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ANNOUNCEMENT OF 2013 INTERIM RESULTS

FINANCIAL AND BUSINESS HIGHLIGHTS		
	Six months ended 30th June, 2013	Six months ended 30th June, 2012
	(Unaudited)	(Unaudited)
	HK\$'M	HK\$'M
Revenue	986.9	599.1
Gross profit	473.5	136.1
Profit for the period attributable to equity holders of the parent	10.1	1,132.3
Basic earnings per ordinary share attributable to equity holders of the parent	HK0.31 cent	HK35.02 cents
Interim dividend per ordinary share	HK0.6 cent	HK0.55 cent
	As at 30th June, 2013	As at 31st December, 2012
	(Unaudited)	(Unaudited)
Net asset value per ordinary share attributable to equity holders of the parent	HK\$2.26	HK\$2.27

- The profit recorded for the period under review was substantially lower primarily due to the fact that, in the prior year comparative period, a one-off net accounting gain of HK\$2,117.5 million was recognised when Paliburg Holdings Limited, the listed intermediate subsidiary of the Company, consolidated Regal Hotels International Holdings Limited, previously a listed associate of Paliburg, based on the fair values of the assets and liabilities of Regal as at 7th May, 2012, the date when Regal became a listed subsidiary of Paliburg and, in turn, effectively of the Company.
- The five initial Regal Hotels in Hong Kong owned by Regal REIT, an indirect listed subsidiary of the Company held through Regal, are leased to a wholly owned subsidiary of Regal for hotel operations. Therefore, while these hotel assets are classified as investment properties and stated at market valuations in Regal REIT's financial statements without depreciation charges, they are instead treated by the Group as fixed assets and subject to depreciation charges based on their fair values as of the date when Regal became a subsidiary of the Company, in accordance with currently applicable accounting standards.
- Total depreciation charges of approximately HK\$219.0 million were provided on the Group's hotel properties during the period which, though not having any impact on cash flow, have nevertheless adversely affected the interim results under review.
- Since the Group first acquired in 2012 an 84.9% effective interest in an aircraft, which is under lease to an airline operator yielding satisfactory returns, the Regal group has acquired two additional aircrafts, one wholly owned and one for 85% effective interest. The investments in these aircrafts are intended to generate for the Century City Group an alternative source of steady recurring income.
- The Group is now actively working to reactivate its financial service businesses, including special situation and mortgage financings, with a view to further broadening and enhancing its recurring earnings base.
- As the ultimate holding company of the Century City Group, the Group will continue to explore and identify new business and investment opportunities that are beneficial to the progressive development of the Century City Group.
- Over the course of the past year, different members of the Century City Group have made various important acquisitions and have also taken the appropriate time to raise funds in the capital market, which greatly strengthened the overall asset portfolio and financial position of the Century City Group. On the way forward, the Directors are confident that, building on the solid foundation of all its member companies, the Century City Group as a whole will continue to grow and prosper.

FINANCIAL RESULTS

For the six months ended 30th June, 2013, the Group achieved an unaudited consolidated profit attributable to shareholders of HK\$10.1 million, as compared to HK\$1,132.3 million recorded in the comparative period in 2012.

The profit recorded for the period under review was substantially lower primarily due to the fact that, in the prior year comparative period, a one-off net accounting gain of HK\$2,117.5 million was recognised when Paliburg Holdings Limited, the listed intermediate subsidiary of the Company, consolidated Regal Hotels International Holdings Limited, previously a listed associate of Paliburg, based on the fair values of the assets and liabilities of Regal as at 7th May, 2012, the date when Regal became a listed subsidiary of Paliburg and, in turn, effectively of the Company.

Moreover, it should be noted that the five initial Regal Hotels in Hong Kong owned by Regal Real Estate Investment Trust, an indirect listed subsidiary of the Company held through Regal, are leased to a wholly owned subsidiary of Regal for hotel operations. Therefore, while these hotel assets are classified as investment properties and stated at market valuations in Regal REIT's financial statements without depreciation charges, they are instead treated by the Group as fixed assets and subject to depreciation charges based on their fair values as of the date when Regal became a subsidiary of the Company, in accordance with currently applicable accounting standards. Accordingly, there were total depreciation charges of approximately HK\$219.0 million provided on the Group's hotel properties during the period which, though not having any impact on cash flow, have nevertheless adversely affected the interim results under review.

