



CENTURY LEGEND (HOLDINGS) LIMITED
世紀建業(集團)有限公司*

Stock Code: 00079



Interim Report 2008

** For identification purpose only*

SECTION A: CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. TSANG Chiu Mo Samuel

(Executive Chairman)

Mr. TSANG Chiu Ching

(Deputy Chairman)

Ms. CHU Ming Tak Evans Tania

Mr. WU Binqun

Ms. TSANG Chiu Yuen Sylvia *(alternate Director to Mr. TSANG Chiu Mo Samuel)*

Independent Non-executive Directors

Mr. TANG Man Ching

Mr. HUI Yan Kit

Mr. WONG Tak Ming Gary

AUDIT COMMITTEE

Mr. WONG Tak Ming Gary *(Chairman)*

Mr. HUI Yan Kit

Mr. TANG Man Ching

REMUNERATION COMMITTEE

Mr. HUI Yan Kit *(Chairman)*

Mr. TANG Man Ching

Mr. WONG Tak Ming Gary

NOMINATION COMMITTEE

Mr. TANG Man Ching *(Chairman)*

Mr. WONG Tak Ming Gary

Mr. HUI Yan Kit

COMPANY SECRETARY

Ms. SZE Tak On

LEGAL ADVISERS

Chiu, Szeto & Cheng Solicitors

Tso Au Yim & Yeung Solicitors

AUDITORS

Grant Thornton

Certified Public Accountants

BANKERS

The Bank of East Asia, Limited

Hang Seng Bank Limited

SHARE REGISTRARS

Principal Share Registrars

Butterfield Corporate Services Limited

Rosebank Centre

14 Bermudiana Road, Pembroke
Bermuda

Hong Kong Branch Share Registrars and Transfer Office

Computershare Hong Kong Investor
Services Limited

Rooms 1712-1716, 17th Floor

Hopewell Centre

183 Queen's Road East

Hong Kong

REGISTERED OFFICE

Clarendon House, 2 Church Street

Hamilton, HM 11

Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 3403-04, 34th Floor

West Tower, Shun Tak Centre

168-200 Connaught Road Central

Hong Kong

COMPANY WEBSITE

<http://www.clh.com.hk>

STOCK CODE

00079

SECTION B: INTERIM RESULTS

The board of directors (the “Board”) of Century Legend (Holdings) Limited (the “Company”) is hereby to present the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2008. The unaudited consolidated results have been reviewed by the Audit Committee of the Company.

I. CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2008

	Notes	Six months ended 30 June	
		2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000
Revenue and turnover	3	13,293	49,517
Cost of sales		(8,342)	(43,762)
Gross profit		4,951	5,755
Other income		2,898	1,816
Gain on disposal of available-for-sale financial assets		441	–
Fair value loss on financial assets at fair value through profit or loss		(32)	(11)
Gain on dissolution of available-for-sale financial assets		–	4,218
Gain on disposal of associates		142,313	–
Administrative expenses		(19,971)	(13,290)
Finance costs		(22)	–
Share of profit of an associate		–	6,897
Profit before income tax	4	130,578	5,385
Income tax expense	5	–	–
Profit for the period attributable to the equity holders of the Company		130,578	5,385
Earnings per share attributable to the equity holders of the Company	7		
– Basic		HK43.87 cents	HK2.71 cents
– Diluted		N/A	N/A

The notes on pages 7 to 13 form part of this interim financial report.

II. CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2008

	<i>Notes</i>	As at 30 June 2008 (Unaudited) HK\$'000	As at 31 December 2007 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	8	2,537	2,876
Available-for-sale financial assets	9	23,259	15,771
Loans receivable	10	163	225
		<u>25,959</u>	<u>18,872</u>
CURRENT ASSETS			
Inventories		8,737	9,658
Financial assets at fair value through profit or loss		93	125
Trade and other receivables	11	6,626	13,068
Loans receivable, current portion	10	4,089	5,187
Amount due from a related company		-	2,667
Cash and cash equivalents	12	302,961	72,413
		<u>322,506</u>	103,118
Assets classified as held for sale		-	96,082
		<u>322,506</u>	199,200
CURRENT LIABILITIES			
Trade payables	13	2,500	5,992
Other payables and accruals		10,328	4,680
Obligation under a finance lease		174	79
		<u>13,002</u>	10,751
NET CURRENT ASSETS		<u>309,504</u>	<u>188,449</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>335,463</u>	207,321
NON-CURRENT LIABILITY			
Obligation under a finance lease		347	338
NET ASSETS		<u>335,116</u>	<u>206,983</u>

