

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



(Incorporated in Bermuda with limited liability)

(Stock Code: 355)

ANNOUNCEMENT OF 2010 INTERIM RESULTS

FINANCIAL HIGHLIGHTS

	Six months ended 30th June, 2010 (Unaudited) HK\$'M	Six months ended 30th June, 2009 (Unaudited) HK\$'M
Operating profit	205.0	130.9
Profit for the period attributable to equity holders of the parent	230.6	123.3
Basic earnings per ordinary share attributable to equity holders of the parent	HK9.64 cents	HK5.34 cents
Interim dividend	HK0.4 cent	HK0.3 cent
	As at 30th June, 2010 (Unaudited)	As at 31st December, 2009 (Unaudited)
*Adjusted net asset value per ordinary share	HK\$1.88	HK\$1.77
➤	Unaudited consolidated profit for the period increased by about 87% over the corresponding period in 2009.	
➤	Interim dividend for 2010 increased by 33% over the comparative amount in 2009.	
➤	The various listed entities within the Century City Group have all attained satisfactory progress during the period.	
➤	The Company will seek to diversify into new businesses with high growth potential and, at the same time, will also consider undertaking new investments that would be complementary and beneficial to the existing businesses of the Group companies.	
➤	Having established a very solid foundation, the Group is well positioned to implement business expansion plans that will create long term value for shareholders.	
*compiled on an adjusted basis, for the purpose of reference, to restate the Group's interest in Regal based on its adjusted net assets to reflect the share of the underlying adjusted net assets of Regal REIT attributable to Regal		

FINANCIAL RESULTS

For the six months ended 30th June, 2010, the Group achieved an unaudited consolidated profit attributable to shareholders of HK\$230.6 million, an increase of about 87% as compared with the profit of HK\$123.3 million recorded in the last corresponding period.

As at the half year end date, the Company beneficially held approximately 59.1% of the issued shares of Paliburg Holdings Limited, the listed subsidiary of the Group. Paliburg held approximately 49.0% of Regal Hotels International Holdings Limited that, in turn, owned approximately 74.3% of the issued units of Regal Real Estate Investment Trust, which is accounted for as an associate of Regal. Same as in prior years, supplementary information on the Group's net assets position, compiled on an adjusted basis to more fairly reflect the share of net assets attributable to the interests held by Regal in Regal REIT, is provided in the section headed "Management Discussion and Analysis" below.

BUSINESS OVERVIEW

The Group continues to input strenuous efforts to explore new business opportunities with a view to diversifying and expanding its investment portfolio, but due to the very low interest rate environment, competitions for favourable investment opportunities are keen. However, in view of the volatile global financial market, the Group has adopted a more prudent approach in pursuing business expansions. Although some of the potential deals are still in discussions, the progress in this respect has been relatively slow.

In addition to the shareholdings held in Paliburg, the Company also owns warrants issued by Paliburg which are exercisable into approximately 59.5 million Paliburg shares at a price of HK\$2.1 per Paliburg share before 8th November, 2010. If all the outstanding warrants of Paliburg, including those held by the Company, are exercised, the Company's shareholding interest in Paliburg will be maintained at approximately 58.5% of the enlarged issued share capital of Paliburg.

During the period under review, the various listed entities within the Century City Group have all attained satisfactory progress and their respective financial results and business reviews are set out below.

PALIBURG HOLDINGS LIMITED

For the six months ended 30th June, 2010, Paliburg achieved an unaudited consolidated profit attributable to shareholders of HK\$400.1 million, which represents an increase of about 146% over the HK\$162.3 million attained in the comparative period last year. The increase in the profit achieved was principally derived from the fair value gains on the financial assets as well as the enhanced profit contribution from Regal.

Further information on the principal business operations and outlook of Paliburg, including its management discussion and analysis, is contained in Paliburg's announcement separately released today.

REGAL HOTELS INTERNATIONAL HOLDINGS LIMITED

For the six months ended 30th June, 2010, Regal achieved an unaudited consolidated profit attributable to shareholders of HK\$385.3 million, an increase of about 162% as compared to the profit of HK\$147.2 million recorded in the corresponding period in 2009. The increase in the profit achieved was largely attributable to the fair value gains on the financial assets and investment properties held by the Regal group.