BUSINESS OVERVIEW

In an effort to diversify its investment portfolio, the Group first acquired in 2012 an 84.9% effective interest in an aircraft, which is under lease to an airline operator yielding satisfactory returns. Since then, the Regal group has acquired two additional aircrafts, one wholly owned

and one for 85% effective interest, which are under the same professional team of investment adviser and asset manager. The investments in these aircrafts are intended to generate for the Century City Group an alternative source of steady recurring income.

The Group has established in December 2011 and July 2012, respectively, two sizable investment funds in China, with one of its wholly owned subsidiaries acting in each case as the general partner. Due to the overall uncertainty in the market environment in China, the Group has remained prudent in its risks assessment and selection process and has so far not committed to any significant investments out of those investment funds.

In the meantime, the Group is now actively working to reactivate its financial service businesses, including special situation and mortgage financings, with a view to further broadening and enhancing its recurring earnings base.

With the Company as the ultimate holding company, the Century City Group as a whole now comprises a total of four listed members. The respective financial results and operating performance of the three listed subsidiaries of the Group are highlighted below.

PALIBURG HOLDINGS LIMITED

For the six months ended 30th June, 2013, Paliburg recorded an unaudited consolidated profit attributable to shareholders of HK\$27.5 million, as compared to HK\$2,220.3 million attained in the corresponding period in 2012.

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, 2013, Regal achieved an unaudited consolidated profit attributable to shareholders of HK\$60.5 million, as compared to HK\$380.6 million attained in the corresponding period in 2012.

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

All the six Regal Hotels operating in Hong Kong are owned by Regal REIT, which is a listed subsidiary 74.6% held by the Regal group. Regal Portfolio Management Limited, a wholly owned subsidiary of Regal, acts as the REIT Manager.

For the six months ended 30th June, 2013, Regal REIT attained an unaudited consolidated profit before distribution to Unitholders of HK\$335.4 million, as compared to the profit of HK\$675.2 million recorded in the corresponding period in 2012.

Further information on the principal business operations and outlook of Regal REIT, including its Management Discussion and Analysis, is contained in Regal REIT's announcement separately released today.

OUTLOOK

As the ultimate holding company of the Century City Group, the Group will continue to explore and identify new business and investment opportunities that are beneficial to the progressive development of the Century City Group.

Over the course of the past year, different members of the Century City Group have made various important acquisitions and have also taken the appropriate time to raise funds in the capital market, which greatly strengthened the overall asset portfolio and financial position of the Century City Group. On the way forward, the Directors are confident that, building on the solid foundation of all its member companies, the Century City Group as a whole will continue to grow and prosper.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's significant investments and principal business activities mainly comprise property development and investment, construction and building related businesses, hotel ownership, hotel operation and management, asset management and other investments including securities investment, and aircraft ownership and leasing business.

The operating review of the principal businesses of Paliburg, the Group's listed intermediate subsidiary, comprising its investment in Regal, its property development and investment (including those undertaken through the joint venture in P&R Holdings), construction and building related businesses and other investments during the period and their business prospects are contained in Paliburg's announcement separately released today.

The significant investments and business interests of Regal, the Paliburg group's principal listed subsidiary, comprise hotel ownership business undertaken through Regal REIT, hotel operation and management businesses, asset management of Regal REIT, property development and investment, including those undertaken through the joint venture in P&R Holdings and 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 and property sectors and changes in general market conditions and the potential impact on their operating performance and future prospects are also contained in

Regal's and Regal REIT's announcements both separately released today.

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.

FINANCIAL REVIEW

CAPITAL RESOURCES AND FUNDING

Funding and Treasury Policy

The Group adopts a prudent funding and treasury policy with regard to its overall business operations. Cash balances are mostly placed on bank deposits, and treasury and yield enhancement products are deployed when circumstances are considered to be appropriate.

Property development projects are financed partly by internal resources and partly by bank financing. Project financing is normally arranged in local currency to cover a part of the land cost and a major portion or the entire amount of the construction cost, with interest calculated by reference to the interbank offered rates and the loan maturity tied in to the estimated project completion date.

