewal project of old towns, old villages and old plants, also known as "3 olds" at the land on both sides of the Huancheng South Road, Jitigang Village, Huangjiang Town, Dongguan, which has a land use area of approximately 367.5 mu pending renewal.
- 7) We engaged China Development Institute to conduct the research for as well as the preparation of "the 2010-2015 Strategic Development Plan of Hong Long Group".
- 8) We enhanced our information control system and introduced a ERP system, and strongly promoted the two main modules of "Progress Management for Real Estate Development Plan" and "Construction Cost Management".

回顧及展望 (續)

此外，我們嚴格執行計劃並在土地儲備拓展和融資上有較大的進展：

- 1) 與中國建設銀行訂立戰略性合作協議，綜合授信額度為人民幣100億元。
- 2) 收購深圳市龍崗區平湖街道的項目，計劃建築面積約180,000 m²。
- 3) 為瀋陽鐵西產業新城建設項目與中國遼寧省瀋陽經濟技術開發區管委會訂立合作框架協議。隨後，集團於4月底成功投得4號地塊，該計劃建築面積約196,000 m²。
- 4) 為慶祝公司於香港上市三周年，宣派每股0.15港元的特別股息，並附設以股代息計劃。
- 5) 與深圳市城市建設開發(集團)公司訂立協議，合作推進位於深圳市福田区園嶺住宅區(南)總地盤面積約145,000 m²的城市更新項目。
- 6) 與東莞市黃江鎮人民政府及東莞市黃江鎮雞啼崗村村民委員會訂立合作意向書，以推進位於東莞市黃江鎮雞啼崗村環城南路兩旁地塊的舊城鎮、舊村莊及舊廠房，亦稱作「3舊」的改造項目，待改造的用地面積約367.5畝。
- 7) 委託綜合開發研究院(中國·深圳)進行研究和編製《鴻隆集團2010-2015年發展戰略規劃》。
- 8) 提高企業的信息管控系統，引入ERP系統，大力推廣「房地產項目開發計劃進度管理」和「建造成本管理」兩大模塊。

Management Discussion and Analysis

管理層討論及分析

REVIEW AND OUTLOOK (CONTINUED)

All the above works have been progressing smoothly, which laid a solid foundation for our tasks in the second half of the year. Looking into the second half of 2010, we remain cautiously optimistic. The focus of the policy control in the first half of the year concerned two aspects, namely to crack down on real estate investment and speculation, control housing prices and prevent further inflation of the bubble; and to prevent the crisis and risks that may arise in case of a real estate bubble burst, and to maintain the healthy and stable development of the real estate sector and housing prices. It is not likely that the government will launch further control measures on top of the real estate policies implemented in the first half of the year, while it is likely that there will not be any wide fluctuation in the general economic condition in the second half of 2010.

We remain confident in the real estate sector, and the reasons are: (1) China's economy continues to grow and is sustaining a relatively strong momentum, achieving an actual year-on-year GDP growth of 11.1%; (2) Urbanization remains the major theme of modernization. So far there are 12 provinces and cities abolished the division of residence between agricultural and non-agricultural registered permanent residence. The degree of urbanization in China is much lower than other countries and the target of achieving "home ownership for everyone" is still remote. Therefore, real estate will still be a major driving force for economic growth; (3) Money supply has been increasing, and among the new loans totaling RMB4.63 trillion in the first half of the year, RMB1.38 trillion flowed into the real estate market; (4) The expectation for the appreciation of RMB persists. Real estate may serve as a tool for capital preservation, and there are still many people taking it as a mean for investment and financial management; and (5) Land resources is not renewable which will support housing prices.

In July, the senior management of the Group held a meeting for the tasks of the Group in the half year of 2010, during which the guidance of "two adherings", "four accelerations" and "six strengthenings" has been established.

The "two adherings" include:

- 1) Adhering to the development direction of our core business and our enterprise's sustainable development strategies: "property development + commercial operation" is our core business; our vision is to build cities, beautify living and promote the well beings of the public; and we are committed to become a renowned urban integrated developer in China.

回顧及展望(續)

以上所有工作的順利開展，都為下半年的工作提供了良好的基礎。展望2010下半年，我們仍審慎樂觀。2010上半年的政策調控重點在兩個層面，一是嚴厲打擊房地產投資和投機，控制房價，防止泡沫的繼續擴大；二是防止房地產泡沫破滅引發危機和風險，保持房地產和房價的健康穩定發展。國家在上半年出台的房地產政策的基礎上再出台新的調控政策的可能性不會很大，2010下半年總的經濟形勢應不會出現較大的波動。

我們對房地產行業仍充滿信心，主要原因是：(1) 中國經濟持續增長，而且繼續保持較高的態勢，上半年中國國內生產總值同比實際增長11.1%；(2) 城市化仍然是現代化的主題，國內已經有十二個省市相繼取消農業戶口和非農業戶口的二元戶口性質劃分，中國的城市化比率和國外相差甚遠，「居者有其屋」的目標還沒有實現，房地產仍然可以成為經濟增長的重要動力；(3) 貨幣供應量仍然在增長，上半年人民幣4.63兆元新增貸款中有人民幣1.38兆元流入房地產市場；(4) 人民幣升值的預期沒有改變，房地產是保值增值的工具，仍然有相當一部分人會選擇它作為投資理財的工具；及(5) 土地資源不可再生，支撐著房價。

集團管理層亦在7月召開的2010年集團半年工作會議中，確立了「兩個堅持」、「四個加快」、「六個加強」的工作指導思想。

「兩個堅持」分別包括：

- 1) 堅持主導產業的發展方向和企業可持續發展戰略：「地產開發+商業運營」就是我們的主導產業。我們的願景就是創造城市新生活，我們的使命就是建築城市、美化生活和造福大眾。我們矢志成為國內知名的城市綜合體開發商。

Management Discussion and Analysis

管理層討論及分析

REVIEW AND OUTLOOK (CONTINUED)

- 2) Adhering to the strategy of taking efficiency as the core, emphasizing on both effectiveness and speed, and operating prudently while actively expanding: actively study the state's unified sector policies; continually perfecting and adjusting the business structure of the company and optimizing our services; and improve the structure of corporate governance, enhance the comprehensive quality of our staff, strengthen management and reduce costs.

To ensure the effective implementation of our strategic plan, the Group has to drive "four accelerations":

- 1) To accelerate the sales progress of various projects and expedite the return of cash.
- 2) To accelerate the progress of construction.
- 3) To accelerate the pace of urban renewal and the "3 olds" renovation.
- 4) To accelerate the development pace of projects operating on commercial basis.

At the same time, we shall work to realize the "six strengthenings":

- 1) To strengthen implementation of the "531" project.
- 2) To strengthen cost management.
- 3) To strengthen fund raising and financing as well as the effort on restructuring and integration.
- 4) To strengthen investor relationship of the listed company.
- 5) To strengthen the building of the Hong Long brand.
- 6) To strengthen human resources development and the establishment of a professional management team.

As we are a professional real estate developer, irrespective of the extent the government takes in controlling the real estate market, we shall promptly and actively adopt appropriate adjustment strategy. Plan management and cost control are the focuses in our management. We shall enhance our resilience in coping with market risks, and create excellent results to reward investors and our partners.

回顧及展望(續)

- 2) 堅持以效益為中心，效益與速度並重，穩健經營與積極拓展並舉的策略：積極研究國家統一的產業政策，不斷完善和調整公司經營的產業結構、優化服務，完善公司的治理結構，大力提高員工的綜合素質，強化公司的經營管理，努力降低成本。

為保證戰略計劃的有效實施，集團將要著力「四個加快」：

- 1) 加快旗下各項目的銷售進度，加快現金回籠。
- 2) 加快工程開發的進度。
- 3) 加快城市更新和「三舊」改造工作的步伐。
- 4) 加快商業運營項目拓展的步伐。

同時落實「六個加強」：

- 1) 加強「五三一」工程的實施。
- 2) 加強成本管理。
- 3) 加強籌融資工作和重組整合的工作。
- 4) 加強上市公司投資者關係工作。
- 5) 加強鴻隆品牌建設。
- 6) 加強人力資源開發和專業化經營管理團隊的建設。

我們是專業的房地產開發商，不管國家對房地產市場採取何種調控力度，我們都會及時採取積極主動的調整戰略。計劃管理和成本控制是我們的管理重點，我們會提高在市場的抗風險能力，創造輝煌的業績，回報廣大投資者和合作夥伴。

Independent Review Report

獨立審閱報告



Independent review report to the board of directors of Hong Long Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 22 to 51 which comprises the consolidated balance sheet of Hong Long Holdings Limited (the "Company") as of 30 June 2010 and the related consolidated statement of comprehensive income, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six months then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, Interim financial reporting ("HKAS 34"), issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with HKAS 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2010 is not prepared, in all material respects, in accordance with HKAS 34.

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

20 August 2010

致鴻隆控股有限公司董事會之獨立審閱報告 (於開曼群島註冊成立的有限公司)

引言

我們已審閱列載於第22頁至51頁鴻隆控股有限公司(「本公司」)的中期財務報告。此中期財務報告包括於2010年6月30日的綜合資產負債表與截至該日止六個月的綜合全面收益表，綜合權益變動表和簡明綜合現金流量表以及附註解釋。根據《香港聯合交易所有限公司證券上市規則》，上市公司必須符合上市規則中的相關規定及香港會計師公會頒佈的香港會計準則第34號「中期財務報告」(《香港會計準則第34號》)的規定編製中期財務報告。董事須負責根據《香港會計準則第34號》的規定編製及列報中期財務報告。

我們的責任是根據我們的審閱對中期財務報告作出結論，並按照我們雙方所協定的應聘條款，僅向全體董事會報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

審閱範圍

我們是根據香港會計師公會頒佈的《香港審閱工作準則》第2410號「實體獨立核數師對中期財務信息的審閱」進行審閱。中期財務報告審閱工作包括向主要負責財務和會計事項的人員詢問，並實施分析和其他審閱程序。由於審閱的範圍遠較按照香港審計準則進行審核的範圍為小，所以不能保證我們會注意到在審核中可能會被發現的所有重大事項。因此我們不會發表任何審核意見。

結論

根據我們的審閱工作，我們並沒有注意到任何事項，使我們相信於2010年6月30日的中期財務報告在所有重大方面沒有按照《香港會計準則第34號》的規定編製。

執業會計師

香港中環
遮打道10號
太子大廈8樓

2010年8月20日

Consolidated Statement of Comprehensive Income (Unaudited)

綜合全面收益表(未經審核)

For the six months ended 30 June 2010

截至2010年6月30日止六個月

(Expressed in Renminbi Thousand Yuan)

(以人民幣千元列示)

		Six months ended 30 June 截至6月30日止六個月		
		2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元	
	Note 附註			
Turnover	營業額	3	113,366	71,674
Cost of sales	銷售成本		(89,203)	(42,946)
Gross profit	毛利		24,163	28,728
Other revenue	其他收入	4	4,706	12,058
Other net income	其他收益淨額	5	341	26,947
Selling and distribution expenses	銷售及分銷費用		(12,906)	(5,863)
General and administrative expenses	一般及行政費用		(24,691)	(14,892)
Other operating expenses	其他營運費用		(2,143)	(2,728)
Net increase in fair value of investment properties	投資物業的公允值的增加淨額		25,755	27,761
Net increase in fair value of investment properties under development	發展中投資物業的公允值的增加淨額	10	114,208	-
Profit from operations	經營溢利		129,433	72,011
Net change in fair value of derivative financial instruments	衍生金融工具的公允值的變動淨額		8,446	(17,136)
Finance costs	融資成本	6	(33,629)	(43,221)
Profit before taxation	除稅前溢利	6	104,250	11,654
Income tax	所得稅	7	(42,806)	(10,919)
Profit and total comprehensive income for the period	本期間溢利及全面收益總額		61,444	735
Attributable to:	以下人士應佔：			
Equity shareholders of the Company	本公司權益股東		62,066	1,145
Non-controlling interests	非控股權益		(622)	(410)
Profit and total comprehensive income for the period	本期間溢利及全面收益總額		61,444	735
Earnings per share (RMB cents)	每股盈利(人民幣分)	8		
Basic	基本		5.22	0.11
Diluted	攤薄		5.20	0.11

The notes on pages 27 to 51 form part of this interim financial report. Details of dividends of the Company are set out in note 14(a).