Further information on the principal business operations and outlook of Regal, including its management discussion and analysis, is contained in Regal's announcement separately released today.

REGAL REAL ESTATE INVESTMENT TRUST

Regal REIT presently owns the five Regal Hotels in Hong Kong as well as the 75% interest in the Regal iClub Building in Wanchai.

For the six months ended 30th June, 2010, Regal REIT attained an unaudited consolidated net profit before distribution to its unitholders of approximately HK\$308.2 million, as compared to the profit of HK\$187.5 million recorded in the corresponding period in 2009.

Further information on the principal business operations and outlook of Regal REIT, including its management discussion and analysis, was contained in Regal REIT's announcement released on 19th August, 2010.

OUTLOOK

As the ultimate holding company of the Century City Group, the Company will seek to diversify into new businesses with high growth potential and, at the same time, will also consider undertaking new investments that would be complementary and beneficial to the existing businesses of the Group companies.

Having now established a very solid foundation, the Directors are confident that the Group will be able to implement business expansion plans that will create long term value for shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's significant investments and principal business activities mainly comprise property development and investment, construction and building related businesses and other investments including, in particular, its interest in Regal, which is held through Paliburg. The operating results of Paliburg during the period and its business prospects are contained in

Paliburg's announcement separately released today. The significant investments and business interests of Regal comprise the hotel operation and management businesses, the investment in Regal REIT, the asset management of Regal REIT, property development and investment, including the interest in the retained houses in Regalia Bay in Stanley, and other investment businesses. The performance of Regal's hotel, property and other investment businesses as well as that of Regal REIT during the period under review, the commentary on the local hotel industry and changes in general market conditions and the potential impact on their operating performance and future prospects are contained in Regal's announcement separately released today.

As disclosed in an announcement of the Company dated 13th August, 2010, the Company has been served with a Writ of Summons issued by The New China Hong Kong Group Limited (in Creditors' Voluntary Liquidation) and The New China Hong Kong Development Limited (in Creditors' Voluntary Liquidation) (together, the "Plaintiffs") against, amongst others, the Company, Century City BVI Holdings Limited ("CCBVI", a wholly-owned subsidiary of the Company) and Mr. Kenneth Ng Kwai Kai, a Director of the Company, seeking to, inter alia, challenge the validity of certain transactions related to the disposal of assets by the Plaintiffs to a then subsidiary of the Company back in 1998 and claim for damages suffered thereby. The Company and CCBVI, having obtained counsel's advice, have been taking steps to strike out the Plaintiffs' claims. The Company was informed by Mr. Kenneth Ng that he would also be taking similar steps to strike out the claims made against him by the Plaintiffs. In any event, the Company and CCBVI will vigorously contest the claims and take all steps as they consider appropriate to defend themselves against such claims.

With respect to the joint development project in the Central Business District in Beijing, PRC and as previously reported in the annual report of the Company for the year ended 31st December, 2009, an associate that is 50% owned by each of the Paliburg group and the Regal group, which presently holds 59% shareholding interest in the Sino-foreign joint venture entities (that, in turn, own the development project), was engaged in arbitration proceedings conducted in Beijing, involving claims against the associate by the vendor for the rescission of the contracts entered into between the parties in 2005 for the purchase by the associate of 36% shareholding interest in the joint venture entities. Although the relevant court rejected the petitions made by the associate for setting aside the unfavourable arbitral awards, the

associate is still resorting to other available legal means to safeguard the aforesaid 36% shareholding interest and to pursue its legal rights against the vendor. On the other hand, the joint venture entities are encountering various difficult issues including shareholders' disputes, lawsuits raised by the Chinese joint venture partner and a third party, and outstanding issues relating to the land development rights of the project. The associate and the joint venture entities are in discussions with the Chinese joint venture partner and the relevant government authorities in an attempt to resolve the abovementioned issues. The final outcome of these different situations is uncertain, but the Paliburg group will together with the Regal group closely monitor any new developments for any responding actions required.