The Group's banking facilities are mostly denominated in Hong Kong dollar with interest primarily determined with reference to interbank offered rates, while its senior unsecured notes were denominated in US dollar and Hong Kong dollar with fixed coupon interest rates. The use of hedging instruments for interest rate purposes to cater to business and operational needs is kept under review by the Group's management from time to time. As the US dollars are pegged to the Hong Kong dollars, the exchange risks are considered to be insignificant and no currency hedging has been deployed.

Cash Flow

Net cash flows used in operating activities during the period under review amounted to HK\$1,082.8 million (2012 – net cash flows generated from operating activities of HK\$113.7 million). Net interest payment for the period amounted to HK\$101.6 million (2012 – HK\$19.7 million).

Borrowings and Gearing

As at 30th June, 2013, the Group's borrowings, net of cash and bank balances and deposits (including cash and bank balances attributable to the disposal groups classified as held for sale), amounted to HK\$5,095.1 million (31st December, 2012 – HK\$3,179.4 million).

As at 30th June, 2013, the gearing ratio of the Group was 14.8% (31st December, 2012 – 9.9%), representing the Group's borrowings net of cash and bank balances and deposits (including cash and bank balances attributable to the disposal groups classified as held for sale) of HK\$5,095.1 million (31st December, 2012 – HK\$3,179.4 million), as compared to the total assets of the Group of HK\$34,485.7 million (31st December, 2012 – HK\$32,144.7 million).

Details of the maturity profile of the borrowings of the Group as of 30th June, 2013 are shown in the condensed consolidated interim financial statements (“Interim Financial Statements”) contained in the interim report for the six months ended 30th June, 2013 of the Company to be published on or before 30th September, 2013.

Pledge of Assets

As at 30th June, 2013, certain of the Group's property, plant and equipment, investment properties and properties held for sale in the total amount of HK\$20,107.9 million (31st December, 2012 – HK\$20,153.1 million) were pledged to secure general banking facilities granted to the Group and, in addition, part of the Group's bank deposits, bank balances, financial assets at fair value through profit or loss and held-to-maturity investments in the amount of HK\$391.1 million (31st December, 2012 – HK\$380.0 million) were pledged to secure a bank guarantee procured by the Group pursuant to certain lease guarantees in connection with the leasing of the hotel properties from Regal REIT. In addition, as at 31st December, 2012, certain ordinary shares in two listed subsidiaries with an aggregate market value of HK\$775.4 million were also pledged to secure general banking facilities granted to the Group.

Capital Commitments

Details of the capital commitments of the Group as at 30th June, 2013 are shown in the Interim Financial Statements.

Contingent Liabilities

The Group had no contingent liability as at 30th June, 2013.

DIVIDEND

The Directors have declared the payment of an interim dividend of HK0.6 cent per ordinary share for the financial year ending 31st December, 2013, representing an increase of 9.1% over the interim dividend of HK0.55 cent per ordinary share paid for the last financial year. This interim dividend will absorb an amount of approximately HK\$19.3 million (2012 – HK\$17.7 million) and will be payable to holders of ordinary shares on the Register of Ordinary Shareholders on 11th October, 2013.

CLOSURE OF REGISTER

The Register of Ordinary Shareholders will be closed from Wednesday, 9th October, 2013 to Friday, 11th October, 2013, both days inclusive, during which period no transfers of ordinary shares will be effected. In order to qualify for the interim dividend declared, all transfers of ordinary shares, duly accompanied by the relevant share certificates, must be lodged with the Company's branch registrar in Hong Kong, Tricor Tengis Limited, no later than 4:30 p.m. on Tuesday, 8th October, 2013. The relevant dividend warrants are expected to be despatched on or about 25th October, 2013.