		As at 30 June 2008 (Unaudited) HK\$'000	As at 31 December 2007 (Audited) HK\$'000
<hr/>			
EQUITY			
Equity attributable to the equity holders of the Company			
Share capital	14	59,534	59,534
Reserves		275,582	147,449
Total equity		335,116	206,983

The notes on pages 7 to 13 form part of this interim financial report.

III. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2008 (Unaudited)

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Available- for-sale financial assets revaluation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2008	59,534	147,930	146,189	(40)	(146,630)	206,983
Profit for the period	-	-	-	-	130,578	130,578
Fair value loss on available-for-sale financial assets for the period	-	-	-	(2,445)	-	(2,445)
At 30 June 2008	<u>59,534</u>	<u>147,930</u>	<u>146,189</u>	<u>(2,485)</u>	<u>(16,052)</u>	<u>335,116</u>

For the six months ended 30 June 2007 (Unaudited)

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Available- for-sale financial assets revaluation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2007	39,690	135,071	146,189	(13)	(152,628)	168,309
Profit for the period	-	-	-	-	5,385	5,385
Fair value gain on available-for-sale financial assets for the period	-	-	-	21	-	21
At 30 June 2007	<u>39,690</u>	<u>135,071</u>	<u>146,189</u>	<u>8</u>	<u>(147,243)</u>	<u>173,715</u>

The notes on pages 7 to 13 form part of this interim financial report.

IV. CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2008

	Six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash outflow from operating activities	(440)	(40,917)
Net cash inflow from investing activities	230,907	38,123
Net cash inflow from financing activities	81	–
	<hr/>	<hr/>
Increase/(Decrease) in cash and cash equivalents	230,548	(2,794)
Cash and cash equivalents at 1 January	72,413	46,161
	<hr/>	<hr/>
Cash and cash equivalents at 30 June	302,961	43,367
	<hr/>	<hr/>
Analysis of balance of cash and cash equivalents:		
Bank balances and cash	302,961	43,367
	<hr/>	<hr/>

The notes on pages 7 to 13 form part of this interim financial report.

V. NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Preparation

The unaudited condensed consolidated interim financial statements (the “Interim Financial Report”) 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 “HKICPA”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The Interim Financial Report has been prepared in accordance with the same accounting policies adopted in the 2007 Annual Financial Statements, except for the accounting policy changes that are expected to be reflected in the 2008 annual financial statements. Details of these changes in accounting policies are set out in note 2.

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

2. Principal Accounting Policies

The unaudited financial statements have been prepared under the historical cost convention except for certain financial instruments, which are measured at fair value.

For the current interim period, the Group has applied, for the first time, a number of new interpretations issued by the HKICPA which are effective for accounting periods beginning on or after 1 January 2008. The adoption of the new interpretations has no material effects on how the results and financial position for the current or prior accounting periods are prepared and presented.

The Group has not early applied the following new or revised Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards, Amendment and Interpretation (hereinafter collectively referred to as “new HKFRSs”) that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of financial statements ¹
HKAS 23 (Revised)	Borrowing costs ¹
HKAS 27 (Revised)	Consolidated and separate financial statements ³
HKAS 32 and HKAS 1 (Amendments)	Puttable financial instruments and obligation arising on liquidation ¹
HKFRS 2 (Amendment)	Share-based payment-vesting conditions and cancellations ¹
HKFRS 3 (Revised)	Business combinations ³
HKFRS 8	Operating segments ¹
HK(IFRIC) – Int 13	Customer loyalty programmes ²

¹ *Effective for annual periods beginning on or after 1 January 2009.*

² *Effective for annual periods beginning on or after 1 July 2008.*

³ *Effective for annual periods beginning on or after 1 July 2009.*

The directors of the Company anticipate that the application of these new HKFRSs will have no material effects on the results and the financial position of the Group.