第27頁至第51頁的附註屬本中期財務報告的一部分。本公司之股息詳情載於附註14(a)。

Consolidated Balance Sheet (Unaudited)

綜合資產負債表(未經審核)

At 30 June 2010

於2010年6月30日

(Expressed in Renminbi Thousand Yuan)

(以人民幣千元列示)

		At 30 June 2010 於2010年 6月30日 RMB'000 人民幣千元	At 31 December 2009 於2009年 12月31日 RMB'000 人民幣千元
		Note 附註	
Non-current assets	非流動資產		
Fixed assets	固定資產		
– Property, plant and equipment	– 物業、廠房及設備	9	9,921
– Investment properties	– 投資物業	10	1,376,436
– Investment properties under development	– 發展中投資物業	10	–
Deferred tax assets	遞延稅項資產		49,947
			1,827,230
Current assets	流動資產		
Inventories	存貨		2,042,233
Trade and other receivables	應收賬款及其他應收款	11	697,519
Prepaid land costs	預付土地成本		85,596
Trading securities	買賣證券		4,519
Pledged deposits	抵押存款		73,569
Cash at bank and in hand	銀行存款及現金		216,950
			4,789,518
Current liabilities	流動負債		
Bank and other borrowings	銀行及其他借貸		375,800
Trade and other payables, and accruals	應付賬款、其他應付款及預提費用	13	478,033
Receipts in advance	預收賬款		82,257
Rental and other deposits	租賃及其他按金		11,743
Taxation payable	應付稅項		262,552
			2,475,174
Net current assets	流動資產淨值		1,910,001
Total assets less current liabilities	資產總值減流動負債		3,346,305
Non-current liabilities	非流動負債		
Borrowings	借貸	12	1,393,834
Deferred tax liabilities	遞延稅項負債		231,634
			2,348,186
Net assets	資產淨值		1,720,837

Consolidated Balance Sheet (Unaudited) (continued)

綜合資產負債表(未經審核)(續)

At 30 June 2010

於2010年6月30日

(Expressed in Renminbi Thousand Yuan)

(以人民幣千元列示)

		Note	At 30 June 2010 於2010年 6月30日 RMB'000 人民幣千元	At 31 December 2009 於2009年 12月31日 RMB'000 人民幣千元
		附註		
Capital and reserves	股本及儲備	14		
Share capital	股本		11,971	10,296
Reserves	儲備		1,781,519	1,707,809
Total equity attributable to equity shareholders of the Company	本公司權益股東應佔權益總額		1,793,490	1,718,105
Non-controlling interests	非控股權益		(102)	2,732
Total equity	權益總額		1,793,388	1,720,837

Approved and authorised for issue by the board of directors (the "Board") on 20 August 2010.

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董事會(「董事會」)於2010年8月20日批准並授權刊發。

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The notes on pages 27 to 51 form part of this interim financial report.

第27頁至51頁的附註屬本中期財務報告的一部分。

Consolidated Statement of Changes in Equity (Unaudited)

綜合權益變動表(未經審核)

For the six months ended 30 June 2010

截至2010年6月30日止六個月

(Expressed in Renminbi Thousand Yuan)

(以人民幣千元列示)

		Attributable to equity shareholders of the Company 本公司權益股東應佔									
		Note 附註	Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Merger reserve 合併儲備 RMB'000 人民幣千元	Statutory reserve fund 法定儲備金 RMB'000 人民幣千元	Capital reserve 資本儲備 RMB'000 人民幣千元	Retained profits 保留溢利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	Non- controlling interests 非控股權益 RMB'000 人民幣千元	Total equity 權益總額 RMB'000 人民幣千元
Balance at 1 January 2009	於2009年1月1日結餘			10,296	579,466	24,227	44,025	50,122	938,585	1,646,721	13,082
Changes in equity for the six months ended 30 June 2009:	截至2009年6月30日止六個月的權益變動：										
Total comprehensive income for the period	本期間全面收益總額		-	-	-	-	1,145	1,145	(410)	735	
Transfer to statutory reserve fund	轉撥至法定儲備金		-	-	3,347	-	(3,347)	-	-	-	
Share options cancelled	已取消的認股權		-	-	-	(7,618)	7,618	-	-	-	
Partial disposal of interest in a subsidiary	出售於一間附屬公司的部份權益		-	-	-	-	31,925	31,925	3,075	35,000	
Balance at 30 June and 1 July 2009	於2009年6月30日及7月1日結餘		10,296	579,466	24,227	47,372	42,504	975,926	1,679,791	15,747	1,695,538
Changes in equity for the six months ended 31 December 2009:	截至2009年12月31日止六個月的權益變動：										
Total comprehensive income for the period	本期間全面收益總額		-	-	-	-	31,554	31,554	(1,082)	30,472	
Transfer to statutory reserve fund	轉撥至法定儲備金		-	-	-	2,001	(2,001)	-	-	-	
Share options cancelled	已取消的認股權		-	-	-	(10,049)	10,049	-	-	-	
Partial disposal of interest in a subsidiary	出售於一間附屬公司的部份權益		-	-	-	-	(3,573)	(3,573)	-	(3,573)	
Acquisition of additional interest in a subsidiary	收購一間附屬公司的額外權益		-	-	-	-	10,333	10,333	(11,933)	(1,600)	
Balance at 31 December 2009 and 1 January 2010	於2009年12月31日及2010年1月1日結餘		10,296	579,466	24,227	49,373	32,455	1,022,288	1,718,105	2,732	1,720,837
Changes in equity for the six months ended 30 June 2010:	截至2010年6月30日止六個月的權益變動：										
Total comprehensive income for the period	本期間全面收益總額		-	-	-	-	62,066	62,066	(622)	61,444	
Special dividends approved – by means of cash	獲批准特別股息 – 以現金方式	14(a)	-	-	-	-	(78,208)	(78,208)	-	(78,208)	
– by means of scrip	– 以股票方式	14(b)(ii)	584	74,749	-	-	(75,333)	-	-	-	
Transfer to statutory reserve fund	轉撥至法定儲備金		-	-	-	473	(473)	-	-	-	
Issuance of ordinary shares	發行普通股	14(b)(i)	924	86,797	-	-	-	87,721	-	87,721	
Shares issued under share option scheme	認股權計劃項下已發行股份	14(b)(iii)	167	24,592	-	-	(14,753)	10,006	-	10,006	
Acquisition of additional interest in a subsidiary	收購一間附屬公司的額外權益		-	-	-	-	(6,200)	(6,200)	-	(6,200)	
Acquisition of subsidiaries	收購附屬公司		-	-	-	-	-	-	(2,212)	(2,212)	
Balance at 30 June 2010	於2010年6月30日結餘		11,971	765,604	24,227	49,846	17,702	924,140	1,793,490	(102)	1,793,388

The notes on pages 27 to 51 form part of this interim financial report.

第27頁至51頁的附註屬本中期財務報告的一部分。

Condensed Consolidated Cash Flow Statement (Unaudited)

簡明綜合現金流量表(未經審核)

For the six months ended 30 June 2010

截至2010年6月30日止六個月

(Expressed in Renminbi Thousand Yuan)

(以人民幣千元列示)

		Six months ended 30 June	
		截至6月30日止六個月	
		2010	2009
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cash used in operations	營運動用的現金	(334,971)	(101,673)
PRC income tax paid	已付中國所得稅	(16,017)	(3,136)
Net cash used in operating activities	經營活動動用的現金淨額	(350,988)	(104,809)
Net cash (used in)/generated from investing activities	投資活動(動用)/產生的現金淨額	(33,118)	1,908
Net cash generated from financing activities	融資活動產生的現金淨額	732,953	118,396
Net increase in cash at bank and in hand	銀行存款及現金的增加淨額	348,847	15,495
Cash at bank and in hand at 1 January	於1月1日的銀行存款及現金	216,950	44,102
Effect of foreign exchange rates changes	外幣匯率變動的影響	-	(98)
Cash at bank and in hand at 30 June	於6月30日的銀行存款及現金	565,797	59,499

The notes on pages 27 to 51 form part of this interim financial report.

第27頁至51頁的附註屬本中期財務報告的一部分。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

(Expressed in Renminbi Thousand Yuan unless otherwise indicated)
(除另有說明外，以人民幣千元列示)

1 ORGANISATION AND BASIS OF PREPARATION

(a) The Company and the principal place of business

Hong Long Holdings Limited (the “Company”) is incorporated and domiciled in the Cayman Islands. Its principal place of business is 8/F., Hong Long Building, Nanhai Avenue, Nanshan District, Shenzhen, 518067, the People’s Republic of China (the “PRC”) and has its registered office at Cricket Square, Hutchins Drive, PO Box 2681, George Town, Grand Cayman KY1-1111, the Cayman Islands.

(b) Basis of preparation

This interim financial report of the Company and its subsidiaries (collectively referred to as the “Group”) has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 20 August 2010.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2009 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2010 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

1 組織及編製基準

(a) 本公司及主要營業地點

鴻隆控股有限公司(「本公司」)於開曼群島註冊成立和以該地為居籍，主要營業地點位於中華人民共和國(「中國」)深圳南山區南海大道鴻隆大廈8樓(郵編：518067)，而註冊辦事處位於Cricket Square, Hutchins Drive, PO Box 2681, George Town, Grand Cayman KY1-1111, the Cayman Islands。

(b) 編製基準

本公司及其附屬公司(統稱「本集團」)的中期財務報告乃按照《香港聯合交易所有限公司證券上市規則》的適用披露條文而編製，當中包括符合香港會計師公會(「香港會計師公會」)所頒佈的香港會計準則(「香港會計準則」)第34號「*中期財務報告*」。本中期財務報告於2010年8月20日獲董事會批准刊發。

除預期將會於2010年年度財務報表反映之會計政策變動外，本中期財務報告已按照2009年年度財務報表內採納之相同會計政策而編製。該等會計政策變動之詳情載於附註2。

按照香港會計準則第34號編制之中期財務報告需要管理層作出判斷、估計及假設，該等判斷、估計及假設影響會計政策之應用，以及按本年截至報告日期為止呈報之資產及負債、收入及支出之金額。實際結果有可能與估計有差異。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

(Expressed in Renminbi Thousand Yuan unless otherwise indicated)
(除另有說明外，以人民幣千元列示)

1 ORGANISATION AND BASIS OF PREPARATION (CONTINUED)

(b) Basis of preparation (continued)

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to the understanding of the changes in financial position and performance of the Group since the 2009 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG's independent review report to the Board is included on page 21.

The financial information relating to the financial year ended 31 December 2009 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2009 are available from the Company's registered office. The auditor has expressed an unqualified opinion on those financial statements in its report dated 16 April 2010.

1 組織及編製基準(續)

(b) 編製基準(續)

此中期財務報告載有簡明綜合財務報表及部分解釋附註。該等附註所載的解釋，有助於了解自本集團編製2009年年度財務報表以來，對財務狀況和業績表現方面的變動構成重要影響的事件和交易。上述簡明綜合財務報表及附註並不包括根據香港會計師公會所頒佈的香港財務報告準則(「香港財務報告準則」)規定編制完整財務報表所需的所有資料。

本中期財務報告雖未經審核，但已由畢馬威會計師事務所根據香港會計師公會頒佈的香港審閱工作準則第2410號——「獨立核數師對中期財務信息的審閱」進行了審閱。畢馬威會計師事務所提交董事會的獨立審閱報告刊載於本中期報告第21頁。

本中期財務報告所載截至2009年12月31日止財政年度之財務資料屬先前呈報之資料，並不構成本公司該財政年度之法定財務報表，但資料則源自有關財務報表。截至2009年12月31日止年度之法定財務報表可於本公司之註冊辦事處索取。核數師已於日期為2010年4月16日之核數師報告中對該等財務報表出具無保留意見。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

(Expressed in Renminbi Thousand Yuan unless otherwise indicated)
(除另有說明外，以人民幣千元列示)

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued two revised HKFRSs, a number of amendments to HKFRSs and one new Interpretation that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group:

- HKFRS 3 (revised 2008), *Business combinations*
- Amendments to HKAS 27, *Consolidated and separate financial statements*
- Amendments to HKFRS 5, *Non-current assets held for sale and discontinued operations – plan to sell the controlling interest in subsidiary*
- Improvements to HKFRSs (2009)
- HK(IFRIC) 17, *Distributions of non-cash assets to owners*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The amendments to HKFRS 3 and HKAS 27 have had no material impact on the Group's results of operations and financial position as the amendments were consistent with policies already adopted by the Group. The other developments resulted in changes in accounting policy but none of these changes in policy have a material impact on the current or comparative periods, for the following reasons:

- The impact of the majority of the revisions to HKFRS 5 and HK(IFRIC) 17 have not yet had a material effect on the Group's results of operations and financial position as these changes will first be effective as and when the Group enters into a relevant transaction and there is no requirement to restate the amounts recorded in respect of previous such transactions.

2 會計政策變動

香港會計師公會已頒佈二項香港財務報告準則新訂本、一系列香港財務報告準則的修訂及一項新訂詮釋，並於本集團及本公司的本期會計期間首次生效。據此，與本集團的財務報表有關的發展如下：

- 香港財務報告準則第3號(2008年經修訂)「業務合併」
- 香港會計準則第27號(修訂本)「綜合及獨立財務報表」
- 香港財務報告準則第5號「持作出售之非流動資產及已終止經營業務－計劃銷售一間附屬公司之控制權益」
- 香港財務報告準則之改進(2009年)
- 香港(國際財務報告詮釋委員會)－詮釋第17號「向擁有人分派非現金資產」

本集團並無應用於本會計期間仍未生效之任何新準則或詮釋。

香港財務報告準則第3號及香港會計準則第27號的修訂並無對本集團之營運業績及財務狀況造成重大影響，因為該等修訂與本集團經已採納之政策一致。其他修訂已導致會計政策變動，但該等變動未有對本期間或比較期間帶來重大影響，原因如下：

- 對香港財務報告準則第5號及香港(國際財務報告詮釋委員會)第17號之大多數修訂尚未對本集團之營運業績及財務狀況帶來重大影響，因為該等變動將於本集團訂立有關交易時首次生效且無需重列該等先前交易所錄得之金額。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

(Expressed in Renminbi Thousand Yuan unless otherwise indicated)
(除另有說明外，以人民幣千元列示)

2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

- In order to be consistent with the above amendments to HKFRS 3 and HKAS 27, and as a result of amendments to HKAS 28, *Investments in associates*, and HKAS 31, *Interests in joint ventures*, the following policies will be applied as from 1 January 2010.
- If the Group holds interests in the acquiree immediately prior to obtaining significant influence or joint control, these interests will be treated as if disposed of and re-acquired at fair value on the date of obtaining significant influence or joint control. Previously, the step-up approach would have been applied, whereby goodwill was computed as if accumulated at each stage of the acquisition.
- If the Group loses significant influence or joint control, the transaction will be accounted for as a disposal of the entire interest in that investee, with any remaining interest being recognised at fair value as if reacquired. Previously such transactions were treated as partial disposal.