HALF YEAR RESULTS

Condensed Consolidated Income Statement

	Six months ended 30th June, 2013	Six months ended 30th June, 2012
	(Unaudited)	(Unaudited)
	HK\$'M	HK\$'M
REVENUE (Note 2)	986.9	599.1
Cost of sales	(513.4)	(463.0)
Gross profit	473.5	136.1
Other income (Note 3)	53.7	13.7
Fair value gains on investment properties, net	8.0	4.8
Fair value losses on financial assets at fair value through profit or loss, net	(24.8)	(58.2)
Fair value loss on remeasurement of investments in a listed associate and an unlisted joint venture, net	–	(4,355.9)
Gain on bargain purchase of a listed subsidiary	–	6,473.4
Impairment of goodwill	–	(202.0)
Administrative expenses	(136.0)	(62.4)
Other operating income (Note 4)	0.1	1.4
OPERATING PROFIT BEFORE DEPRECIATION	374.5	1,950.9
Depreciation	(228.5)	(78.4)
OPERATING PROFIT (Notes 2 & 5)	146.0	1,872.5
Finance costs (Note 6)	(117.6)	(27.1)
Share of profits and losses of:		
Joint ventures	0.1	(0.8)
Associates	46.1	130.1
PROFIT BEFORE TAX	74.6	1,974.7
Income tax (Note 7)	(20.4)	27.3
PROFIT FOR THE PERIOD BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS	54.2	2,002.0

Condensed Consolidated Income Statement (Cont'd)

	Six months ended 30th June, 2013 (Unaudited) HK\$'M	Six months ended 30th June, 2012 (Unaudited) HK\$'M
Attributable to:		
Equity holders of the parent	10.1	1,132.3
Non-controlling interests	44.1	869.7
	<hr/> 54.2 <hr/>	<hr/> 2,002.0 <hr/>
EARNINGS PER ORDINARY SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (Note 9)		
Basic and diluted	HK0.31 cent	HK35.02 cents

Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30th June, 2013	Six months ended 30th June, 2012
	(Unaudited)	(Unaudited)
	HK\$'M	HK\$'M
PROFIT FOR THE PERIOD BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS	54.2	2,002.0
OTHER COMPREHENSIVE INCOME/(LOSS):		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Changes in fair value of available-for-sale investments	1.2	1.5
Cash flow hedges:		
Changes in fair value of cash flow hedges	4.8	–
Transfer from hedge reserve to the income statement	2.9	–
	7.7	–
Exchange differences on translating foreign operations	45.2	(8.0)
Reclassification adjustments on deemed disposals of a listed associate and an unlisted joint venture	–	(31.7)
Share of other comprehensive loss of:		
A joint venture	–	(0.5)
Associates	–	(55.4)
Other comprehensive income/(loss) for the period	54.1	(94.1)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	108.3	1,907.9
Attributable to:		
Equity holders of the parent	29.3	1,076.8
Non-controlling interests	79.0	831.1
	108.3	1,907.9

Condensed Consolidated Statement of Financial Position

	30th June, 2013 (Unaudited) HK\$'M	31st December, 2012 (Audited) HK\$'M
NON-CURRENT ASSETS		
Property, plant and equipment	19,313.3	20,393.7
Investment properties	956.3	948.3
Properties under development	–	370.8
Investment in a joint venture	397.0	251.2
Investments in associates	21.2	23.5
Available-for-sale investments	24.7	22.5
Financial assets at fair value through profit or loss	176.4	174.2
Derivative financial instruments	5.0	–
Loans receivable	22.3	21.7
Deposits	43.0	2.3
Trademark	610.2	610.2
Other assets	0.2	0.2
Total non-current assets	<u>21,569.6</u>	<u>22,818.6</u>
CURRENT ASSETS		
Properties under development	922.9	831.1
Properties held for sale	1,511.8	1,510.8
Inventories	47.9	38.1
Debtors, deposits and prepayments (Note 10)	646.6	949.7
Loans receivable	0.3	0.3
Held-to-maturity investments	162.2	219.5
Financial assets at fair value through profit or loss	1,434.6	1,176.4
Derivative financial instruments	11.1	–
Restricted cash	53.4	44.2
Pledged time deposits and bank balances	235.0	321.9
Time deposits	1,572.2	2,769.4
Cash and bank balances	3,112.6	1,464.7
	<u>9,710.6</u>	<u>9,326.1</u>
Assets of disposal groups classified as held for sale	3,205.5	–
Total current assets	<u>12,916.1</u>	<u>9,326.1</u>

Condensed Consolidated Statement of Financial Position (Cont'd)

