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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	209.1	101.2
Profit for the period attributable to equity holders of the parent	400.1	162.3
Basic earnings per ordinary share attributable to equity holders of the parent	HK39.2 cents	HK15.9 cents
Interim dividend	HK1.5 cents	HK1.0 cent
	As at 30th June, 2010 (Unaudited)	As at 31st December, 2009 (Unaudited)
*Adjusted net asset value per ordinary share	HK\$7.25	HK\$6.83
➤ Unaudited consolidated profit for the period increased by about 146% over the corresponding period in 2009.		
➤ Interim dividend for 2010 increased by 50% over the comparative amount in 2009.		
➤ The Group has a 30% joint venture interest in “Larvotto”, the units presale of which has been very well received.		
➤ The Group is presently debt free and with the very substantial cash inflow expected to be generated from “Larvotto” in 2011, the financial position of the Group will be greatly enhanced.		
➤ The Group is actively planning to replenish its property development and investment portfolio, both in Hong Kong as well as in China.		
*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\$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 held by the Group as well as the enhanced profit contribution from Regal Hotels International Holdings Limited.

As at the half year end date, the Group held approximately 49.0% in Regal. Regal, in turn, held 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

PROPERTIES

The Group has a 30% joint venture interest in Larvotto, a luxury residential development project at Ap Lei Chau Inland Lot No.129, which has a very low carrying investment cost. The project has a total gross floor area of about 913,000 square feet, comprising 9 residential towers with 715 residential apartments and certain commercial areas on the ground floor, complemented with club house and car parking facilities. Presale of the apartments units commenced in July 2010 and has been very well received. So far, about 640 residential apartment units have been presold for an aggregate sale consideration exceeding HK\$14 billion. The construction works are well in progress and the development is expected to be completed within the first quarter of 2011. Very substantial cash flow and profits are expected to be derived from the Group's interest in Larvotto, which will be received and accounted for in 2011 when the agreements for the sale and purchase of the apartment units presold are completed.

The Group is retaining 25% equity interests in Regal iClub Building at No.211 Johnston Road in Wanchai, with the 75% interests having been sold to Regal REIT in October last year. Due to the encouraging performance of the Regal iClub Hotel since its opening in December 2009, the remaining ten office floors in the building are being converted into another 49 guestrooms and suites, anticipated to be completed later this year. The property is currently leased to the Group for property leasing and hotel operation business and the lease will expire at the end of this year. The Group has granted an option to Regal REIT to acquire the Group's remaining 25% equity interests on pre-agreed terms, which is exercisable by Regal REIT during the period from 1st November, 2010 to 28th February, 2011.

As regards the joint development project in the Central Business District in Beijing, which is owned through an associate 50%-owned by each of the Group and the Regal group, the overall situation remains very complicated and difficult. The Group and the Regal group have endeavoured to take all necessary steps to safeguard the interests held in the project, but the outcome of the different circumstances relating to outstanding litigations, ownership disputes and land development rights affecting the project is still uncertain. Further information on this project is contained in the section headed "Management Discussion and Analysis" below.

CONSTRUCTION AND BUILDING RELATED BUSINESSES

The Group operates a comprehensive range of construction and other building related businesses which, apart from offering services to third party clients, are providing key support to the needs of the Group as a whole. While the construction industry in Hong Kong continues to be very competitive, the Group has recently diversified into the business of providing LED lighting works for buildings, which has high growth potential.

OTHER INVESTMENTS

The Group holds a substantial portfolio of investments in financial assets, including the shares in China Pacific Insurance (Group) Co., Ltd. previously acquired as one of the cornerstone investors in its IPO last year. Apart from the 16.8% shareholding interest held in Cosmopolitan International Holdings Limited, the Group also owns a significant amount of

the convertible bonds issued by the Cosmopolitan group. As the market price of the shares of Cosmopolitan as at 30th June, 2010 was much higher than that prevailing at the last year end date, the Group has derived substantial fair value gains from the investments in Cosmopolitan, which have been reflected in the results for the period under review.

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

The Group is presently debt free and with the very substantial cash inflow expected to be generated from the Larvotto joint development project in 2011, the financial position of the Group will be greatly enhanced. The Group is actively planning to replenish its property development and investment portfolio, both in Hong Kong as well as in China.