3. Segment Information

The Group is principally engaged in gaming and leisure related business, provision of health and beauty services, money lending business, provision of stock broking service and trading business. An analysis of the Group's revenues and results for the period by principal activities is as follows:

Six months ended 30 June 2008 (Unaudited)						
	Gaming and leisure related business	Health and beauty services	Money lending	Stock broking	Trading	Group
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue and turnover	4,120	8,253	202	708	10	13,293
Segment results (profit/(loss))	(3,385)	837	77	(115)	(3)	(2,589)
Unallocated revenue/income						2,600
Unallocated costs						(12,155)
Gain on disposal of available-for-sale financial assets						441
Fair value loss on financial assets at fair value through profit or loss						(32)
Gain on disposal of an associate	141,147	-	-	-	-	141,147
Gain on disposal of an associate						1,166
Profit attributable to the equity holders of the Company						130,578

Six months ended 30 June 2007 (Unaudited)						
	Gaming and leisure related business	Health and beauty services	Money lending	Stock broking	Trading	Group
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue and turnover	39,295	8,966	138	1,095	23	49,517
Segment results (profit/(loss))	(512)	(1,068)	(82)	355	2	(1,305)
Unallocated revenue/income						1,105
Unallocated costs						(5,519)
Fair value loss on financial assets at fair value through profit or loss						(11)
Gain on dissolution of available-for-sale financial assets	4,218	-	-	-	-	4,218
Share of profit of an associate						6,897
Profit attributable to the equity holders of the Company						5,385

No geographical analysis is presented as less than 10% of the consolidated turnover and less than 10% of the consolidated trading results of the Group were attributable to markets outside Hong Kong.

4. Profit before income tax

Profit before income tax is arrived at after crediting/charging the following:

	Six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
After crediting		
Gain on disposal of available-for-sale financial assets, net	441	–
After charging		
Depreciation	706	952
Operating leases – land and buildings	2,433	3,382
Fair value loss on financial assets at fair value through profit or loss, net	32	11

5. Income Tax Expense

No provision for Hong Kong profits tax has been made as the Group did not derive any assessable profit for the six months ended 30 June 2008 and 2007.

The Group has available tax losses as at 31 December 2007 for offsetting against future profits. No deferred tax assets have been recognised as the directors consider that it is uncertain that they will crystallize in the foreseeable future.

6. Dividends

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2008 (six months ended 30 June 2007: Nil).

7. Earnings per share attributable to the equity holders of the Company

The calculation of basic earnings per share attributable to the equity holders of the Company for the period is based on the profit attributable to the equity holders of HK\$130,578,000 (six months ended 30 June 2007: profit of HK\$5,385,000) and the weighted average of 297,669,597 (six months ended 30 June 2007: 198,446,398) shares in issue during the six-month period.

Diluted earnings per share amounts for the six months ended 30 June 2008 and 2007 have not been presented as no diluting events existed during these periods.

8. Property, Plant and Equipment

(a) Acquisitions of property, plant and equipment

During the six months ended 30 June 2008, the Group acquired items of property, plant and machinery with a cost of HK\$367,000 (six months ended 30 June 2007: HK\$6,000).

(b) Write-off of property, plant and equipment

There is no property, plant and equipment being written off during the six months ended 30 June 2008 (six months ended 30 June 2007: Nil).