	30th June, 2013	31st December, 2012
	(Unaudited)	(Audited)
	HK\$'M	HK\$'M
CURRENT LIABILITIES		
Creditors and accruals (Note 11)	(580.1)	(617.3)
Deposits received	(15.6)	(47.0)
Interest bearing bank borrowings	(664.9)	(81.5)
Derivative financial instruments	(1.3)	(2.1)
Tax payable	(87.5)	(47.4)
	(1,349.4)	(795.3)
Liabilities directly associated with the assets of disposal groups classified as held for sale	(517.3)	–
Total current liabilities	(1,866.7)	(795.3)
NET CURRENT ASSETS	11,049.4	8,530.8
TOTAL ASSETS LESS CURRENT LIABILITIES	32,619.0	31,349.4
NON-CURRENT LIABILITIES		
Creditor	(448.1)	(448.1)
Deposits received	(8.4)	(8.3)
Interest bearing bank borrowings	(5,208.4)	(5,404.3)
Other borrowings	(4,219.0)	(2,293.8)
Derivative financial instruments	–	(2.8)
Deferred tax liabilities	(1,930.4)	(2,286.8)
Total non-current liabilities	(11,814.3)	(10,444.1)
Net assets	20,804.7	20,905.3
EQUITY		
Equity attributable to equity holders of the parent		
Issued capital	321.3	321.3
Reserves	6,917.2	6,907.2
Dividends	19.3	61.0
	7,257.8	7,289.5
Non-controlling interests	13,546.9	13,615.8
Total equity	20,804.7	20,905.3

Notes:

1. ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants. 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 consolidated financial statements for the year ended 31st December, 2012, 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, 2013.

HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities</i>
HKFRS 10	<i>Consolidated Financial Statements</i>
HKFRS 11	<i>Joint Arrangements</i>
HKFRS 12	<i>Disclosure of Interests in Other Entities</i>
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – <i>Transition Guidance</i>
HKFRS 13	<i>Fair Value Measurement</i>
HKAS 1 Amendments	Amendments to HKAS 1 <i>Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income</i>
HKAS 19 (2011)	<i>Employee Benefits</i>
HKAS 27 (2011)	<i>Separate Financial Statements</i>

HKAS 28 (2011)	<i>Investments in Associates and Joint Ventures</i>
HK(IFRIC)-Int 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i>
<i>Annual Improvements 2009-2011 Cycle</i>	Amendments to a number of HKFRSs issued in June 2012

Except as described below, the adoption of these new and revised HKFRSs has had no significant financial effect on the Group's results of operation and financial position.

HKAS 1 Presentation of Items of Other Comprehensive Income
– *Amendments to HKAS 1*

The amendments to HKAS 1 introduce a grouping of items presented in other comprehensive income. Items that could be reclassified to profit or loss at a future point in time now have to be presented separately from items that will never be reclassified. The adoption of these amendments affected presentation only and had no impact on the Group's results of operations or financial position.

*HKFRS 10 Consolidated Financial Statements and
HKAS 27 Separate Financial Statements*

HKFRS 10 establishes a single control model that applies to all entities including special purpose entities. HKFRS 10 replaces the parts of previously existing HKAS 27 *Consolidated and Separate Financial Statements* that dealt with consolidated financial statements and HK(SIC)-Int 12 *Consolidation – Special Purpose Entities*. HKFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in HKFRS 10, all three criteria must be met, including: (a) an investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use

its power over the investee to affect the amount of the investor's returns. HKFRS 10 had no material impact on the consolidation of investments held by the Group.

HKFRS 11 *Joint Arrangements* and HKAS 28 *Investments in Associates and Joint Ventures*

HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures* and HK(SIC)-Int 13 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*. It describes the accounting for joint arrangements with joint control. It addresses only two forms of joint arrangements, i.e. joint operations and joint ventures, and removes the option to account for joint ventures using proportionate consolidation. The application of this standard had no impact on the Group's results of operations or financial position.

HKFRS 13 *Fair Value Measurement*

HKFRS 13 establishes a single source of guidance under HKFRS for all fair value measurements. HKFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under HKFRS when fair value is required or permitted. The application of HKFRS 13 has not materially impacted the fair value measurements carried out by the Group.

HKFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including HKFRS 7 *Financial Instruments: Disclosures*. Some of these disclosures are specifically required in the condensed consolidated interim financial statements for financial instruments; accordingly, the Group provides these disclosures in the notes to the condensed consolidated interim financial statements.

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 properties 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 and hotel ownership segment engages in hotel operations and the provision of hotel management services, and the ownership in hotel properties for rental income through Regal REIT;
- (d) the securities investment segment engages in securities trading and investment businesses; and
- (e) the others segment mainly comprises aircraft ownership and leasing business, the provision of financing services, provision of asset management services to Regal REIT, travel agency services, development and distribution of edutainment products, and sale of food products.

Management monitors the results of the Group's 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 and hotel ownership		Securities investment		Others		Eliminations		Consolidated	
	Six months ended 30th June, 2013		Six months ended 30th June, 2012		Six months ended 30th June, 2013		Six months ended 30th June, 2012		Six months ended 30th June, 2013		Six months ended 30th June, 2012		Six months ended 30th June, 2013	
	(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	5.1	288.5	12.6	34.5	942.7	259.6	(2.9)	3.8	29.4	12.7	-	-	986.9	599.1
Intersegment sales	2.4	0.8	78.0	6.2	-	-	-	-	43.8	12.6	(124.2)	(19.6)	-	-
Total	<u>7.5</u>	<u>289.3</u>	<u>90.6</u>	<u>40.7</u>	<u>942.7</u>	<u>259.6</u>	<u>(2.9)</u>	<u>3.8</u>	<u>73.2</u>	<u>25.3</u>	<u>(124.2)</u>	<u>(19.6)</u>	<u>986.9</u>	<u>599.1</u>
Segment results before depreciation	16.0	(2.5)	2.0	7.5	422.0	109.6	(24.5)	(53.1)	4.8	(1.3)	-	-	420.3	60.2
Depreciation	(0.6)	(0.1)	(0.2)	(0.3)	(220.3)	(77.4)	-	-	(6.8)	(0.1)	-	-	(227.9)	(77.9)
Segment results	<u>15.4</u>	<u>(2.6)</u>	<u>1.8</u>	<u>7.2</u>	<u>201.7</u>	<u>32.2</u>	<u>(24.5)</u>	<u>(53.1)</u>	<u>(2.0)</u>	<u>(1.4)</u>	<u>-</u>	<u>-</u>	<u>192.4</u>	<u>(17.7)</u>
Unallocated interest income and unallocated non-operating and corporate gains													17.7	6,485.4
Unallocated non-operating and corporate expenses													(64.1)	(4,595.2)
Operating profit													146.0	1,872.5
Finance costs													(117.6)	(27.1)
Share of profits and losses of:														
Joint ventures	0.1	(0.8)	-	-	-	-	-	-	-	-	-	-	0.1	(0.8)
Associates	47.3	(3.1)	-	-	(0.3)	133.6 *	-	-	(0.9)	(0.4)	-	-	46.1	130.1
Profit before tax													74.6	1,974.7
Income tax													(20.4)	27.3
Profit for the period before allocation between equity holders of the parent and non-controlling interests													<u>54.2</u>	<u>2,002.0</u>
Attributable to:														
Equity holders of the parent													10.1	1,132.3
Non-controlling interests													44.1	869.7
													<u>54.2</u>	<u>2,002.0</u>

*The amount represents contribution from the Regal group.

3. Other income represents the following items:

	Six months ended 30th June, 2013	Six months ended 30th June, 2012
	(Unaudited)	(Unaudited)
	HK\$'M	HK\$'M
Interest income	23.5	13.3
Forfeiture of deposits	27.1	–
Others	3.1	0.4
	<u>53.7</u>	<u>13.7</u>

4. Other operating income represents the following items:

	Six months ended 30th June, 2013	Six months ended 30th June, 2012
	(Unaudited)	(Unaudited)
	HK\$'M	HK\$'M
Recovery of bad debts	0.1	–
Reversal of impairment of loans receivable	–	1.4
	<u>0.1</u>	<u>1.4</u>