Based on the condensed consolidated statement of financial position as at 30th June, 2010, the unaudited book net asset value of the ordinary shares of the Company was HK\$1.52 per share. Such book net asset value has been significantly affected by the elimination in the books of Regal of its unrealised gain on the disposal of the subsidiaries owning the hotel properties to Regal REIT in 2007 against the interest held by Regal in Regal REIT as well as the sharing by Regal of the fair value loss on the hotel properties held by Regal REIT for the year ended 31st December, 2008. The interest held by Regal in Regal REIT represented one of Regal's most significant investments but, as at 30th June, 2010, such interest was only stated at a value of HK\$218.7 million. In order to more fairly reflect the underlying net asset value of the Group, management of the Group considers it appropriate to also present, for the purposes of reference and ease of comparison, supplementary information on the Group's net assets position, compiled on an adjusted basis to restate the Group's interest in Regal based on its adjusted net assets to reflect the share of the underlying adjusted net assets of Regal REIT attributable to Regal. Accordingly, on the basis that Regal's interest in Regal REIT were to be stated based on the published unaudited adjusted net asset value per unit of Regal REIT of HK\$2.92 as at 30th June, 2010, calculated on the basis that the deferred tax liabilities provided by Regal REIT with regard to the revaluation surplus of its investment properties are added back, the unaudited adjusted net asset value of the ordinary shares of the Company would be HK\$1.88 per share.

	As at 30th June, 2010	
	HK\$'M	HK\$ per ordinary share
Unaudited book net assets after non-controlling interests	3,639.6	1.52
Adjustment to restate the Group's interest in Regal on the basis noted above	856.9	
Unaudited adjusted net assets after non-controlling interests	4,496.5	1.88

Net cash flows used in operating activities during the period under review amounted to HK\$183.9 million (2009 – net cash flows from operating activities of HK\$20.0 million). Net interest receipt for the period amounted to HK\$0.9 million (2009 – HK\$0.7 million).

As at 30th June, 2010, the Group had cash and bank balances and deposits of HK\$210.7 million and no borrowings (31st December, 2009 – HK\$366.3 million and no borrowings).

At the end of the reporting period, certain ordinary shares in the listed associate with a market value of HK\$293.0 million (31st December, 2009 – HK\$309.2 million) were pledged to secure general banking facilities granted to the Group.

As the Group's banking facilities were all denominated in Hong Kong dollar currency, being the same currency in which the Group's major revenues are derived, and with interest primarily determined with reference to interbank offered rates, no hedging instruments for currency or interest rates purposes have been deployed during the period under review.

Information in relation to the contingent liabilities of the Group as of 30th June, 2010 has not changed materially from that disclosed in the most recently published annual report of the Company for the year ended 31st December, 2009 (the "2009 Annual Report"). During the period under review, the Company continued to adopt similar funding, treasury and remuneration policies as disclosed in the Company's 2009 Annual Report. Detailed information in such aspects is contained in the interim report of the Company for the six months ended 30th June, 2010.

The Group has no immediate plans for material investments or capital assets, other than those as disclosed in the sections headed “Business Overview” and “Outlook” above.

DIVIDEND

The Directors have declared the payment of an interim dividend of HK0.4 cent (2009 – HK0.3 cent) per ordinary share for the financial year ending 31st December, 2010, absorbing an amount of approximately HK\$9.6 million (2009 – HK\$6.9 million), payable to holders of ordinary shares on the Register of Ordinary Shareholders on 15th October, 2010.

CLOSURE OF REGISTER

The Register of Ordinary Shareholders will be closed from Wednesday, 13th October, 2010 to Friday, 15th October, 2010, both days inclusive, during which period no transfers of ordinary shares will be effected. In order to qualify for the interim dividend, all transfers of ordinary shares and/or subscriptions of the outstanding 2011 warrants of the Company, duly accompanied by the relevant certificates together with, where appropriate, the relevant subscription moneys, must be lodged with the Company’s branch registrar in Hong Kong, Tricor Tengis Limited, no later than 4:00 p.m. on Tuesday, 12th October, 2010. The relevant dividend warrants are expected to be despatched on or about 28th October, 2010.