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 interests in Regal. 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 the Group's property, construction and building related and other investment businesses, 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 the sections headed "Business Overview" and "Outlook" above and in Regal's announcement separately released today.

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 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 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\$5.49 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\$7.25 per share.

	As at 30th June, 2010	
	HK\$'M	HK\$ per ordinary share
Unaudited book net assets after non-controlling interests	5,597.3	5.49
Adjustment to restate the Group's interest in Regal on the basis noted above	1,792.2	
Unaudited adjusted net assets after non-controlling interests	7,389.5	7.25

Net cash flows used in operating activities during the period under review amounted to HK\$185.2 million (2009 – HK\$8.8 million). Net interest receipt for the period amounted to HK\$0.8 million (2009 – HK\$0.2 million).

As at 30th June, 2010, the Group had cash and bank balances and deposits of HK\$159.4 million and no borrowings (31st December, 2009 – HK\$305.1 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 HK1.5 cents (2009 – HK1.0 cent) per ordinary share for the financial year ending 31st December, 2010, absorbing an amount of approximately HK\$15.3 million (2009 – HK\$10.2 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 2010 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)	50.2	106.7
Cost of sales	(47.2)	(85.9)
Gross profit	3.0	20.8
Other income (Note 3)	1.9	0.8
Fair value gain on an investment property	–	46.0
Fair value gains on financial assets at fair value through profit or loss, net	219.3	97.2
Administrative expenses	(15.8)	(14.1)
Other operating income/(expenses), net (Note 4)	0.7	(49.5)
OPERATING PROFIT (Notes 2 & 5)	209.1	101.2
Finance costs (Note 6)	–	(0.9)
Share of profits and losses of associates	191.9	71.2
PROFIT BEFORE TAX	401.0	171.5
Income tax (Note 7)	(0.9)	(9.2)
PROFIT FOR THE PERIOD BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS	400.1	162.3
Attributable to:		
Equity holders of the parent	400.1	162.3
Non-controlling interests	–	–
	400.1	162.3
EARNINGS PER ORDINARY SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (Note 9)		
Basic	HK39.2 cents	HK15.9 cents
Diluted	HK38.0 cents	HK15.9 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	400.1	162.3
OTHER COMPREHENSIVE INCOME:		
Available-for-sale investments:		
Reclassification adjustment for losses included in the condensed consolidated income statement	–	0.7
Exchange differences on translating foreign operations	0.5	–
Share of other comprehensive income of the associates	18.0	0.5
Other comprehensive income for the period	18.5	1.2
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	418.6	163.5
Attributable to:		
Equity holders of the parent	418.6	163.5
Non-controlling interests	–	–
	418.6	163.5

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	1.9	1.8
Investment properties	0.4	0.4
Interests in associates	4,517.0	4,376.2
Financial assets at fair value through profit or loss	733.9	583.9
Loans receivable	4.8	5.5
	<hr/>	<hr/>
Total non-current assets	5,258.0	4,967.8
	<hr/>	<hr/>
CURRENT ASSETS		
Financial assets at fair value through profit or loss	200.9	116.4
Properties held for sale	6.0	6.0
Inventories	10.3	7.2
Debtors, deposits and prepayments (Note 10)	85.9	52.4
Time deposits	67.3	184.0
Cash and bank balances	92.1	121.1
	<hr/>	<hr/>
	462.5	487.1
Asset of a disposal group classified as held for sale	249.4	249.4
	<hr/>	<hr/>
Total current assets	711.9	736.5
	<hr/>	<hr/>

Condensed Consolidated Statement of Financial Position (Cont'd)

	30th June, 2010	31st December, 2009
	(Unaudited)	(Audited)
	HK\$'M	HK\$'M
CURRENT LIABILITIES		
Creditors and accruals (Note 11)	(52.1)	(174.0)
Tax payable	(4.5)	(3.6)
Deposits received	(216.9)	(216.9)
	(273.5)	(394.5)
Liability directly associated with the asset of a disposal group classified as held for sale	(98.9)	(98.9)
Total current liabilities	(372.4)	(493.4)
NET CURRENT ASSETS		
	339.5	243.1
Net assets	5,597.5	5,210.9
EQUITY		
Equity attributable to equity holders of the parent		
Issued capital	102.0	101.9
Reserves	5,480.0	5,075.2
Dividends	15.3	33.6
	5,597.3	5,210.7
Non-controlling interests	0.2	0.2
Total equity	5,597.5	5,210.9

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)

The adoption of these new and revised HKFRSs has had no material impact on the Group's results of operation and financial position.