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

	Six months ended 30th June, 2013	Six months ended 30th June, 2012
	(Unaudited)	(Unaudited)
	HK\$'M	HK\$'M
Profit/(Loss) on disposal of listed investments	(11.1)	1.3
Profit on disposal of property	0.2	–
	<u>0.2</u>	<u>–</u>

6. Finance costs of the Group are as follows:

	Six months ended 30th June, 2013	Six months ended 30th June, 2012
	(Unaudited)	(Unaudited)
	HK\$'M	HK\$'M
Interest on bank loans wholly repayable within five years	64.7	20.7
Interest on other borrowings wholly repayable within five years	65.1	–
Fair value changes on derivative financial instruments – cash flow hedge (transfer from hedge reserve)	2.9	–
Amortisation of debt establishment costs	16.2	4.5
Other loan costs	3.5	3.7
	152.4	28.9
Less: Finance costs capitalised	(34.8)	(1.8)
	117.6	27.1

7. The income tax charge/(credit) for the period arose as follows:

	Six months ended 30th June, 2013	Six months ended 30th June, 2012
	(Unaudited)	(Unaudited)
	HK\$'M	HK\$'M
Group:		
Current – Hong Kong		
Charge for the period	38.3	4.6
Current – Overseas		
Charge for the period	3.4	–
Underprovision/(Overprovision) in prior years	0.1	(0.9)
Deferred	(21.4)	(31.0)
Total tax charge/(credit) for the period	20.4	(27.3)

The provision for Hong Kong profits tax has been calculated by applying the applicable tax rate of 16.5% (2012 – 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\$9.3 million (2012 – HK\$7.7 million) is included in “Share of profits and losses of associates” in the condensed consolidated income statement.

No provision for tax is required for the joint ventures as no assessable profits were earned by the joint ventures during the period (2012 – Nil).

8. Dividend:

	For year ending 31st December, 2013	For year ended 31st December, 2012
	HK\$'M	HK\$'M
Interim – HK0.6 cent (2012 – HK0.55 cent) per ordinary share	19.3	17.7

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\$10.1 million (2012 – HK\$1,132.3 million) and on the weighted average of 3,212.9 million (2012 – 3,233.6 million) ordinary shares of the Company in issue during the period.

No adjustment has been made to the basic earnings per ordinary share amount presented for the periods ended 30th June, 2013 and 2012 as the Company had no potentially dilutive ordinary shares in issue and therefore no diluting events existed throughout the periods.

10. Included in debtors, deposits and prepayments is an amount of HK\$121.1 million (31st December, 2012 – HK\$153.2 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, 2013	31st December, 2012
	(Unaudited)	(Audited)
	HK\$'M	HK\$'M
Outstanding balances with ages:		
Within 3 months	97.5	131.5
Between 4 to 6 months	10.1	7.1
Between 7 to 12 months	5.5	7.2
Over 1 year	11.9	11.3
	<hr/>	<hr/>
	125.0	157.1
Impairment	(3.9)	(3.9)
	<hr/>	<hr/>
	121.1	153.2
	<hr/> <hr/>	<hr/> <hr/>

Credit terms

Trade debtors, which generally have credit terms of 30 to 90 days, are recognised and carried at their original invoiced amounts less impairment which is made when collection of the full amounts is no longer probable. Bad debts are written off as incurred.

The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade debtors relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over these balances.

11. Included in creditors and accruals is an amount of HK\$88.5 million (31st December, 2012 – HK\$84.6 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, 2013	31st December, 2012
	(Unaudited)	(Audited)
	HK\$'M	HK\$'M
Outstanding balances with ages:		
Within 3 months	87.8	83.1
Between 4 to 6 months	–	1.1
Between 7 to 12 months	0.3	0.1
Over 1 year	0.4	0.3
	<u>88.5</u>	<u>84.6</u>

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, 2013.

REVIEW OF RESULTS

The Group's condensed consolidated interim financial statements for the six months ended 30th June, 2013 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, 2013 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, 2013, 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 Corporate Governance Code 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, 2013, 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 in accordance with the provisions of the Bye-laws of the Company, all Directors (including the Independent Non-Executive Directors) of the Company are subject to retirement by rotation at least once every three years, and the retiring Directors are eligible for re-election.

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, 26th August, 2013