9. Available-for-sale Financial Assets

	30 June 2008 (Unaudited) HK\$'000	31 December 2007 (Audited) HK\$'000
Listed equity investments in Hong Kong, at fair value	<u>23,259</u>	<u>15,771</u>

10. Loans Receivable

	30 June 2008 (Unaudited) HK\$'000	31 December 2007 (Audited) HK\$'000
Loans receivable – unsecured (Note)	5,991	7,112
Less: Provision for impairment	<u>(1,739)</u>	<u>(1,700)</u>
Net carrying amount	4,252	5,412
Less: Amounts due within one year	<u>(4,089)</u>	<u>(5,187)</u>
Amounts due after one year	<u>163</u>	<u>225</u>

Note:

The repayment terms of loans receivable are negotiated on an individual basis. The maturity profile of loans receivables, which is analysed by the remaining periods to their contractual maturity dates, is as follows:

	30 June 2008 (Unaudited) HK\$'000	31 December 2007 (Audited) HK\$'000
On demand	5,670	1,748
Three months or less	47	5,033
Below one year but over three months	111	106
One to four years	<u>163</u>	<u>225</u>
	<u>5,991</u>	<u>7,112</u>

11. Trade and Other Receivables

	30 June 2008 (Unaudited) HK\$'000	31 December 2007 (Audited) HK\$'000
Trade receivables (<i>Note</i>)	4,213	10,075
Other receivables and deposit	2,413	2,993
	6,626	13,068

Note:

The majority of the Group's turnover is on cash basis. The remaining balances of turnover are on credit terms of thirty-sixty days. At 30 June 2008, the ageing analysis of the trade receivables was as follows:

	30 June 2008 (Unaudited) HK\$'000	31 December 2007 (Audited) HK\$'000
0-30 days	2,317	8,856
31-60 days	735	1,106
61-90 days	567	21
Over 90 days	594	92
	4,213	10,075

12. Cash and Cash Equivalents

	30 June 2008 (Unaudited) HK\$'000	31 December 2007 (Audited) HK\$'000
Cash at banks and in hand	13,994	26,219
Short-term bank deposits	288,967	46,194
	302,961	72,413

13. Trade Payables

As at 30 June 2008, the ageing of the trade payables was as follows:

	30 June 2008 (Unaudited) HK\$'000	31 December 2007 (Audited) HK\$'000
0-30 days	2,436	5,930
31-60 days	64	62
	<u>2,500</u>	<u>5,992</u>

14. Share Capital

	Number of shares 30 June 2008 and 31 December 2007 '000	Share Capital 30 June 2008 and 31 December 2007 HK\$'000
Authorised:		
Ordinary shares of HK\$0.2 each	2,000,000	400,000
Issued and fully paid:		
Ordinary shares of HK\$0.2 each	297,670	59,534

15. Operating Lease Commitments

At 30 June 2008, the total future aggregate minimum lease payments under non-cancellable operating leases falling due as follows:

	Buildings		Motor vehicles	
	30 June 2008 (Unaudited) HK\$'000	31 December 2007 (Audited) HK\$'000	30 June 2008 (Unaudited) HK\$'000	31 December 2007 (Audited) HK\$'000
Within one year	3,704	4,155	256	–
In the second to fifth years inclusive	2,003	3,033	–	–
	<u>5,707</u>	<u>7,188</u>	<u>256</u>	<u>–</u>

The Group leases certain of its office premises and motor vehicles under operating leases. The leases run for an initial period of one to three years, with options to renew the lease terms at the expiry dates or at dates as mutually agreed between the Group and the respective landlords/lessors. None of the leases include contingent rentals.

At 30 June 2008, the total future minimum sublease payments expected to be received under non-cancellable sublease amounted to HK\$564,000 (31 December 2007: Nil).

16. Related Party Transactions

In addition to the transactions and balances disclosed elsewhere in the interim financial report, the Group had the following significant transactions with related parties:

Compensation of key management personnel

Included in staff costs are key management personnel compensation and comprises the following categories:

	30 June 2008 (Unaudited) HK\$'000	30 June 2007 (Unaudited) HK\$'000
Short term employee benefits	10,362	2,493
Post-employment benefits	124	67
	10,486	2,560

17. Disposal of Available-for-sale Financial Assets

On 5 March 2008, HKM Hotels Limited, the wholly owned subsidiary of the Company, disposed 50% of its equity interest in Investgiant Limited, an associated company of the Company indirectly holding 25% interest in Longnex Limited, owner of Holiday Inn Macau hotel. The net consideration of HK\$239,256,000 was fully paid in cash on completion. The profit on disposal is HK\$141,147,000.