HALF YEAR RESULTS

Condensed Consolidated Income Statement

	Six months ended 30th June, 2010 (Unaudited) HK\$'M	Six months ended 30th June, 2009 (Unaudited) HK\$'M
REVENUE (Note 2)	51.2	115.1
Cost of sales	(47.2)	(85.9)
Gross profit	4.0	29.2
Other income (Note 3)	2.0	8.4
Fair value gain on an investment property	–	46.0
Fair value gains on financial assets at fair value through profit or loss, net	219.1	117.3
Administrative expenses	(20.5)	(19.3)
Other operating income/(expenses), net (Note 4)	0.4	(50.7)
OPERATING PROFIT (Notes 2 & 5)	205.0	130.9
Finance costs (Note 6)	(0.1)	(0.9)
Share of profits and losses of associates	191.9	71.2
PROFIT BEFORE TAX	396.8	201.2
Income tax (Note 7)	(0.9)	(9.2)
PROFIT FOR THE PERIOD BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS	395.9	192.0
Attributable to:		
Equity holders of the parent	230.6	123.3
Non-controlling interests	165.3	68.7
	395.9	192.0
EARNINGS PER ORDINARY SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (Note 9)		
Basic	HK9.64 cents	HK5.34 cents
Diluted	HK9.56 cents	HK5.16 cents

Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30th June, 2010 (Unaudited) HK\$'M	Six months ended 30th June, 2009 (Unaudited) HK\$'M
PROFIT FOR THE PERIOD BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS	395.9	192.0
OTHER COMPREHENSIVE INCOME:		
Available-for-sale investments:		
Changes in fair value	0.2	5.0
Reclassification adjustment for losses included in the condensed consolidated income statement	–	1.4
	<hr/> 0.2	<hr/> 6.4
Exchange differences on translating foreign operations	0.5	–
Share of other comprehensive income of the associates	18.0	0.5
	<hr/> 18.7	<hr/> 6.9
Other comprehensive income for the period	18.7	6.9
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<hr/> 414.6 <hr/>	<hr/> 198.9 <hr/>
Attributable to:		
Equity holders of the parent	241.8	129.8
Non-controlling interests	172.8	69.1
	<hr/> 414.6 <hr/>	<hr/> 198.9 <hr/>

Condensed Consolidated Statement of Financial Position

	30th June, 2010	31st December, 2009
	(Unaudited)	(Audited)
	HK\$'M	HK\$'M
NON-CURRENT ASSETS		
Property, plant and equipment	4.2	2.7
Investment properties	0.4	0.4
Goodwill	202.0	202.0
Interests in associates	4,517.0	4,376.2
Available-for-sale investments	7.7	7.5
Financial assets at fair value through profit or loss	733.9	583.9
Loans receivable	4.8	5.5
Other assets	0.2	0.2
	<hr/>	<hr/>
Total non-current assets	5,470.2	5,178.4
	<hr/>	<hr/>
CURRENT ASSETS		
Financial assets at fair value through profit or loss	275.1	198.8
Properties held for sale	6.0	6.0
Inventories	10.3	7.2
Debtors, deposits and prepayments (Note 10)	97.3	54.2
Time deposits	84.3	238.6
Cash and bank balances	126.4	127.7
	<hr/>	<hr/>
	599.4	632.5
Asset of a disposal group classified as held for sale	249.4	249.4
	<hr/>	<hr/>
Total current assets	848.8	881.9
	<hr/>	<hr/>

Condensed Consolidated Statement of Financial Position (Cont'd)

	30th June, 2010	31st December, 2009
	(Unaudited)	(Audited)
CURRENT LIABILITIES		
Creditors and accruals (Note 11)	(69.0)	(183.3)
Tax payable	(4.5)	(3.6)
Deposits received	(216.9)	(216.9)
	(290.4)	(403.8)
Liability directly associated with the asset of a disposal group classified as held for sale	(98.9)	(98.9)
Total current liabilities	(389.3)	(502.7)
NET CURRENT ASSETS	459.5	379.2
Net assets	5,929.7	5,557.6
EQUITY		
Equity attributable to equity holders of the parent		
Issued capital	239.1	239.1
Reserves	3,390.9	3,145.6
Dividends	9.6	19.1
	3,639.6	3,403.8
Non-controlling interests	2,290.1	2,153.8
Total equity	5,929.7	5,557.6

Notes:

1. ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standards 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31st December, 2009, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”), which are effective for the Group’s annual periods beginning on or after 1st January, 2010.