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	-	0.6	0.7	-	-	-	-	50.2	106.7
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>0.6</u>	<u>0.7</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50.2</u>	<u>106.7</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>219.5</u>	<u>47.9</u>	<u>1.6</u>	<u>1.1</u>	<u>-</u>	<u>-</u>	<u>220.2</u>	<u>113.6</u>
Interest income and unallocated non-operating and corporate gains													1.3	0.3
Unallocated non-operating and corporate expenses													(12.4)	(12.7)
Operating profit													209.1	101.2
Finance costs													-	(0.9)
Share of profits and losses of associates	(2.7)	(1.5)	-	-	194.6 *	72.7 *	-	-	-	-	-	-	191.9	71.2
Profit before tax													401.0	171.5
Income tax													(0.9)	(9.2)
Profit for the period before allocation between equity holders of the parent and non-controlling interests													<u>400.1</u>	<u>162.3</u>
Attributable to:														
Equity holders of the parent													400.1	162.3
Non-controlling interests													-	-
													<u>400.1</u>	<u>162.3</u>

*The amount represents contribution from Regal.

3. Other income represents the following item:

	Six months ended 30th June, 2010	Six months ended 30th June, 2009
	(Unaudited)	(Unaudited)
	HK\$'M	HK\$'M
Interest income	1.9	0.8
	<hr/>	<hr/>

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	(0.3)	(0.2)
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
	<hr/> <hr/>	<hr/> <hr/>

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/(Loss) on disposal of listed investments	0.6	(0.3)
Loss on disposal of available-for-sale investments	–	(0.8)
	<hr/>	<hr/>

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	–	0.2
	<hr/>	<hr/>
Total finance costs	–	0.9
	<hr/> <hr/>	<hr/> <hr/>

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
	<hr/>	<hr/>
Total tax charge for the period	0.9	9.2
	<hr/> <hr/>	<hr/> <hr/>

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 – HK1.5 cents (2009 – HK1.0 cent) per ordinary share	15.3	10.2

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\$400.1 million (2009 – HK\$162.3 million) and on the weighted average of 1,019.5 million (2009 – 1,019.4 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. The weighted average number of ordinary shares used in the calculation is the aggregate of the weighted average number of ordinary shares in issue during the period, as used in the basic earnings per ordinary share calculation, and the weighted average number of ordinary shares of 34.5 million that would be issued at no consideration assuming all outstanding share options and the subscription rights attaching to all outstanding warrants of the Company were exercised to subscribe for ordinary shares of the Company at the beginning of the period. The exercise price of the share options of Regal outstanding during the period is higher than the average market price of the ordinary shares of Regal and, accordingly, they have no dilutive effect on the basic earnings per ordinary share.

No adjustment had been made to the basic earnings per ordinary share amount presented for the period ended 30th June, 2009 in respect of a dilution as the exercise prices of the share options of the Company and Regal and the subscription price of the warrants of the Company outstanding during that period were higher than the average market prices of the respective ordinary shares of the Company 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	13.1	7.0
Between 4 to 6 months	0.1	0.2
Between 7 to 12 months	0.1	0.2
	<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. Donald FAN Tung
(Chief Operating Officer)
Mr. Jimmy LO Chun To
Miss LO Po Man
Mr. Kenneth NG Kwai Kai
Mr. Kenneth WONG Po Man

Independent Non-Executive Directors:

Mr. Bowen Joseph LEUNG Po Wing, GBS, JP
Mr. NG Siu Chan
Hon Abraham SHEK Lai Him, SBS, JP
Mr. WONG Chi Keung

By Order of the Board

LO YUK SUI

Chairman

Hong Kong, 24th August, 2010