Consistent with the transitional provisions in HKFRS 3 and HKAS 27, these new accounting policies will be applied prospectively to transactions in current or future periods and therefore previous periods have not been restated.

Other changes in accounting policies which are relevant to the Group are as follows:

- As a result of the adoption of HKFRS 3 (revised 2008), any business combination acquired on or after 1 January 2010 will be recognised in accordance with the new requirements and detailed guidance contained in HKFRS 3 (revised 2008). In addition to the Group's existing policy of measuring the non-controlling interests (previously known as the "minority interests") in the acquiree at the non-controlling interest's proportionate share of the acquiree's net identifiable assets, in future the Group may elect, on a transaction by transaction basis, to measure the non-controlling interest at fair value.

2 會計政策變動(續)

- 為與上述香港財務報告準則第3號(修訂本)及香港會計準則第27號(修訂本)一致，且由於香港會計準則第28號(修訂本)「於聯營公司之投資」及香港會計準則第31號(修訂本)「於合營公司之權益」，自2010年1月1日起應用以下政策：
- 倘本集團於緊接獲得重大影響力或共同控制之前持有受投資公司之權益，則該等權益將視作猶如按獲得重大影響力或共同控制日期之公允值出售及重新收購。以往，會應用累進法，據此商譽猶如於每個收購階段累積計算。
- 倘本集團失去重大影響力或共同控制，該交易將列作出售該受投資公司之全部權益，而任何餘下權益按公允值確認(猶如重新收購)。以往，該等交易視作部分出售。

為符合香港財務報告準則第3號及香港會計準則第27號之過渡條文，該等新會計政策將預先應用於本期間或未來期間之交易，因此以往期間未予重列。

其他與本集團有關之會計政策變動如下：

- 由於採納香港財務報告準則第3號(2008年經修訂)，任何於2010年1月1日或之後收購之業務合併將根據香港財務報告準則第3號(2008年經修訂)所載之新規定及其中詳述之指引確認。本集團現有政策乃按非控股權益分佔受投資公司可識別資產淨值之比例，計量於受投資公司之非控股權益(前稱「少數股東權益」)，除此之外，日後本集團可選擇按逐項交易基準以公允值計量非控股權益。

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2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

- As a result of the adoption of HKAS 27 (amended 2008), the following changes in policies will be applied as from 1 January 2010:
 - If the Group acquires an additional interest in a non-wholly owned subsidiary, the transaction will be accounted for as a transaction with equity shareholders (the non-controlling interests) in their capacity as owners and therefore no goodwill will be recognised as a result of such transactions. Similarly, if the Group disposes of part of its interest in a subsidiary but still retains control, this transaction will also be accounted for as a transaction with equity shareholders (the non-controlling interests) in their capacity as owners and therefore no profit or loss will be recognised as a result of such transactions. Previously the Group adopted the policy consistent with that required by the amended standard.
 - If the Group loses control of a subsidiary, the transaction will be accounted for as a disposal of the entire interest in that subsidiary, with any remaining interest retained by the Group being recognised at fair value as if reacquired. In addition, as a result of the adoption of the amendment to HKFRS 5, if at the balance sheet date the Group has the intention to dispose of a controlling interest in a subsidiary, the entire interest in that subsidiary will be classified as held for sale (assuming that the held for sale criteria in HKFRS 5 are met) irrespective of the extent to which the Group will retain an interest. Previously such transactions were treated as partial disposals.

In accordance with the transitional provisions in HKAS 27, these new accounting policies will be applied prospectively to transactions in current or future periods and therefore previous periods have not been restated.

2 會計政策變動(續)

- 於採納香港會計準則第27號(2008年經修訂)後，自2010年1月1日起應用以下政策變動：
 - 倘本集團收購非全資附屬公司之額外權益，該交易將列作與身為擁有人之權益股東(非控股權益)之交易，因此並無商譽將會因該等交易而予以確認。同樣地，倘本集團出售其於附屬公司之部分權益但仍保留控制權，則該交易亦將列作與身為擁有人之權益股東(非控股權益)之交易，因此並無損益將會因該等交易而予以確認。以往，本集團採納與修訂準則要求一致的原則。
 - 倘本集團失去某間附屬公司之控制權，該交易將列作出售該附屬公司之全部權益，而本集團保留之任何餘下權益按公允值確認(猶如重新收購)。此外，於採納香港財務報告準則第5號(修訂本)後，倘於結算日本集團有意出售某間附屬公司之控股權益，則於該附屬公司之全部權益將分類為持作出售(假設符合香港財務報告準則第5號之持作出售標準)，而不論本集團將保留之權益水平。以往，該等交易視作部分出售。

根據香港會計準則第27號之過渡條文，該等新會計政策將提早應用於本期間或未來期間之交易，因此以往期間未予重列。

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2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

- As a result of the amendments to HKAS 27, as from 1 January 2010 any losses incurred by a non-wholly owned subsidiary will be allocated between the controlling and non-controlling interests in proportion to their interests in that entity, even if this results in a deficit balance within consolidated equity being attributed to the non-controlling interests. Previously, if the allocation of losses to the non-controlling interests would have resulted in a deficit balance, the losses were only allocated to the non-controlling interests if the non-controlling interests were under a binding obligation to make good the losses. In accordance with the transitional provisions in HKAS 27, this new accounting policy is being applied prospectively and therefore previous periods have not been restated.
- HK(IFRIC) 17 requires distributions of non-cash assets to owners to be measured at the fair value of the assets distributed. This will result in a gain or loss being recognised in profit or loss to the extent that the fair value of the assets is different from their carrying value. Previously the Group measured such distributions at the carrying value of the assets distributed. In accordance with the transitional provisions in HK(IFRIC) 17, this new accounting policy will be applied prospectively to distributions in current or future periods and therefore previous periods have not been restated.
- As a result of the amendment to HKAS 17, *Leases*, arising from the “*Improvements to HKFRSs (2009)*” omnibus standard, the Group has re-evaluated the classification of its interests in leasehold land as to whether, in the Group’s judgement, the lease transfers significantly all the risks and rewards of ownership of the land such that the Group is in a position economically similar to that of a purchaser. The Group has concluded that the classification of such leases as operating leases continues to be appropriate. This change in accounting policy has no material impact on the current or previous periods as the lease premiums in respect of all such leases are fully paid and are being amortised over the remaining length of the lease term.

2 會計政策變動(續)

- 於採納香港會計準則第27號(修訂本)後，自2010年1月1日起，非全資附屬公司產生之任何虧損將按於該實體所佔之權益比例，於控股權益與非控股權益之間分配，即使此會導致於綜合權益內非控股權益應佔之虧絀結餘。以往，倘虧損分配至非控股權益導致虧絀結餘，該等虧損僅當非控股權益有約束力責任彌補該等虧損時方會分配至非控股權益。根據香港會計準則第27號之過渡條文，該新會計政策乃提早應用，因此以往期間未予重列。
- 香港(國際財務報告詮釋委員會)詮釋第17號要求以公允值計算分派予擁有人的非現金資產。結果，由資產公允值及賬面值引致之差異將於收益表中被確認為收益或虧損。根據香港(國際財務報告詮釋委員會)詮釋第17號之過渡條文，此新會計政策將適用於本期間或未來期間之分派，因此過往期間之分派並無予以重列。
- 由於「香港財務報告準則之改進(2009年)」綜合標準導致香港會計準則第17號「租賃」修訂，按本集團判斷，就租賃是否大體上轉移土地擁有權的絕大部份風險及回報至本集團，即本集團與買方的經濟地位相似，本集團已重估租賃土地權益之分類。本集團已斷定有關租賃之經營租賃分類仍舊適當。由於所有有關租賃的租賃溢價已全數支付並已按租賃餘期攤銷，此會計政策變更對本期間或過往期間並無重大影響。

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3 SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by a mixture of business lines (property leasing and property development). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Property leasing: this segment leases retail properties to generate rental income and to gain from the appreciation in the properties' values in the long term. Currently the Group's investment property portfolio is located entirely in the PRC.
- Property development: this segment develops and sells office premises, residential and retail properties. Currently all the Group's property development activities are carried out in the PRC.

(a) Segment results, assets and liabilities

In accordance with HKFRS 8, segment information disclosed in the interim financial report has been prepared in a manner consistent with the information used by the Group's most senior executive management for the purposes of assessing segment performance and allocating resources between segments. In this regard, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all current and non-current assets with the exception of trading securities, deferred tax assets and other corporate assets. Segment liabilities include all trade and other payables, accruals, receipts in advance and rental and other deposits.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

3 分部報告

本集團按根據業務系列(物業租賃及物業開發)劃分之分部管理其業務。本集團按照符合向本集團最高層行政管理人員提供用於資源配置及評估表現之內部資料匯報之方式，辨識下列兩個須報告分部。本集團並無合併經營分部，以組成下列須報告分部。

- 物業租賃：本分部租賃零售物業以賺取租金收入和獲取長期物業升值收益。現時本集團之投資物業組合均位於中國。
- 物業開發：本分部開發及銷售寫字樓、住宅及零售物業。現時本集團之所有物業開發業務均於中國進行。

(a) 分部業績、資產及負債

根據香港財務報告準則第8號，於中期財務報告中披露之分部資料，已按照符合本集團最高層行政管理人員用於評估分部表現及各分部間資源配置之資料而編製。就此而言，本集團之高層行政管理人員按以下基準監控各須報告分部之業績、資產及負債：

分部資產包括所有流動及非流動資產(除買賣證券、遞延稅項資產及其他企業資產外)。分部負債包括所有應付賬款及其他應付款、預提費用、預收賬款、租賃及其他按金。

收益及開支乃參照分部產生之銷售及開支或因分部應佔之資產折舊或攤銷而產生者，分配至各須報告分部。

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3 SEGMENT REPORTING (CONTINUED)

(a) Segment results, assets and liabilities (continued)

The measure used for reporting segment profit is the segment results, adjusted for items not specifically attributed to individual segments, such as directors' and auditor's remuneration and other corporate administration costs.

The Group's most senior executive management has been identified as the Board. Information regarding the Group's reportable segments for the purposes of resource allocation and assessment of segment performance for the period is set out below.

3 分部報告(續)

(a) 分部業績、資產及負債(續)

用於報告分部溢利之表示方法為分部業績，並就沒有明確歸於個別分部之項目(如董事及核數師酬金及其他企業行政成本)作出調整。

本集團最高層行政管理層獲指定為董事會。就資源配置及分部表現評估的本集團須報告分部的資料載列如下。

	Property leasing 物業租賃		Property development 物業開發		Total 總計	
	2010	2009	2010	2009	2010	2009
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
For the six months ended 30 June 截至6月30日止六個月						
Revenue from external customers 外來客戶收入	31,039	25,058	82,327	46,616	113,366	71,674
Net increase in fair value of investment properties 投資物業的公允值的 增加淨額	25,755	27,761	-	-	25,755	27,761
Net increase in fair value of investment properties under development 發展中投資物業 的公允值的 增加淨額	114,208	-	-	-	114,208	-
Depreciation and amortisation 折舊及攤銷	(172)	(194)	(1,672)	(1,226)	(1,844)	(1,420)
Reportable segment profit/(loss) 須報告分部 溢利/(虧損)	161,027	40,004	(9,807)	(513)	151,220	39,491
At 30 June 2010/ 31 December 2009 於2010年6月30日/2009年12月31日						
Reportable segment assets 須報告分部資產	1,811,468	1,444,714	3,883,905	2,674,657	5,695,373	4,119,371
Reportable segment liabilities 須報告分部負債	68,238	64,970	760,234	361,896	828,472	426,866

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3 SEGMENT REPORTING (CONTINUED)

3 分部報告(續)

(b) Reconciliations of reportable segment profit or loss, assets and liabilities

(b) 須報告分部損益、資產及負債的調整

		Six months ended 30 June 截至6月30日止六個月	
		2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
Profit	溢利		
Reportable segment profit	須報告分部溢利	151,220	39,491
Other revenue and net income	其他收入及收益淨額	5,047	39,005
Depreciation and amortisation	折舊及攤銷	(19)	(193)
Corporate finance costs	企業融資成本	(33,629)	(43,221)
Net change in fair value of derivative financial instruments	衍生金融工具的公允值的變動淨額	8,446	(17,136)
Other corporate expenses	其他企業開支	(26,815)	(6,292)
Consolidated profit before taxation	除稅前綜合溢利	104,250	11,654