On 31 March 2008, the Group disposed partial of its interest in ISL Technologies Limited, an associated company of the Group at consideration of HK\$1,166,000 fully paid in cash on completion. The profit on disposal is HK\$1,166,000.

18. Subsequent Event

On 14 August 2008, Century Legend Properties (Macau) Limited, a wholly owned subsidiary of the Company, entered into the provisional agreement with an independent third party to acquire a property located in Macau for a consideration of HK\$15,800,000. The transaction is to be completed on or before 14 November 2008.

SECTION C: BUSINESS REVIEW AND PROSPECTS

I. Overall Performance

Although the global economy witnessed increased volatility during the first half of 2008, the markets of the Greater China region continued to benefit from the expansion of Mainland China's economy – which saw gross domestic production (“GDP”) growth of 10.4% for the first six months of the year.

Macau has directly benefited from China's rise to economic power, witnessing an 18.1% increase year-on-year in visitor arrivals for the first half of 2008 – mostly from Mainland China and Hong Kong. The influx of visitors has also boosted Macau's gaming industry across the board, driving gross gaming revenues up by 54.5% to MOP59.3 billion for the first six months of 2008.

For the six months ended 30 June 2008, the Group recorded turnover of HK\$13.3 million, down 73% from the same period last year (1H2007: HK\$49.5 million). Gross profit for the period under review was HK\$5 million, representing a slight dip year-on-year (1H2007: HK\$5.8 million).

Including a HK\$141.1 million profit on disposal of an associated company which was the beneficial owner of Holiday Inn Macau hotel (“HIM”) and Macau Diamond Casino (“MDC”), and a HK\$1.2 million profit on partial disposal of shares in an associated company carrying on business in computer software development and hardware trading in Hong Kong and Mainland China, the Group delivered net profit of HK\$130.6 million for the first half of the year. The disposal of HIM and MDC was the major contributor to net profit during the period under review.

II. Gaming and Leisure Related Business

In March 2008, the Group completed the disposal of HIM, as well as the MDC.

Including the HK\$141.1 million profit from the disposal of HIM and MDC, the gaming and leisure related business segment reported profit of HK\$137.7 million (1H2007: HK\$3.7 million) and turnover of HK\$4.1 million (1H2007: HK\$39.3 million) during the first six months of 2008.

The disposal of the Group's interest in HIM and MDC proved to be timely from a business perspective. Subsequent to the completion of the transaction, the Government of the People's Republic of China (“PRC”) tightened restrictions under the individual travel scheme, effect of which would reduce the inflow of Mainland China visitors in Macau. Following the implementation of the new measures in the third quarter of the year, the heated economy is expected to slow down.

III. Health and Beauty Business

For the first half of 2008, the Health and Beauty segment reported turnover of HK\$8.3 million, representing an 8% decrease when compared to the corresponding period in 2007, delivering profit of HK\$837,000, compared to a loss of HK\$1.1 million during the same period last year.

Through effective control of expenditures, in particular, lower rental rates from relocating the hair salon to the upper floor of the same premises and strenuous effort on improving operational efficiency, the management team has successfully turned the Health and Beauty business around – into a healthy contributor to Group profit.

IV. Other Business Segments

Due to increased volatility in global equity markets, turnover from the stock brokerage business segment during the six months of 2008 declined 35% to HK\$710,000 compared to the same period last year. In contrast to the booming financial and stock markets in 2007 which witnessed HK\$355,000 profit during the first half of last year, the segment experienced a loss of HK\$115,000 first half.

Moreover, in line with the Group's longer-term strategy to streamline its money lending activities, the business segment scaled down turnover to HK\$200,000 – reporting a loss of HK\$77,000 for the period under review. The trading segment recorded a slight loss during the period under review, as compared to a slight profit for the corresponding period in 2007.