HKFRS 1 (Revised)	<i>First-time Adoption of Hong Kong Financial Reporting Standards</i>
HKFRS 1 Amendments	<i>Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters</i>
HKFRS 2 Amendments	<i>Amendments to HKFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions</i>
HKFRS 3 (Revised)	<i>Business Combinations</i>
HKAS 27 (Revised)	<i>Consolidated and Separate Financial Statements</i>
HKAS 39 Amendment	<i>Amendment to HKAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items</i>
HK(IFRIC)-Int 17	<i>Distributions of Non-cash Assets to Owners</i>
Amendments to HKFRS 5 included in <i>Improvements to HKFRSs</i> issued in October 2008	<i>Amendments to HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations – Plan to Sell the Controlling Interest in a Subsidiary</i>

HK Interpretation 4 *Leases – Determination of the Length of Lease Term in*
(Revised in December *respect of Hong Kong Land Leases*
2009)

Improvements to HKFRSs Amendments to a number of HKFRSs
(2009)

Except for HKAS 27 (Revised), the adoption of these new and revised HKFRSs has had no material impact on the Group's results of operation and financial position. The principal effect of adopting HKAS 27 (Revised) is as follows:

HKAS 27 (Revised) Consolidated and Separate Financial Statements

This revised standard requires that changes in the parent's ownership interest in a subsidiary that does not result in a loss of control over that subsidiary are accounted for as equity transactions. As a result, the differences between the consideration paid or received and the changes in the non-controlling shareholders' interest in that subsidiary are recognised directly in equity and attributed to the owners of the parent. The Group has recognised such differences in the capital reserve during the period.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments as follows:

- (a) the property development and investment segment comprises the development and sale of properties, the leasing of office and commercial premises and the provision of estate agency services;
- (b) the construction and building related businesses segment engages in construction works and building related businesses, including the provision of development consultancy and project management services, property management and also security systems and products and other software development and distribution;

- (c) the hotel operation and management segment engages in hotel operations and the provision of hotel management services;
- (d) the securities investment segment engages in securities trading and investment businesses; and
- (e) the others segment mainly comprises the provision of financing services.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit before tax except that certain interest income, finance costs, head office and corporate gains and expenses are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

The following table presents revenue and profit/(loss) information for the Group's operating segments.

Group

	Property development and investment		Construction and building related businesses		Hotel operation and management		Securities investment		Others		Eliminations		Consolidated	
	Six months ended 30th June, 2010		Six months ended 30th June, 2009		Six months ended 30th June, 2010		Six months ended 30th June, 2009		Six months ended 30th June, 2010		Six months ended 30th June, 2009		Six months ended 30th June, 2010	
	(Unaudited) HK\$'M	(Unaudited) HK\$'M	(Unaudited) HK\$'M	(Unaudited) HK\$'M	(Unaudited) HK\$'M	(Unaudited) HK\$'M	(Unaudited) HK\$'M	(Unaudited) HK\$'M	(Unaudited) HK\$'M	(Unaudited) HK\$'M	(Unaudited) HK\$'M	(Unaudited) HK\$'M	(Unaudited) HK\$'M	(Unaudited) HK\$'M
Segment revenue:														
Sales to external customers	3.3	7.8	38.3	98.2	8.0	-	1.6	9.1	-	-	-	-	51.2	115.1
Intersegment sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	<u>3.3</u>	<u>7.8</u>	<u>38.3</u>	<u>98.2</u>	<u>8.0</u>	<u>-</u>	<u>1.6</u>	<u>9.1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51.2</u>	<u>115.1</u>
Segment results	<u>(5.2)</u>	<u>51.7</u>	<u>6.4</u>	<u>12.9</u>	<u>(2.1)</u>	<u>-</u>	<u>220.1</u>	<u>75.5</u>	<u>1.8</u>	<u>1.2</u>	<u>-</u>	<u>-</u>	<u>221.0</u>	<u>141.3</u>
Interest income and unallocated non-operating and corporate gains													1.3	7.7
Unallocated non-operating and corporate expenses													(17.3)	(18.1)
Operating profit													205.0	130.9
Finance costs													(0.1)	(0.9)
Share of profits and losses of associates	(2.7)	(1.5)	-	-	194.6 *	72.7 *	-	-	-	-	-	-	191.9	71.2
Profit before tax													396.8	201.2
Income tax													(0.9)	(9.2)
Profit for the period before allocation between equity holders of the parent and non-controlling interests													<u>395.9</u>	<u>192.0</u>
Attributable to:														
Equity holders of the parent													230.6	123.3
Non-controlling interests													165.3	68.7
													<u>395.9</u>	<u>192.0</u>

*The amount represents contribution from Regal.