		At 30 June 2010 於2010年 6月30日 RMB'000 人民幣千元	At 31 December 2009 於2009年 12月31日 RMB'000 人民幣千元
Assets	資產		
Reportable segment assets	須報告分部資產	5,695,373	4,119,371
Trading securities	買賣證券	3,465	4,519
Deferred tax assets	遞延稅項資產	54,383	49,947
Unallocated corporate assets	未能分類的企業資產	863,527	382,853
Consolidated total assets	綜合總資產	6,616,748	4,556,690
Liabilities	負債		
Reportable segment liabilities	須報告分部負債	828,472	426,866
Taxation payable	應付稅項	256,672	262,552
Deferred tax liabilities	遞延稅項負債	268,739	231,634
Unallocated corporate liabilities	未能分類的企業負債	3,469,477	1,914,801
Consolidated total liabilities	綜合總負債	4,823,360	2,835,853

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4 OTHER REVENUE

4 其他收入

		Six months ended 30 June 截至6月30日止六個月	
		2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
Interest income	利息收入	3,573	4,223
Reversal of impairment loss on loans and advances	貸款及墊款的減值虧損撥回	-	5,000
Others	其他	1,133	2,835
		4,706	12,058

5 OTHER NET INCOME

5 其他收益淨額

		Six months ended 30 June 截至6月30日止六個月	
		2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
Net exchange gains/(losses)	匯兌收益/(虧損)淨額	1,407	(10,827)
Net unrealised (losses)/gains on trading securities	買賣證券的未變現(虧損)/收益淨額	(1,054)	417
(Loss)/gain on disposal of property, plant and equipment	出售物業、廠房及設備之(虧損)/收益	(12)	88
Gain on repurchases of the Senior Note	購回優先票據之收益	-	37,269
		341	26,947

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6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

6 除稅前溢利

除稅前溢利已扣除：

		Six months ended 30 June	
		截至6月30日止六個月	
		2010	2009
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest on borrowings	借貸利息	141,450	67,858
Less: interest expense capitalised as properties under development for sale	減：利息費用資本化為待出售的發展中物業	(107,821)	(24,637)
Finance costs	融資成本	33,629	43,221
Amortisation of leasehold land	租賃土地攤銷	688	589
Depreciation	折舊	1,799	1,508
Less: amounts capitalised as properties under development for sale	減：金額資本化為待出售的發展中物業	(624)	(484)
		1,175	1,024
Total amortisation and depreciation	攤銷及折舊總額	1,863	1,613

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7 INCOME TAX

7 所得稅

		Six months ended 30 June	
		截至6月30日止六個月	
		2010	2009
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current tax	本期稅項		
Provision for PRC	中國企業所得稅準備		
Corporate Income Tax		5,726	3,979
Land Appreciation Tax	土地增值稅	4,412	-
		10,138	3,979
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時差異之產生及撥回	32,668	6,940
		42,806	10,919

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI. No Hong Kong Profits Tax has been provided for as the Group does not have estimated assessable profits in Hong Kong.

The provision for PRC Corporate Income Tax is based on a statutory rate of 25% (2009: 25%) of the taxable profits determined in accordance with the relevant income tax rules and regulations in the PRC for the six months ended 30 June 2010, except for certain subsidiaries of the Group located within the special economic zones in the PRC for which the applicable preferential tax rate is 22% for 2010. The preferential tax rate will be gradually increased to 24% and 25% for the years ending 31 December 2011 and 2012 respectively. Accordingly, the deferred tax of the Group is recognised based on tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

根據開曼群島及英屬處女群島的規則及規例，本集團毋須繳納開曼群島及英屬處女群島的任何所得稅。由於本集團於香港並無任何估計應課稅收入，故並無就香港所得稅作出準備。

截至2010年6月30日止六個月，根據中國有關所得稅法規，本集團各附屬公司按稅項溢利25% (2009年：25%) 的法定企業所得稅稅率繳稅，除若干位於中國經濟特區的附屬公司，於2010年按該等附屬公司適用優惠稅率22%計算應課稅額，而有關優惠稅率並將於截至2011年及2012年12月31日止年度分別遞增至24%及25%。因此，本集團之遞延稅項乃根據資產被變現或負債被償還時預期之適用稅率予以確認。

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8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB62,066,000 (2009: RMB1,145,000) and the weighted average number of shares in issue during the period of 1,188,116,000 (2009: 1,040,250,000).

(b) Diluted earnings per share

For the six months ended 30 June 2009, diluted earnings per share equal basic earnings per share as there is no outstanding potential dilutive shares.

For the six months ended 30 June 2010, the calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of RMB62,066,000 and the weighted average number of shares of 1,193,545,000, calculated as follows:

		Six months ended 30 June 2010 截至2010年 6月30日止六個月 '000 千股
Weighted average number of shares (diluted)	股份加權平均數(攤薄)	
Weighted average number of shares in issue	已發行加權平均數	1,188,116
Deemed issue of ordinary shares under share option scheme for nil consideration	被視為根據認股權計劃無償發行普通股	5,429
Weighted average number of shares (diluted) at 30 June	於6月30日的股份加權平均數(攤薄)	1,193,545

For the six months ended 30 June 2010 and 2009, there are no dilutive effects on earnings per share upon deemed exercise of the Warrants (as defined in note 12) granted in prior periods.

截至2010年及2009年6月30日止六個月，於過往期間授出之認股權證(定義見附註12)於被視為行使後並無對每股盈利產生攤薄影響。

8 每股盈利

(a) 每股基本盈利

每股基本盈利乃根據期內本公司權益股東應佔溢利人民幣62,066,000元(2009年：人民幣1,145,000元)，以及於期內已發行股份的加權平均數1,188,116,000(2009年：1,040,250,000)計算。

(b) 每股攤薄盈利

截至2009年6月30日止六個月，由於並無尚未行使的潛在攤薄股份，每股攤薄盈利等同每股基本盈利。

截至2010年6月30日止六個月，每股攤薄盈利乃根據本公司權益股東應佔溢利人民幣62,066,000元及股份加權平均數1,193,545,000計算，結果如下：

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9 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2010, the Group has the following material additions to its property, plant and equipment:

- (a) Acquisition of a property in Hong Kong as directors' quarters at a consideration of HK\$10,565,000 (equivalent to RMB9,634,000); and
- (b) At 30 June 2010, upon a change of the intended use of certain properties of the Group, an amount of RMB17,796,000, being the cost of the properties at the transfer date, was transferred from inventories to property, plant and equipment.

10 INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES UNDER DEVELOPMENT

All investment properties of the Group were revalued as at 30 June 2010 by an independent firm of surveyors, Knight Frank Petty Limited, who has among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued, on an open market value basis calculated by reference to the net income allowing for reversionary income potential.

Investment property under development is carried at fair value at the earlier of when the fair value first becomes reliably measurable and the date of completion of the property. Any changes in fair values will be recognised in profit or loss, consistent with the policy adopted for all other investment properties carried at fair value. The investment properties under development, are valued as if they were completed in accordance with the relevant development plan allowing for any future construction and other relevant costs required for completion of the development, and where appropriate, by reference to the comparable market sale and purchase transactions.

During the period ended 30 June 2010, upon a change of the intended use of certain properties of the Group, an amount of RMB329,000,000, being the valuation of the investment properties under development at the transfer date, was transferred from inventories to investment properties under development. As a result, the profit attributable to equity shareholders of the Company increased by RMB85,656,000 for the six months ended 30 June 2010, representing the increase in fair value of RMB114,208,000 for investment properties under development previously carried at cost net of related deferred tax of RMB28,552,000.

At 30 June 2010, certain investment properties and investment properties under development of the Group were pledged against bank loans granted to the Group.

9 物業、廠房及設備

截至2010年6月30日止六個月，本集團有下列重大添置至其物業、廠房及設備：

- (a) 以代價10,565,000港元(相等於人民幣9,634,000元)收購一項香港物業作為董事宿舍。
- (b) 於2010年6月30日，本集團若干物業擬定用途發生變動後，合共人民幣17,796,000元(即於轉讓日期物業的成本)自存貨轉至物業、廠房及設備。

10 投資物業及發展中投資物業

本集團所有投資物業在2010年6月30日已由擁有對被估值物業的位置及種類有近期經驗的香港測量師學會資深會員為僱員的獨立測量師行萊坊測計師行有限公司根據公開市場價值按租金收入淨額並計及可能的復歸收入後評估。

發展中投資物業在公允值首次能夠作出可靠計量或物業落成當日(以較早者為準)以公允值計量。與所有以公允值列賬之其他投資物業所採用的政策一致，任何公允值變動將確認為損益。發展中投資物業的估值假設該等物業已按計及任何日後建設及完成發展所需其他相關成本的相關發展計劃竣工並(倘適用)參考可比較市場買賣交易。

於截至2010年6月30日止期間，本集團若干物業的擬定用途發生變動後，合共人民幣329,000,000元(即於轉讓日期發展中投資物業的估值)自存貨轉至發展中投資物業。因此，截至2010年6月30日止六個月，本公司權益股東應佔溢利增加人民幣85,656,000元，相等於發展中投資物業(之前以成本入賬)增加之公允值114,208,000元，扣除相關遞延稅項人民幣28,552,000元。

於2010年6月30日，本集團若干投資物業及發展中投資物業已作授予本集團銀行貸款抵押之用。

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11 TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables with the following ageing analysis as at the balance sheet date:

		At 30 June 2010 於2010年 6月30日 RMB'000 人民幣千元	At 31 December 2009 於2009年 12月31日 RMB'000 人民幣千元
0 to 3 months	0至3個月	42,749	81,584
More than 3 months but less than 6 months	超過3個月但少於6個月	-	2
More than 6 months but less than 1 year	超過6個月但少於1年	23,657	6
Over 1 year	超過1年	14	495
Total trade receivables	應收賬款總額	66,420	82,087
Other receivables	其他應收款	120,657	110,020
Loans and advances	貸款及墊款	156,418	228,031
Subtotal of loans and receivables	貸款及應收款小計	343,495	420,138
Prepayments and deposits	預付款及按金	546,199	277,381
		889,694	697,519

Trade receivables are due within 3 months from the date of billing.

The Group has a defined credit policy. In respect of rental receivables from property leasing activities, monthly rentals are received in advance and sufficient rental deposits are held to cover potential exposure to credit risk. The Group has no other collateral from its customers. The Group has also arranged bank financing for certain purchasers of properties and provided guarantees to secure repayment obligations of such purchasers. Details of these guarantees are set out in note 16.

11 應收賬款及其他應收款

應收賬款包含於應收賬款及其他應收款內，於結算日其賬齡分析如下：

應收賬款於賬單發出日後3個月內到期。

本集團擁有清晰的信用政策。有關物業租賃之應收租金，租戶須預先繳納每月租金及存放足夠的租賃按金以減低租戶之潛在信用風險。本集團並無向客戶獲取其他抵押。本集團亦為若干物業買家提供銀行融資及作出擔保以保證該等買家履行償還責任。有關該等擔保的詳情列載於附註16。

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12 NON-CURRENT BORROWINGS

The analysis of the carrying amounts of non-current borrowings is as follows:

	At 30 June 2010 於2010年 6月30日 RMB'000 人民幣千元	At 31 December 2009 於2009年 12月31日 RMB'000 人民幣千元
Bank and other borrowings – secured (note (b))	1,893,717	1,211,177
Senior Note (note (c))	185,730	182,657
	2,079,447	1,393,834

12 非即期借貸

非即期借貸之賬面值分析如下：

(a) Except for the Senior Note set out in note (c) below, all non-current borrowings are interest-bearing at floating interest rates. Accordingly, the carrying amounts of these borrowings approximate their fair values.

(b) At 30 June 2010, certain bank and other borrowings were secured by certain properties under development for sale of the Group and the ordinary shares of the Company held by the Company's ultimate holding company.

(c) Senior Note

Pursuant to the offering memorandum of the Company dated 20 September 2007 ("Offering Memorandum"), the Company issued 900 units of senior note (collectively referred to as the "Senior Note") and 81,000,000 nil-paid warrants (the "Warrants") for a principal amount totalling US\$90,000,000. The Senior Note was interest-bearing at 12.5% per annum at issue and interests were payable semi-annually in arrears, and will mature on 3 October 2012. Detachable from the Senior Note, each Warrant may be exercised from the date of issue up to 2 October 2012 at an initial exercise price, subject to certain conditions of reset and adjustment, of HK\$3.36 per ordinary share of the Company.