3. Other income represents the following items:

	Six months ended 30th June, 2010	Six months ended 30th June, 2009
	(Unaudited)	(Unaudited)
	HK\$'M	HK\$'M
Interest income	2.0	1.0
Excess over the costs of additional interests in the listed subsidiary	–	7.4
	<u>2.0</u>	<u>8.4</u>

4. Other operating income/(expenses), net, include the following major items:

	Six months ended 30th June, 2010	Six months ended 30th June, 2009
	(Unaudited)	(Unaudited)
	HK\$'M	HK\$'M
Depreciation	(0.6)	(0.6)
Loss on redemption of financial assets at fair value through profit or loss	–	(49.1)
Reversal of impairment of loans receivable and debtors	1.0	0.6
	<u>1.0</u>	<u>0.6</u>

5. An analysis of profit/(loss) on sale of investments of the Group is as follows:

	Six months ended 30th June, 2010	Six months ended 30th June, 2009
	(Unaudited)	(Unaudited)
	HK\$'M	HK\$'M
Profit on disposal of listed investments	0.4	6.2
Loss on disposal of available-for-sale investments	–	(1.6)
	<u>0.4</u>	<u>6.2</u>

6. Finance costs of the Group are as follows:

	Six months ended 30th June, 2010	Six months ended 30th June, 2009
	(Unaudited)	(Unaudited)
	HK\$'M	HK\$'M
Interest in respect of bank loans wholly repayable within five years	–	0.7
Other loan costs	0.1	0.2
Total finance costs	0.1	0.9

7. The income tax charge for the period arose as follows:

	Six months ended 30th June, 2010	Six months ended 30th June, 2009
	(Unaudited)	(Unaudited)
	HK\$'M	HK\$'M
Current – Hong Kong Charge for the period	0.9	1.4
Deferred tax expense	–	7.8
Total tax charge for the period	0.9	9.2

The provision for Hong Kong profits tax has been calculated by applying the applicable tax rate of 16.5% (2009 – 16.5%) to the estimated assessable profits which were earned in or derived from Hong Kong during the period.

Taxes on the profits of subsidiaries operating overseas are calculated at the rates prevailing in the respective jurisdictions in which they operate.

The share of tax charge attributable to associates amounting to HK\$3.0 million (2009 – HK\$1.7 million) is included in “Share of profits and losses of associates” in the condensed consolidated income statement.

Deferred tax expense has been calculated by applying the rate that is expected to apply in the period when the asset is realised or the liability is settled.

8. Dividend:

	For year ending 31st December, 2010	For year ended 31st December, 2009
	HK\$'M	HK\$'M
Interim – HK0.4 cent (2009 – HK0.3 cent) per ordinary share	9.6	6.9

9. The calculation of basic earnings per ordinary share is based on the profit for the period attributable to equity holders of the parent of HK\$230.6 million (2009 – HK\$123.3 million) and on the weighted average of 2,391.8 million (2009 – 2,310.5 million) ordinary shares of the Company in issue during the period.

The calculation of diluted earnings per ordinary share for the period ended 30th June, 2010 is based on the profit for the period attributable to equity holders of the parent, adjusted for the decrease in the Group’s proportionate interest in the earnings of Paliburg group of HK\$2.1 million assuming all outstanding share options of Paliburg and the subscription rights attaching to all outstanding warrants of Paliburg were exercised to subscribe for ordinary shares of Paliburg at the beginning of the period. The weighted average number of ordinary shares used in the calculation is the same as the weighted average number of ordinary shares in issue during the period, as used in the basic earnings per ordinary share calculation. The exercise prices of the share options of the Company and Regal and the subscription price of the warrants of the Company outstanding during the period are higher than the average market prices of the respective ordinary shares of the Company and Regal and, accordingly, they have no dilutive effect on the basic earnings per ordinary share.