(a) 除下文附註(c)所載優先票據外，所有非即期借貸按浮動利率計息。因此，該等借貸之賬面值與其公允值相若。

(b) 於2010年6月30日，若干銀行及其他借貸以本集團若干待出售的發展中物業及由本公司最終控股公司持有的本公司普通股股份作抵押。

(c) 優先票據

根據本公司於2007年9月20日訂立的發售備忘錄（「發售備忘錄」），本公司發行900個單位的優先票據（統稱為「優先票據」）及81,000,000份未繳款認股權證（「認股權證」），本金額合共為90,000,000美元。優先票據按年利率12.5%計息，須每半年付息一次，並將於2012年10月3日到期。與優先票據分開，每份認股權證可由發行日期起至2012年10月2日，按初步行使價（受若干重定及調整之條件規限）每股3.36港元認購。

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12 NON-CURRENT BORROWINGS (CONTINUED)

(c) Senior Note (continued)

As a condition stated in the Offering Memorandum, the Company is granted a redemption option such that at any time on or after 3 October 2010, the Company may redeem the Senior Note, in whole or in part, at a redemption price equal to the percentage ranging from 100% to 106.25% of the principal amount, plus accrued and unpaid interest, if any, to the redemption date. At any time prior to 3 October 2010, the Company may redeem the Senior Note, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Senior Note plus the applicable premium as of, and accrued and unpaid interest, if any, to the redemption date. In addition, at any time prior to 3 October 2010, the Company may redeem up to 35% of the aggregate principal amount with proceeds from certain sales of the Company's equity shares, at a redemption price equal to 112.5% of the principal amount, plus accrued and unpaid interest, if any, to the redemption date.

The Senior Note is general obligations of the Company and is senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Senior Note, which is at least pari passu in right of payment with all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable laws). The Senior Note holder(s) are entitled to a first priority security interest on certain collateral charged by the Company, and the Senior Note ranks effectively senior in right of payment to unsecured obligations of the Company with respect to the value of the collateral charged by the Company.

As at 30 June 2010, the Senior Note can be analysed into the following components:

- (i) Liability component for the Senior Note represents the present value of the contractually determined stream of future cash flows discounted at the rate of interest determined by the market instruments of comparable credit status taken into account the business risk of the Company as well as the large amount of the Senior Note, but without the conversion option. The effective interest rate of the liability component is 17.80% (31 December 2009: 17.80%) per annum.
- (ii) Warrant represents the fair value of the right to subscribe for the Company's equity shares at applicable exercise price.

12 非即期借貸(續)

(c) 優先票據(續)

按照發售備忘錄所載的條件，本公司獲授一項贖回選擇權，以便於2010年10月3日或以後任何時間，可按相等於本金額的100%至106.25%的贖回價另加至贖回日期的預提未付利息(如有)，贖回全部或部分優先票據。於2010年10月3日前任何時間，本公司可按相等於優先票據本金額的100%另加至贖回日期的應付溢價以及預提未付利息(如有)，贖回全部而非部分優先票據。此外，於2010年10月3日前任何時間，本公司可按相等於本金額的112.5%另加至贖回日期的預提未付利息(如有)，贖回最多不超過本金總額的35%連同若干次銷售本公司股份的所得款項。

優先票據為本公司的一般責任，支付權次序將優先於本公司已明確表示為從屬於優先票據支付權的任何現有及未來責任，並在支付權方面至少與本公司的所有其他無抵押非從屬負債享有同等地位(受該非從屬負債根據適用法律的任何優先權規限)。優先票據持有人有權優先享有本公司就若干抵押品支付的抵押品利息，而就本公司收取的抵押品價值而言，優先票據於支付權方面實際上優先於本公司的無抵押責任。

於2010年6月30日，優先票據可分析為以下部分：

- (i) 優先票據的負債部分指契約釐定的未來現金流量來源的現值，而未來現金流量乃經計及本公司的業務總風險及大量的優先票據(惟並無轉換期權)，按可比較信貸狀況的市場工具釐定的利率折現。負債部分的實際利率為每年17.80%(2009年12月31日：17.80%)。
- (ii) 認股權證指可按適用行使價認購本公司股份的權利的公允值。

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12 NON-CURRENT BORROWINGS (CONTINUED)

(c) Senior Note (continued)

The movement of different components of the Senior Note during the period is set out below:

		Liability 負債	Warrants 認股權證	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元 (note 13) (附註 13)	RMB'000 人民幣千元
At 1 January 2010	於 2010 年 1 月 1 日	182,657	30,252	212,909
Transaction costs amortised	已攤銷交易成本	3,778	-	3,778
Exchange differences	匯兌差額	(705)	(230)	(935)
Net change in fair value	公允值變動淨額	-	(8,446)	(8,446)
At 30 June 2010	於 2010 年 6 月 30 日	185,730	21,576	207,306

The fair value of the liability component of the Senior Note is not materially different from its carrying value as at 30 June 2010.

12 非即期借貸(續)

(c) 優先票據(續)

優先票據不同部分於期內的變動載列如下：

於 2010 年 6 月 30 日，優先票據的負債部分的公允值與其賬面值並無重大差異。

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13 TRADE AND OTHER PAYABLES, AND ACCRUALS

Included in trade and other payables, and accruals are trade payables with the following ageing analysis as at the balance sheet date:

		At 30 June 2010 於2010年 6月30日 RMB'000 人民幣千元	At 31 December 2009 於2009年 12月31日 RMB'000 人民幣千元
Due within 3 months or on demand	3個月內或按要求應付	55,925	33,306
Total trade payables	應付賬款總額	55,925	33,306
Amounts due to directors	應付董事款項	1,656	777
Derivative financial instruments (note 12)	衍生金融工具(附註12)	21,576	30,252
Other creditors and accrued charges	其他應付款及預提費用	833,324	413,698
		912,481	478,033

13 應付賬款、其他應付款及預提費用

應付賬款、其他應付款及預提費用包括應付賬款，於結算日其賬齡分析如下：

14 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

A special dividend of HK\$0.15 per ordinary share has been declared on 5 February 2010 and paid on 31 March 2010.

Except for the special dividend, the Board does not recommend the payment of an interim dividend for the six months ended 30 June 2010 (2009: Nil).

No dividend payable to equity shareholders of the Company attributable to the previous financial year, has been approved or paid during the current period.

14 資本、儲備及股息

(a) 股息

每股普通股0.15港元之特別股息已於2010年2月5日宣派並於2010年3月31日支付。

除特別股息外，董事會已議決不宣派截至2010年6月30日止六個月之中期股息(2009年：無)。

期內，概無與過往財政年度有關的應付本公司權益股東股息獲批准及支付。

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14 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(b) Share capital

- (i) On 11 January 2010, the Company has issued 80,000,000 ordinary shares of HK\$0.01 each at an issue price of HK\$0.95 per ordinary share to settle an upfront fee of HK\$76,000,000 (equivalent to RMB66,886,000) for the US\$40,000,000 (31 December 2009: US\$26,000,000) credit note obtained.

On 11 January 2010, the Company has issued 25,000,000 ordinary shares of HK\$0.01 each at an issue price of HK\$0.95 per ordinary share to an independent third party for settlement of an advance received.

- (ii) On 5 February 2010, a special dividend of HK\$0.15 per ordinary share has been declared. 66,421,000 ordinary shares were issued on 31 March 2010 as payment of the special dividend in the form of scrip dividend.
- (iii) On 9 February 2010, options were exercised to subscribe for 19,000,000 ordinary shares of the Company at a consideration of HK\$11,400,000 (equivalent to RMB10,006,000) of which HK\$190,000 (equivalent to RMB167,000) was credited to share capital and the balance of HK\$11,210,000 (equivalent to RMB9,839,000) was credited to the share premium account. HK\$14,799,000 (equivalent to RMB14,753,000), has been transferred from the capital reserve to the share premium account.

No options were exercised during the six months ended 30 June 2009.

14 資本、儲備及股息(續)

(b) 股本

- (i) 於2010年1月11日，本公司以發行價每股普通股0.95港元發行80,000,000股每股面值0.01港元的普通股，以結付取得40,000,000美元(2009年12月31日：26,000,000美元)信貸票據而產生的先期費用76,000,000港元(相等於人民幣66,886,000元)。

於2010年1月11日，本公司以發行價每股普通股0.95港元向一獨立第三方發行25,000,000股每股面值0.01港元的普通股，以結付已收墊款。

- (ii) 於2010年2月5日已宣派每股普通股0.15港元之特別股息。66,421,000股普通股已於2010年3月31日獲發行並以股代息的形式支付特別股息。

- (iii) 於2010年2月9日，認股權獲行使，以代價11,400,000港元(相等於人民幣10,006,000元)認購共19,000,000股本公司股份，其中190,000港元(相等於人民幣167,000元)已撥入股本賬中，而餘額11,210,000港元(相等於人民幣9,839,000元)已撥入股份溢價賬中。14,799,000港元(相等於人民幣14,753,000元)已自資本儲備轉至股份溢價賬中。

截至2009年6月30日止六個月概無認股權獲發行。

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14 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

14 資本、儲備及股息(續)

(c) Terms of unexpired and unexercised share options as at the balance sheet date

(c) 於資產負債表日未屆滿及未行使認股權的條款

Exercise period 行使期	Exercise price 行使價	At 30 June 2010 於2010年 6月30日	At 31 December 2009 於2009年 12月31日
		Number 數目	Number 數目
22 August 2007 to 21 February 2012 2007年8月22日至2012年2月21日	HK\$0.60 0.60港元	-	19,000,000
15 November 2007 to 14 May 2016 2007年11月15日至2016年5月14日	HK\$1.84 1.84港元	27,951,000	27,951,000
10 April 2008 to 9 October 2017 2008年4月10日至2017年10月9日	HK\$2.99 2.99港元	1,000,000	1,000,000
13 August 2008 to 13 August 2018 2008年8月13日至2018年8月13日	HK\$1.70 1.70港元	8,000,000	8,000,000
		36,951,000	55,951,000

Each option entitles the holder to subscribe for one ordinary share of the Company.

每份認股權賦予持有人權利可認購一股本公司普通股。

(d) On 3 October 2007, 81,000,000 Warrants were issued to the initial purchasers of the Senior Note. At the balance sheet date, there were 81,000,000 outstanding Warrants. Each of the Warrant holders is entitled to subscribe in cash at an exercise price, subject to certain conditions of reset and adjustment, of HK\$3.36 each for one ordinary share of HK\$0.01 each of the Company at any time from 3 October 2007 to 2 October 2012. On 20 September 2008, the exercise price of the Warrants had been reset to HK\$1.68, being 50% of the initial exercise price of HK\$3.36. There were no reset of exercise price of the Warrants during the period. The Warrants when exercised in full would, with the present capital structure of the Company, result in the issue of 81,000,000 additional ordinary shares of HK\$0.01 each and aggregate subscription monies of HK\$136,080,000 (31 December 2009: HK\$136,080,000) before the related expenses.

(d) 於2007年10月3日，本公司發行81,000,000份認股權證予優先票據的最初買方。於資產負債表日，尚有81,000,000份未行使認股權證。每位認股權持有人可由2007年10月3日起至2012年10月2日止任何時間，按行使價(受若干重定及調整的條件規限)每股3.36港元，以現金認購每股面值0.01港元的本公司普通股。於2008年9月20日，認股權證的行使價已重定為1.68港元，即初始行使價3.36港元的50%。期內並無重定認股權證的行使價。在本公司的現有資本架構下，當認股權證悉數獲行使時將導致須額外發行81,000,000股每股面值0.01港元的普通股，認購款項總額於扣除相關費用前為136,080,000港元(2009年12月31日：136,080,000港元)。

Notes to the Unaudited Interim Financial Report

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(Expressed in Renminbi Thousand Yuan unless otherwise indicated)
(除另有說明外，以人民幣千元列示)

15 CAPITAL COMMITMENTS OUTSTANDING NOT PROVIDED FOR IN THE INTERIM FINANCIAL REPORT

15 尚未列入中期財務報告的資本承擔

		At 30 June 2010 於2010年 6月30日 RMB'000 人民幣千元	At 31 December 2009 於2009年 12月31日 RMB'000 人民幣千元
Contracted for	已訂約	881,888	550,229
Authorised but not contracted for	已授權但未訂約	3,384,425	1,944,644
		4,266,313	2,494,873

16 CONTINGENT LIABILITIES

16 或然負債

		At 30 June 2010 於2010年 6月30日 RMB'000 人民幣千元	At 31 December 2009 於2009年 12月31日 RMB'000 人民幣千元
Guarantees given to banks for mortgage facilities granted to purchasers of the Group's properties (note)	向銀行發出的擔保： 提供予本集團物業買家的 按揭信貸額(附註)	370,000	370,000

Note: The Group provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage loans together with any accrued interest and penalty owed by the defaulted purchasers to banks. The Group is then entitled to take over the legal title of the related properties. The Group's guarantee period commences from the dates of grant of the relevant mortgage loans and ends after the purchaser obtained the individual property ownership certificate or up to a maximum of two years after the full repayment of mortgage loan by the purchaser of the Group's properties.

附註：本集團就若干銀行授出的按揭融資額提供擔保，該等按揭融資涉及由本集團若干物業買家所訂立的按揭貸款。根據擔保的條款，倘該等買家拖欠按揭還款，本集團有責任向銀行償還買家結欠的貸款連同任何預提利息及罰款，而本集團屆時有權接管有關物業的法定所有權。本集團的擔保期限由按揭貸款授出日期起計，並於買家取得個別房產證後或於本集團物業買家支付全數按揭貸款後最多兩年後結束。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

(Expressed in Renminbi Thousand Yuan unless otherwise indicated)
(除另有說明外，以人民幣千元列示)

17 MATERIAL RELATED PARTY TRANSACTIONS

The Group had the following significant transactions and balances with related parties during the period/year:

(a) Transactions and balances with the Group's directors, senior management and their close family members

		At 30 June 2010 於2010年 6月30日 RMB'000 人民幣千元	At 31 December 2009 於2009年 12月31日 RMB'000 人民幣千元
Remuneration payable	應付酬金	978	-
Receipts in advance (note)	預收賬款(附註)	2,920	-

Remuneration payable to directors and senior management are unsecured, interest-free and repayable on demand.

本集團與關連人士於期/年內之重大交易及結餘如下：

(a) 與本集團董事、高級管理人員及其直系親屬成員間的交易及結餘

應付董事及高級管理人員酬金乃無抵押、不計息和須於要求時償還。

		Six months ended 30 June 截至6月30日止六個月	
		2010 RMB'000 人民幣千元	2009 RMB'000 人民幣千元
Remunerations:	酬金：		
Directors	董事	4,704	2,707
Senior management	高級管理人員	1,700	738
		6,404	3,445

Note: Receipts in advance represented pre-sale proceeds received from the spouse of an executive director. The terms of such transaction were carried out on normal commercial terms and in the ordinary course of the Group's businesses.

附註：預收賬款指應收執行董事配偶預售款項。該交易條款乃按一般商業條款及於本集團正常業務範圍內進行。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

(Expressed in Renminbi Thousand Yuan unless otherwise indicated)
(除另有說明外，以人民幣千元列示)

17 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions and balances with the Group's affiliated companies and their directors

		At 30 June 2010 於2010年 6月30日 RMB'000 人民幣千元	At 31 December 2009 於2009年 12月31日 RMB'000 人民幣千元
Prepayments (note (a))	預付款(附註(a))	-	1,538
Other receivables (note (b))	其他應收款(附註(b))	13,030	-
Other creditors (note (c))	其他應付賬款(附註(c))	(37,037)	-

Note:

- (a) At 31 December 2009, the amount represented prepayments for construction materials to a related party for use in the Group's development projects. The terms of such transaction were carried out on normal commercial terms and in the ordinary course of the Group's businesses.
- (b) At 30 June 2010, the amount represented short term advances to a minority shareholder. The balance is unsecured, interest-free and has no fixed repayment terms.
- (c) At 30 June 2010, the amount represented short term advances from an affiliated company held by a minority shareholder. The balance is unsecured, interest-free and has no fixed repayment terms.

附註：

- (a) 於2009年12月31日，預付款代表關連公司之建築材料預付款項，以供本集團開發項目之用。此等交易乃按一般商業條款及於本集團正常業務範圍內進行。
- (b) 於2010年6月30日，該款項指短期少數股東墊款。結餘為無抵押、免息且無固定還款期。
- (c) 於2010年6月30日，該款項指少數股東持有的關聯公司短期墊款。結餘為無抵押、免息且無固定還款期。

18 ACQUISITION OF SUBSIDIARIES

- (i) On 24 January 2010, the Group has entered into an equity transfer agreement with an independent third party to acquire 100% of the equity interest in Shenzhen Huaxingguang Industrial Company Limited ("Huaxingguang"). Huaxingguang was engaged in the development of residential and commercial properties at Pinghu Street, Longgang District, Shenzhen, the PRC. The acquisition cost is comprised of cash consideration of RMB25,000,000 and property consideration of RMB140,792,000. The property consideration represented the estimated total cost of completion of 25,850 square metre of gross floor area of commercial properties and 6,000 square metre of gross floor area of carparks to be delivered to the vendor upon completion of construction. Huaxingguang became a wholly-owned subsidiary of the Group after the completion of the equity transfer.

17 關連人士的重大交易(續)

(b) 與本集團的聯屬公司及其董事間的交易及結餘

18 收購附屬公司

- (i) 於2010年1月24日，本集團與一獨立第三方簽訂股權轉讓協議，以收購深圳市華興廣實業有限公司(「華興廣」)全部股權。華興廣於中國深圳龍崗區平湖街道從事開發商住物業。收購成本包括現金代價人民幣25,000,000元及物業代價人民幣140,792,000元。物業代價指將於建設完工後交付予賣方的建築面積為25,850m²商用物業及建築面積為6,000m²停車場之估計總成本。華興廣於股權轉讓完成後，已成為本集團全資附屬公司。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

(Expressed in Renminbi Thousand Yuan unless otherwise indicated)
(除另有說明外，以人民幣千元列示)

18 ACQUISITION OF SUBSIDIARIES (CONTINUED)

On 23 April 2010, the Group has entered into an equity transfer agreement with Shenzhen Huifenglian Investment Company Limited, an independent third party, to acquire 100% of the equity interest in Shenzhen Hong Long Real Estate Company Limited ("Hong Long Real Estate") and its subsidiaries ("Hong Long Real Estate Group"). Hong Long Real Estate Group is principally engaged in the development of a property development project at Dayawan, Huizhou, the PRC. The aggregate consideration under the equity transfer agreement is approximately RMB2,001,000. Hong Long Real Estate became an indirect wholly-owned subsidiary of the Group after the completion of the equity transfer on 23 April 2010.

The net assets acquired in the acquisition of subsidiaries during the six months ended 30 June 2010 were as follows:

18 收購附屬公司(續)

於2010年4月23日，本集團與獨立第三方深圳市滙豐聯投資有限公司訂立股權轉讓協議，以收購深圳市鴻隆置業有限公司(「鴻隆置業」)及其附屬公司(「鴻隆置業集團」)100%股權。鴻隆置業集團主要從事開發中國惠州大亞灣的物業發展項目。根據股權轉讓協議，代價合共約為人民幣2,001,000元。於2010年4月23日股權轉讓完成後，鴻隆置業成為本集團間接全資附屬公司。

截至2010年6月30日止六個月收購附屬公司時所購入的資產淨值如下：

	Carrying amount before consolidation	Fair value adjustments	Fair value
	於合併前賬面值	公允值調整	公允值
	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元

Net assets acquired:

已收購資產淨值：

Property, plant and equipment	物業、廠房及設備	2,340	-	2,340
Inventories	存貨	1,033,053	168,323	1,201,376
Trade and other receivables	應收賬款及其他應收款	86,777	-	86,777
Pledged deposits	抵押存款	10,497	-	10,497
Cash at bank and in hand	銀行存款及現金	4,220	-	4,220
Trade and other payables, and accruals	應付賬款、其他應付款及預提費用	(688,531)	-	(688,531)
Bank and other borrowings	銀行及其他貸款	(451,098)	-	(451,098)
Net identifiable assets and liabilities	可識別資產及負債淨值	(2,742)	168,323	165,581
Non-controlling interests	非控股權益	2,212	-	2,212
Total consideration	代價總額	(530)	168,323	167,793
Represented by:	指：			
Cash consideration, paid	已付現金代價			27,001
Property consideration payable	應付物業代價			140,792
Total consideration	代價總額			167,793

Other Information

其他資料

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES OR DEBENTURES

As at 30 June 2010, the interests of the directors 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")) (the "Associated Corporations") as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by directors of Listed Issuers (the "Model Code") were as follows:

Long position in the shares of the Company

於本公司股份之好倉

Name of Director	董事姓名	Number of shares			Number of underlying shares held under equity derivatives	Percentage of aggregate interests to total number of shares in issue*	
		Personal interests	Family interests	Corporate interests			
		個人權益	家族權益	公司權益	按股本衍生工具持有相關股份之數目	Total	佔已發行股份總數之百分比*
Mr. Zeng Yunshu	曾雲樞先生	3,773,023 ¹	-	-	-	3,773,023	0.31
Mr. Zhang Yijun ²	張宜均先生 ²	-	24,000,000	-	-	24,000,000	1.95
Mr. Zeng Sheng ³	曾勝先生 ³	380,000 ¹	-	642,320,000 ³	-	642,700,000	52.22
Ms. Ye Qingdong	葉慶東女士	5,102,000 ¹	-	-	-	5,102,000	0.17
Mr. Ouyang Junxin	歐陽俊新先生	2,104,000 ¹	-	-	-	2,104,000	0.41
Dr. Li Jun	李珺博士	-	-	-	1,000,000 ⁴	1,000,000	0.08
Mr. Cheung Ngai Lam	張毅林先生	-	-	-	1,000,000 ⁴	1,000,000	0.08

Notes:

1. This represents interests held by the relevant director as beneficial owner.
2. This represents (i) 11,162,791 shares held by Mr. Zhang Yijun and (ii) 12,837,209 shares held by his spouse.

董事於股份、相關股份或債券中之權益

於2010年6月30日，董事於本公司或其任何相聯法團(按證券及期貨條例第XV部之涵義)(「相聯法團」)之股份、相關股份及債券中擁有根據證券及期貨條例第352條須存置之登記冊所記錄或根據上市發行人董事進行證券交易之標準守則(「標準守則」)而另行知會本公司及香港聯合交易所有限公司(「聯交所」)之權益如下：

附註：

1. 此指由相關董事作為實益擁有人持有之權益。
2. 此指(i)由張宜均先生持有之11,162,291股股份及(ii)由其配偶持有之12,837,209股股份。

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES OR DEBENTURES (CONTINUED)

Long position in the shares of the Company (Continued)

Notes (Continued):

- This represents interests held by Mr. Zeng Sheng through Grand Prosperity Limited ("Grand Prosperity"), which holds 642,320,000 shares of the Company. Mr. Zeng Sheng has 80% interest in Grand Prosperity, he is therefore deemed to be interested in 642,320,000 shares of the Company. Reference is made to the announcement of the Company issued on 21 December 2009 (the "Announcement") and unless the context herewith otherwise requires, terms used in this note shall have the same meanings as in the Announcement. On December 16, 2009, Grand Prosperity entered into the First Charge Over Shares in favour of the Security Trustee (acting on behalf of the Onshore Lender). Under the First Charge Over Shares, Grand Prosperity has agreed to charge the Grand Prosperity Shares to the Security Trustee (acting on behalf of the Onshore Lender). The First Charge Over Shares has been entered into as a continuing security for the Onshore Facility provided by the Onshore Lender, which has been released during the period ended 30 June 2010. On December 21, 2009, the Company entered into the Credit Note with the Third Party, under which the Third Party has agreed to make available to the Company the Offshore Financing in the amount of US\$40,000,000. The Offshore Financing has a term of two years. Further, the Company has been advised that on December 21, 2009, Grand Prosperity entered into the Second Charge Over Shares in favour of the Third Party, by which Grand Prosperity agreed to charge the Grand Prosperity Shares to the Third Party as a continuing security for the Offshore Financing.
- This represents interests in options held by the relevant Director as a beneficial owner to subscribe for the relevant underlying shares granted by the Company under the Shares Option Scheme, details of which are set out in the section headed "Share Option".
- * The percentage has been adjusted based on the total number of shares of the Company in issue as at 30 June 2010 (i.e. 1,230,671,384 shares).

Save as disclosed above, as at 30 June 2010, none of the directors had any other interests or short positions in the shares, underlying shares or debentures of the Company or any of its Associated Corporations which had been entered in the register 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.

董事於股份、相關股份或債券中 之權益 (續)

於本公司股份之好倉 (續)

附註 (續) :

- 此指由曾勝先生透過 Grand Prosperity Limited (「Grand Prosperity」) 持有之權益，而 Grand Prosperity 持有 642,320,000 股本公司股份。曾勝先生擁有 Grand Prosperity 之 80% 權益，因而彼視為擁有 642,320,000 股本公司股份之權益。謹提述本公司於 2009 年 12 月 21 日刊發之公告 (「該公告」) 及除本文另有規定外，本附註所使用之詞彙與該公告內具相同涵義。Grand Prosperity 於 2009 年 12 月 16 日訂立以抵押受託人 (代表境內貸方行事) 為受益人的第一股份押記。根據第一股份押記，Grand Prosperity 同意將 Grand Prosperity 股份質押予抵押受託人 (代表境內貸方行事)。訂立第一股份押記乃作為境內貸方提供之境內融資的持續保證，此押記已於 2010 年 6 月 30 日期間內被解除。於 2009 年 12 月 21 日，本公司與第三方訂立信貸票據，據此第三方同意向本公司提供金額為 40,000,000 美元的境外融資。境外融資之年期為兩年。此外，本公司獲通知，Grand Prosperity 於 2009 年 12 月 21 日訂立以第三方為受益人的第二股份押記，據此 Grand Prosperity 同意將 Grand Prosperity 股份抵押予第三方，作為境外融資的持續保證。
- 此指由相關董事作為實益擁有人持有之認股權權益，可認購根據認股權計劃授予之相關股份，有關詳情載於「認股權」一節。
- * 百分比已根據本公司於 2010 年 6 月 30 日已發行之股份總數 (即 1,230,671,384 股) 作出調整。

除上文所披露者外，於 2010 年 6 月 30 日，概無董事於本公司或其任何相聯法團之股份、相關股份或債券中擁有記入根據證券及期貨條例第 352 條所存置之登記冊或根據標準守則另行知會本公司及聯交所之任何其他權益或淡倉。

Other Information

其他資料

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

As at 30 June 2010, the number of outstanding option shares granted by the Company under the Pre-IPO Share Options and Share Option Scheme to the directors to subscribe for shares of the Company, as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code is set out in the section headed "Share Option" of this report below.