The calculation of diluted earnings per ordinary share for the period ended 30th June, 2009 was based on the profit for that period attributable to equity holders of the parent. The weighted average number of ordinary shares used in the calculation was the aggregate of the weighted average number of ordinary shares in issue during that period, as used in the basic earnings per ordinary share calculation, and the weighted average number of ordinary shares of 81.2 million that would be issued assuming all the 812.4 million convertible preference shares of the Company were converted into 81.2 million ordinary shares of the Company at the beginning of that period. The exercise prices of the share options of the Company, Paliburg and Regal and the subscription prices of the warrants of the Company and Paliburg outstanding during that period were higher than the average market prices of the respective ordinary shares of the Company, Paliburg and Regal and, accordingly, they had no dilutive effect on the basic earnings per ordinary share.

10. Included in debtors, deposits and prepayments is an amount of HK\$13.3 million (31st December, 2009 – HK\$7.4 million) representing the trade debtors of the Group. The aged analysis of such debtors as at the end of the reporting period, based on the invoice date, is as follows:

	30th June, 2010	31st December, 2009
	(Unaudited)	(Audited)
	HK\$'M	HK\$'M
Within 3 months	14.9	8.8
Between 4 to 6 months	0.1	0.2
Between 7 to 12 months	0.2	0.3
Over 1 year	–	0.2
	<hr/> 15.2	<hr/> 9.5
Impairment	(1.9)	(2.1)
	<hr/> 13.3 <hr/>	<hr/> 7.4 <hr/>

Credit terms

Trade debtors generally have credit terms of 30 to 90 days. The Group seeks to maintain strict control over its outstanding debts and overdue balances are reviewed regularly by senior management. In view of the aforementioned and that the Group's exposures spread over a number of counter-parties and customers, the Group has no significant concentration of credit risk.

11. Included in creditors and accruals is an amount of HK\$1.1 million (31st December, 2009 – HK\$3.4 million) representing the trade creditors of the Group. The aged analysis of such creditors as at the end of the reporting period, based on the invoice date, is as follows:

	30th June, 2010	31st December, 2009
	(Unaudited)	(Audited)
	HK\$'M	HK\$'M
Within 3 months	1.1	3.4

The trade creditors are non-interest bearing and are normally settled within 90 days.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the six months ended 30th June, 2010.

REVIEW OF RESULTS

The Group's condensed consolidated interim financial statements for the six months ended 30th June, 2010 have not been audited, but have been reviewed by Ernst & Young, the Company's external auditors, whose review report is contained in the Company's interim report for the six months ended 30th June, 2010 to be despatched to shareholders.

The Audit Committee has reviewed the Group's condensed consolidated interim financial statements for the six months ended 30th June, 2010, including the accounting principles and practices adopted by the Group, in conjunction with the Company's external auditors.

CORPORATE GOVERNANCE

The Company has complied with the Code Provisions in the Code of Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the six months ended 30th June, 2010, except that:

- (1) The roles of the Chairman and Chief Executive Officer are not separated and performed by two different individuals, due to practical necessity to cater to the Group's corporate operating structure.
- (2) The Independent Non-Executive Directors of the Company were not appointed for specific terms, but, during the period under review, arrangements had been put in place such that the Independent Non-Executive Directors would retire, and were subject to re-election, either by rotation in accordance with the provisions of the Bye-laws of the Company or on a voluntary basis, at least once every three years. Further, following the relevant amendments to the Bye-laws on 9th June, 2010, all Directors (including the Independent Non-Executive Directors) of the Company would be subject to retirement by rotation, and eligible for re-election, at least once every three years.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises the following members:

Executive Directors:

Mr. LO Yuk Sui
(Chairman and Chief Executive Officer)
Mr. Kenneth NG Kwai Kai
(Chief Operating Officer)
Mr. Donald FAN Tung
Mr. Kelvin LEUNG So Po
Mr. Jimmy LO Chun To
Miss LO Po Man

Independent Non-Executive Directors:

Mr. Anthony CHUANG
Mr. NG Siu Chan
Mr. WONG Chi Keung

By Order of the Board

LO YUK SUI

Chairman

Hong Kong, 24th August, 2010