Apart from the aforesaid, at no time during the period was the Company, its subsidiaries, its fellow subsidiaries or its holding companies a party to any arrangement 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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

As at 30 June 2010, the interests of those persons in the shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name 名稱	Capacity in which shares were held 於所持有股份之身份	Number of shares 股份數目	Number of underlying shares held under equity derivatives 按股本衍生 工具持有相關 股份之數目	Percentage of shares to total number of shares in issue* 股份佔已發行 股份總數 之百分比* %
Mr. Zeng Sheng ¹ 曾勝先生 ¹	Beneficial owner 實益擁有人	380,000 (L)	–	0.03%
	Interest of controlled corporation 受控公司權益	642,320,000 (L)	–	52.19%
Grand Prosperity ¹	Beneficial owner 實益擁有人	642,320,000 (L)	–	52.19%
Lehman Brothers Holdings Inc. ² ("LB HLD")	Interest of controlled corporation 受控公司權益	60,608,000 (L)	9,000,000 (S)	5.66%
CCB International Assets Management (Cayman) Limited ³ ("CCBIAML")	Beneficial owner 實益擁有人	662,320,000 (L)	80,000,000 (S)	60.32%

L: Long Position 好倉

S: Short Position 淡倉

董事購買股份及債券的權利

於2010年6月30日，按照證券及期貨條例第352條須存置之登記冊所記錄或根據標準守則另行向本公司及聯交所知會，本公司根據首次公开发售前認股權及認股權計劃授予可認購本公司股份之尚未行使認股權數目載於本報告下文「認股權」一節。

除上述外，期間內本公司、其附屬公司、其同系附屬公司或其控股公司概無訂立任何安排，致使董事可透過購買本公司股份或任何其他法團之股份而獲益。

主要股東於本公司股本之權益

於2010年6月30日，於本公司股份擁有根據證券及期貨條例第336條本公司須存置之登記冊所記錄之權益之該等人士如下：

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARE CAPITAL OF THE COMPANY (CONTINUED)

Notes:

1. This represents interests held by Mr. Zeng Sheng through Grand Prosperity, which holds 642,320,000 shares of the Company. Mr. Zeng Sheng has 80% interest in Grand Prosperity, he is therefore deemed to be interested in 642,320,000 shares of the Company. Reference is made to the announcement of the Company issued on 21 December 2009 (the "Announcement") and unless the context herewith otherwise requires, terms used in this note shall have the same meanings as in the Announcement. On December 16, 2009, Grand Prosperity entered into the First Charge Over Shares in favour of the Security Trustee (acting on behalf of the Onshore Lender). Under the First Charge Over Shares, Grand Prosperity has agreed to charge the Grand Prosperity Shares to the Security Trustee (acting on behalf of the Onshore Lender). The First Charge Over Shares has been entered into as a continuing security for the Onshore Facility provided by the Onshore Lender, which has been released during the period ended 30 June 2010. On December 21, 2009, the Company entered into the Credit Note with the Third Party, under which the Third Party has agreed to make available to the Company the Offshore Financing in the amount of US\$40,000,000. The Offshore Financing has a term of two years. Further, the Company has been advised that on December 21, 2009, Grand Prosperity entered into the Second Charge Over Shares in favour of the Third Party, by which Grand Prosperity agreed to charge the Grand Prosperity Shares to the Third Party as a continuing security for the Offshore Financing.
2. Lehman Brothers Commercial Corporation Asia Limited ("LBCCA"), which holds in total of 69,608,000 interests in the Company as beneficial owner, is owned 50% interests by each of LBCCA Holdings I LLC ("LBCCA I") and LBCCA Holdings II LLC ("LBCCA II"). Both LBCCA I and LBCCA II themselves are wholly owned by LB HLD and accordingly, the shares in which LBCCA are shown to be interested are also included in the shares in which LB HLD is shown to be interested. The number of shares held and underlying shares held under equity derivatives has been adjusted based on the information from LB HLD.

主要股東於本公司股本之權益(續)

附註：

1. 此指由曾勝先生透過Grand Prosperity持有之權益，而Grand Prosperity持有642,320,000股本公司股份。曾勝先生擁有Grand Prosperity之80%權益，因而彼視為擁有642,320,000股本公司股份之權益。謹提述本公司於2009年12月21日刊發之公告(「該公告」)及除本文另有規定外，本附註所使用之詞彙與該公告所用者具相同涵義。Grand Prosperity於2009年12月16日訂立以抵押受託人(代表境內貸方行事)為受益人的第一股份押記。根據第一股份押記，Grand Prosperity同意將Grand Prosperity股份質押予抵押受託人(代表境內貸方行事)。訂立第一股份押記乃作為境內貸方提供之境內融資的持續保證，此押記已於2010年6月30日期間被解除。於2009年12月21日，本公司與第三方訂立信貸票據，據此第三方同意向本公司提供金額為40,000,000美元的境外融資。境外融資之年期為兩年。此外，本公司獲通知，Grand Prosperity於2009年12月21日訂立以第三方為受益人的第二股份押記，據此Grand Prosperity同意將Grand Prosperity股份抵押予第三方，作為境外融資的持續保證。
2. Lehman Brothers Commercial Corporation Asia Limited(「LBCCA」)(作為實益擁有人持有本公司共69,608,000權益)由LBCCA Holdings I LLC(「LBCCA I」)及LBCCA Holdings II LLC(「LBCCA II」)各自擁有50%權益。LBCCA I及LBCCA II本身均由LB HLD全資擁有，因此，LBCCA所示擁有權益之股份亦計入LB HLD所示擁有權益之股份內。所持有之股份及根據股本衍生工具持有之相關股份之數目已按LB HLD提供之資料作出調整。

Other Information

其他資料

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARE CAPITAL OF THE COMPANY (CONTINUED)

Notes: (Continued)

3. This represents interests held by Central Huijin Investment Limited ("Central Huijin") through CCBIAAML. Central Huijin has 57.09% indirectly interest in CCBIAAML. Central Huijin therefore deemed to be interest in 662,320,000 shares (long position) and 80,000,000 shares (short position) of the Company, respectively. Reference is made to the announcement of the Company issued on 21 December 2009 (the "Announcement") and unless the context herewith otherwise requires, terms used in this note shall have the same meanings as in the Announcement. On December 21, 2009, the Company entered into the Credit Note with the Third Party, under which the Third Party has agreed to make available to the Company the Offshore Financing in the amount of US\$40,000,000. The Offshore Financing has a term of two years. Further, the Company has been advised that on December 21, 2009, Grand Prosperity entered into the Second Charge Over Shares in favour of the Third Party, by which Grand Prosperity agreed to charge the Grand Prosperity Shares to the Third Party as a continuing security for the Offshore Financing.

* The percentage has been adjusted based on the total number of shares of the Company in issue as at 30 June 2010 (i.e. 1,230,671,384 shares).

Save as disclosed above, as at 30 June 2010, the Company had not been notified of any interests and short positions in the shares and underlying shares of the Company which had been recorded in the register required to be kept under section 336 of the SFO.

SHARE OPTION

On 31 January 2007, in recognition of the contributions made by employees of the Group towards its growth and success, an aggregate of 23,000,000 share options of the Company (the "Pre-IPO Share Options") have been granted by the Company to, and accepted by the relevant employees prior to listing of the Company's share on the Stock Exchange. On the same day, a share option scheme (the "Share Option Scheme") was adopted by the shareholder's written resolution of the Company.

The Listing Committee of Stock Exchange has granted the listing of, and permission to deal in the shares of the Company which may fall to be issued pursuant to the exercise of the options which granted and/or may be granted under the Pre-IPO Share Options and/or Share Option Scheme, subsequently.

As at 30 June 2010, a total of 36,951,000 share options were outstanding granted under the Share Option Scheme. All share options granted under the Pre-IPO Share Options have been exercised before 30 June 2010.

主要股東於本公司股本之權益(續)

附註：(續)

3. 此指由中央滙金投資有限責任公司(「中央滙金」)通過CCBIAML持有之權益。中央滙金擁有CCBIAML之57.09%非直接權益，中央滙金因而被視為擁有662,320,000股(好倉)和80,000,000股(淡倉)之本公司權益。謹提述本公司於2009年12月21日刊發之公告(「該公告」)及除本文另有規定外，本附註所使用之詞彙與該公告所用者具相同涵義。於2009年12月21日，本公司與第三方訂立信貸票據，據此第三方同意向本公司提供金額為40,000,000美元的境外融資。境外融資之年期為兩年。此外，本公司獲通知，Grand Prosperity於2009年12月21日訂立以第三方為受益人的第二股份押記，據此Grand Prosperity同意將Grand Prosperity股份抵押予第三方，作為境外融資的持續保證。

* 百分比已根據本公司於2010年6月30日已發行之股份總數(即1,230,671,384股)作出調整。

除上文所披露者外，於2010年6月30日，本公司並無獲知會於本公司股份及相關股份中擁有根據證券及期貨條例第336條須存置之登記冊所記錄之任何權益及淡倉。

認股權

於2007年1月31日，為表彰本集團的僱員對其成長及成功所作出之貢獻，本公司於本公司股份在聯交所上市前向有關僱員授出合共23,000,000份本公司認股權(「首次公開發售前認股權」)，並獲該等僱員接納。同日，根據本公司之股東書面決議案，本公司亦採納一項認股權計劃(「認股權計劃」)。

聯交所上市委員會已批准因根據首次公開發售前認股權及/或認股權計劃授出及/或可能授出之認股權獲行使而須予發行之本公司股份上市及買賣。

於2010年6月30日，共計36,951,000份認股權未獲行使，此乃根據認股權計劃授出之認股權。所有其他根據首次公開發售授出之認股權於2010年6月30日前已悉數行使。

SHARE OPTION (CONTINUED)

The following is a summary of the principal terms of the Pre-IPO Share Options and the Share Option Scheme:

(a) Pre-IPO Share Options

Purpose

Recognition of the contributions made by employees of the Group towards its growth and success.

Exercise Period

From 22 August 2007 to 21 February 2012 unless extended in writing by the Board (and approved by the independent non-executive directors) in its absolute discretion. Each of the Pre-IPO Share Options (to the extent not already exercised) shall lapse automatically at the end of such option period.

Exercise Price

HK\$0.60 per share to be issued pursuant to the exercise of the Pre-IPO Share Options, representing a discount of 75% to the maximum IPO Offer Price as described in the prospectus of the Company dated 8 February 2007 (the "Prospectus"). The exercise price was determined in recognition of the contributions made to the Group by the respective grantees of the Pre-IPO Share Options.

Other Conditions

- (1) The grant of the Pre-IPO Share Options is subject to the following additional conditions:
 - (a) the commencement of dealings in the Shares;
 - (b) any exercise of the Pre-IPO Share Options must be made in full and not in part;
 - (c) the Pre-IPO Share Options are personal to the relevant grantees and shall not be transferred or assigned, and shall constitute a term of the employment of the relevant grantees by the Group;
 - (d) the grantees of the Pre-IPO Share Options shall adhere to any undertaking or restrictions that may be further imposed on them by the Company, the Stock Exchange or the sponsor as described in the Prospectus; and
 - (e) any exercise of the Pre-IPO Share Options shall be further subject to any guidelines issued by the Company from time to time in order to ensure full compliance with the Listing Rules.

認股權 (續)

以下乃首次公開發售前認股權及認股權計劃之主要條款之概要：

(a) 首次公開發售前認股權

目的

表彰本集團僱員對其成長及成功所作出之貢獻。

行使期

自2007年8月22日起至2012年2月21日止，除非獲董事會（全權酌情）以書面方式延長（及獲獨立非執行董事批准）則作別論。每份未獲行使之首次公開發售前認股權將於該認股權期限結束時自動失效。

行使價

每股0.60港元據首次公開發售前認股權獲行使而將予發行之股份，較本公司於2007年2月8日刊發的招股章程（「招股章程」）所述之最高首次公開發售價折讓75%。行使價乃就表彰首次公開發售前認股權之各自承授人對本集團作出之貢獻而釐定。

其他條件

- (1) 授出首次公開發售前認股權須受以下附加條件規限：
 - (a) 股份開始買賣；
 - (b) 首次公開發售前認股權必須全部而非部份予以行使；
 - (c) 首次公開發售前認股權屬有關承授人個人所有，不得轉讓或授讓，並構成本集團聘用有關承授人之一項條件；
 - (d) 首次公開發售前認股權之各承授人須遵循本公司、聯交所或招股章程所述之保薦人可能進一步對彼等施加之任何承諾或限制；及
 - (e) 首次公開發售前認股權之任何行使須受本公司不時所發出任何指引之進一步規限，以確保全面遵守上市規則之規定。

Other Information

其他資料

SHARE OPTION (CONTINUED)

(a) Pre-IPO Share Options (continued)

Other Conditions (continued)

- (2) The grantees shall not dispose of their respective shares issued pursuant to the exercise of the Pre-IPO Share Options granted to them in the following manner:
- (a) in any number greater than 30% of all the shares issued pursuant to the Pre-IPO Share Options granted to them within (2) two years from the shares of the Company were listed on the Main Board of the Stock Exchange on 22 February 2007 (the "Listing Date");
 - (b) in any number greater than 60% of all the shares issued pursuant to the Pre-IPO Share Options granted to them within (3) three years from the Listing Date; and
 - (c) all the shares issued pursuant to the Pre-IPO Share Options granted to them within (4) four years from the Listing Date.
- (3) The Pre-IPO Share Options (if not already exercised) held by each individual grantee shall lapse automatically upon cessation of his/her employment with the Group, regardless of how such cessation of employment arises.

(b) Share Option Scheme

Purpose

Recognise and acknowledge the contributions that the grantees had made or may make to the Group.

Participants

Eligible participants include:

- (1) any director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company ("Affiliate");

認股權 (續)

(a) 首次公開發售前認股權 (續)

其他條件 (續)

- (2) 承授人不得以下列方式出售彼等因行使獲授予之首次公開發售前認股權而發行之股份：
- (a) 自本公司股份於2007年2月22日(「上市日期」)在聯交所主板上市起計兩年內，高於彼等獲授予根據首次公開發售前認股權而發行之所有股份30%之任何數目；
 - (b) 自上市日期起計三年內，高於彼等獲授予根據首次公開發售前認股權而發行之所有股份60%之任何數目；及
 - (c) 自上市日期起計四年內，彼等獲授予根據首次公開發售前認股權而發行之所有股份。
- (3) 各個別承授人所持有之首次公開發售前認股權(倘並未行使)會於本集團終止聘用該承授人時失效(不論任何終止情況)。

(b) 認股權計劃

目的

表彰及感謝承授人過往或可能對本集團所作出之貢獻。

參與者

合資格參與者包括：

- (1) 本集團、本集團持有權益之公司或該公司附屬公司之任何董事、僱員、顧問、專業人員、客戶、供應商、代理、夥伴或諮詢人或承建商(「聯屬人」)；

SHARE OPTION (CONTINUED)

(b) Share Option Scheme (continued)

Participants (continued)

- (2) the trustee of any trust the beneficiary of which or an discretionary trust the discretionary objects of which include any director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or an Affiliate; or
- (3) a company beneficially owned by any director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or an Affiliate.

Exercise Price

Determined by the Board and shall not be less than the higher of:

- (1) the nominal value of the share;
- (2) the closing price of (1) one share on the Stock Exchange at the offer date, which must be a trading day; and
- (3) the average closing price of the share on the Stock Exchange for the five business days immediately preceding the offer date.

Total number of shares available for issue and the percentage of the issued share capital that it represents as at the date of this interim report

104,025,000 shares, being approximately 8.45% of the issued share of the Company.

Maximum entitlement of each participant

Not exceeding 1% of the shares of the Company in issue in any 12-month period.

認股權 (續)

(b) 認股權計劃 (續)

參與者 (續)

- (2) 任何信託受託人之受益人或任何全權信託之全權對象，包括本集團或聯屬人之任何董事、僱員、顧問、專業人員、客戶、供應商、代理、夥伴、諮詢人或承建商；或
- (3) 本集團或聯屬人之任何董事、僱員、顧問、專業人員、客戶、供應商、代理、夥伴、諮詢人或承辦商所實益擁有之公司。

行使價

由董事會釐定，且不得低於以下之最高者：

- (1) 股份之面值；
- (2) 於授出日期(須為營業日)股份在聯交所之每股收市價；及
- (3) 緊接授出日期前五個營業日股份在聯交所之平均收市價。

可發行股份總數及於本中期報告日期佔已發行股份之百分比

104,025,000 股股份，佔本公司已發行股份約 8.45%。

每名參與者之最高配額

不超過於任何十二個月期間本公司已發行股份之 1%。

Other Information

其他資料

SHARE OPTION (CONTINUED)

(b) Share Option Scheme (continued)

Period within which the securities must be taken up under the option

Subject to the discretion by the Board and, in the absence of which, from the date of acceptance to the earlier of the date on which such option lapses and 10 years from the date of offer.

Minimum period for which an option must be held before it can be exercised

Subject to the discretion by the Board.

Amount payable on acceptance

HK\$10.00 payable upon acceptance of the offer.

Period within which calls/loans must be made/repaid

Not applicable.

Remaining life of the scheme

The scheme will be valid and effective until 31 January 2017, after which no further options will be granted but the provisions of the scheme shall remain in full force and effect in all other aspects. Options complying with the provisions of the Listing Rules which are granted during the duration of the scheme and remain unexercised immediately prior to 31 January 2017 shall continue to be exercisable in accordance with their terms of grant, notwithstanding the expiry of the scheme.

認股權 (續)

(b) 認股權計劃 (續)

根據認股權認購證券之期限

由董事會酌情釐定，而如並無釐定，由接納日期起至有關認股權失效之日及由授出日期起計滿十年（以較早發生者為準）。

認股權行使前必須持有之最短期限

由董事會酌情釐定。

接納時應付金額

於接納時應付港幣 10.00 元。

付款金額／貸款須作出／償還之期限

不適用。

該計劃之餘下年期

該計劃將生效及有效直至 2017 年 1 月 31 日，此後將不會授出任何認股權，但該計劃之條文於所有其他方面將維持十足效力及有效。於該計劃期內授出且於緊接 2017 年 1 月 31 日前仍未獲行使但符合上市規則條文之認股權，將可繼續根據彼等之授出條款予以行使，儘管該計劃之期限已屆滿。

SHARE OPTION (CONTINUED)

(c) Movements of the Pre-IPO Share Options

Movements of the share options, which were granted under the Pre-IPO Share Options, during the six months ended 30 June 2010 are listed below in accordance with rule 17.07 of the Listing Rules:

Category	類別	As at 於 01.01.2010	During the period 期內			As at 於 30.6.2010	Exercise price 行使價 HK\$ 港元	Exercise period 行使期
			Granted 已授出	Exercised 已行使	Lapsed/ cancelled 已失效/ 已註銷			
Directors	董事							
Ms. Ye Qingdong	葉慶東女士	5,000,000	-	(5,000,000)	-	-	0.60	22.08.2007- 21.02.2012
Mr. Ouyang Junxin	歐陽俊新先生	2,000,000	-	(2,000,000)	-	-	0.60	22.08.2007- 21.02.2012
Continuous Contract Employees	持續合約僱員	12,000,000	-	(12,000,000)	-	-	0.60	22.08.2007- 21.02.2012
Total	總計	19,000,000	-	(19,000,000)	-	-		

Notes:

- The vesting period for all the option granted is six months from the Listing Date.
- The exercise price of the share options, representing a discount of 75% to the maximum IPO Offer Price as described in the Prospectus.
- All options were exercised on the same date, the closing price of the Shares immediately before that date was HK\$1.55.

附註：

- 所有已授出認股權之歸屬期為由上市日期起計六個月。
- 認股權之行使價較招股章程所述之最高首次公開發售價折讓75%。
- 所有認股權於同日行使，股份在緊接認股權行使日期之前的收市價為1.55港元。

認股權 (續)

(c) 首次公開發售前認股權之變動

截至2010年6月30日止六個月期間，根據首次公開發售前認股權授出之認股權變動如下（乃根據上市規則第17.07條）：

Other Information

其他資料

SHARE OPTION (CONTINUED)

(d) Movements of the Share Option Scheme

Movements of the share options, which were granted under the Share Option Scheme, during the six months ended 30 June 2010 are listed below in accordance with rule 17.07 of the Listing Rules:

Category	類別	Date of grant 授出日期	As at 於 01.01.2010	During the period 期內			As at 於 30.6.2010	Exercise price 行使價 HK\$ 港元	Exercise period 行使期
				Granted 已授出	Exercised 已行使	Lapsed/ cancelled 已失效/ 已註銷			
Directors	董事								
Dr. Li Jun	李珺博士	15.05.2007	1,000,000	-	-	-	1,000,000	1.84	15.11.2007- 14.05.2017
Mr. Cheung Ngai Lam	張毅林先生	15.05.2007	1,000,000	-	-	-	1,000,000	1.84	15.11.2007- 14.05.2017
Continuous Contract Employees	持續合約僱員								
		15.05.2007	12,951,000	-	-	-	12,951,000	1.84	15.11.2007- 14.05.2017
		10.10.2007	1,000,000	-	-	-	1,000,000	2.99	10.04.2008- 09.10.2017
Consultants	顧問								
		15.05.2007	13,000,000	-	-	-	13,000,000	1.84	15.11.2007- 14.05.2017
		13.02.2008	8,000,000	-	-	-	8,000,000	1.70	13.08.2008- 12.08.2018
Total	總計		36,951,000	-	-	-	36,951,000		

Notes:

- The vesting period for all the options granted is six months from the date of acceptance of the offer.
- The exercise price of the share options is subject to the adjustment in case of right or bonus issues, or other similar changes in the Company's share capital.
- When the share options are lapsed or cancelled, the amount previously recognised in capital reserve will be transferred to retained profits.

附註：

- 所有已授出認股權之歸屬期為由接納授出日期起計六個月。
- 認股權之行使價將因應供股或發行紅股或本公司股本之其他類似變動而作出調整。
- 當認股權已失效或被註銷，早前於資本儲備確認之數額將轉撥至保留溢利。

認股權 (續)

(d) 認股權計劃之變動

截至2010年6月30日止六個月期間，根據認股權計劃授出之認股權變動如下(乃根據上市規則第17.07條列)：

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

During the six months ended 30 June 2010, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed shares of the Company.

CORPORATE GOVERNANCE

The Company has adopted the code provisions set out in the Code of Corporate Governance Practices, as amended from time to time (the "Code"), as stated in Appendix 14 to the Listing Rules. As far as the Code is concerned, the Company complies with all aspects of the Code during the six months ended 30 June 2010 and up to the date of this report.

AUDIT COMMITTEE

The Audit Committee comprises four members, all being independent non-executive directors of the Company. The Audit Committee has reviewed the unaudited interim financial report for the six months ended 30 June 2010.

The unaudited interim financial report of the Company for the six months ended 30 June 2010 have been reviewed by KPMG, the Company's external auditor, in accordance with the Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the HKICPA.

REMUNERATION COMMITTEE

The Company has established a Remuneration Committee with written terms of reference to set out its authority and duties. The Remuneration Committee comprises three independent non-executive directors and one executive director.

購入、出售或贖回本公司之上市股份

截至2010年6月30日止六個月內，本公司及其任何附屬公司概無購入、出售或贖回任何本公司之上市股份。

企業管治

本集團已採納聯交所證券上市規則附錄十四所載的企業管治常規守則（「守則」）的守則條文（經不時修訂，補充或修改）。就所涉及的守則而言，截至2010年6月30日止六個月內及本報告日期止，本公司遵守守則的所有方面。

審核委員會

審核委員會由四名成員（全部皆為本公司獨立非執行董事）組成。審核委員會已審閱截至2010年6月30日止六個月之未經審核中期財務報告。

本公司截至2010年6月30日止六個月之未經審核中期財務報告已經由本公司外聘核數師畢馬威會計師事務所根據香港會計師公會所頒佈之香港審閱工作準則第2410號「獨立核數師對中期財務信息的審閱」進行審閱工作。

薪酬委員會

本公司已成立薪酬委員會，並已制訂其書面職權範圍，以界定其權限與職責。薪酬委員會由三名獨立非執行董事及一名執行董事組成。

Other Information

其他資料

NOMINATION COMMITTEE

The Company has established a Nomination Committee with terms of reference to set out its authority and duties. The Nomination Committee comprises four members, being all independent non-executive directors of the Company.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers, as amended from time to time (the "Model Code"), set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions of the directors of the Company. On specific enquiries made, all directors have confirmed that they have complied with the required standard as set out in the Model Code during the six months ended 30 June 2010.

Employees who are likely to be in possession of unpublished price sensitive information of the Company are also subject to compliance with guidelines on no less exacting terms than the Model Code.

APPROVAL OF INTERIM REPORT

The interim report and the unaudited condensed consolidated financial statements for the six months ended 30 June 2010 were approved and authorised for issue by the Board on 20 August 2010.

提名委員會

本公司已成立提名委員會，並已制訂其書面職權範圍，以界定其權限與職責。提名委員會由四名成員組成，其均為獨立非執行董事。

董事進行證券交易守則

本公司已採納上市規則附錄十所載列的上市發行人董事進行證券交易的標準守則（經不時修訂，補充或修改）（「標準守則」），作為本公司董事進行證券交易時的操守準則。經明確查詢後，全體董事已確認彼等於截至2010年6月30日止六個月內一直遵守標準守則所載的規定。

可能管有本公司非公開價格敏感資料之僱員，亦遵守條款，彼不遜於標準守則之指引。

中期報告的核准

本中期報告及截至2010年6月30日止六個月之未經審核簡明綜合財務報表經董事會於2010年8月20日核准及授權刊發。



鴻隆控股
HONG LONG
Holdings