V. Prospects

With Macau's real GDP growing by 26.1% in the first half of 2008, the Group believes this dynamic city still holds strong, long-term growth prospects for its business and will continue to explore for business opportunities in both the gaming and non gaming sectors of the Macanese economy.

In recent years Macau has upheld tremendous growth in tourism, with visitor numbers growing by about 18% for the first half of the year. The influx of visitors has also fuelled the continued vibrant performance of Macau's gaming sector, with gross gaming revenues for the first half of 2008 soaring by 54.5% compared to the previous year.

Looking forward, the Group will keep a watchful lookout on the ongoing development of the gaming and leisure related business in Macau and across Asia Pacific to identify potential investment projects and leverage on its complimentary strengths in operational experience and management expertise. The net proceeds realized from the disposal of HIM and MDC have provided the Group with substantial cash resources and flexibility to capture investment opportunities in the fast changing local economy. In any circumstances, management will adhere to a disciplined and prudent investment approach in evaluating potential projects.

Beyond the gaming industry, the Group is also evaluating investment opportunities in Macau's blossoming property sector. Confident that in the long run demand for real estates – especially commercial properties – will remain strong, the Group entered into a provisional agreement earlier in August to acquire a commercial property located in a prime neighbourhood dotted with hotels and casinos. The property will be held for investment purposes to achieve capital appreciation and generate stable rental income to the Group.

Branching out into real estate investment will assist the Group in leveraging utility of its surplus working capital on hand while diversifying its operational interests into new revenue streams. In assessing these investment opportunities, determinative factors will include urban planning and land zoning strategies adopted by the Macau Government, development plans for existing or new hotels and casinos as well as the ongoing discussions for construction of an inbound city light rail public transport system and the cross-border Hong Kong-Zhuhai-Macau bridge. It is envisaged that by selectively acquiring properties with potential, these projects can be successfully repackaged and upgraded to significantly enhance their value and thereby maximize our shareholders' return.

2008 no doubt will be a challenging year with turbulence in global financial markets. Global economic challenges may have adversely affected the general business environment however investment opportunities have also been created at the same time. The management is readily equipped and positioned to grasp business opportunities to create growth and value for our shareholders.

SECTION D: FINANCIAL REVIEW

I. Liquidity and Financial Resources

As at 30 June 2008, the Group had a cash and bank balance of HK\$303 million and net current assets of HK\$309.5 million. The current ratio (calculated as the current assets to the current liabilities) of the Group as at 30 June 2008 was approximately 24.8 (31 December 2007: 18.5). The Group maintained a strong working capital position during the reviewing period.

The gearing ratio (calculated as the total long term loan to the total shareholders' equity) of the Group as at 30 June 2008 was zero (31 December 2007: zero).

The sales and purchase of the Group are mainly denominated in Hong Kong dollars or U.S. dollars with exchange rate relatively stable during the period under review. The Directors consider that the Group's exposure to fluctuations in exchange rates was minimal.

During the period under review, the Group had no assets pledged. Neither the Company nor the Group had any significant contingent liabilities as at 30 June 2008 (31 December 2007: Nil). The Group had no significant capital commitments as at 30 June 2008 (31 December 2007: Nil).

II. Disposal of Associated Companies

On 5 March 2008, the Group disposed 50% of its equity interest in Investgiant Limited, an associated company of the Company indirectly holding 25% interest in Longnex Limited, owner of Holiday Inn Macau hotel. The net consideration of HK\$239,256,000 was fully paid in cash on completion. The profit on disposal is HK\$141,147,000.

On 31 March 2008, the Group disposed partial of its interest in ISL Technologies Limited, an associated company of the Group at consideration of HK\$1,166,000 fully paid in cash on completion. The profit on disposal is HK\$1,166,000.

III. Capital Structure of the Group

During the period under review, there was no change in capital structure of the Group.

IV. Interim Dividend

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2008.

SECTION E: EMPLOYEE AND REMUNERATION POLICY

For the period ended, a total of 66 (30 June 2007: 68) staff was employed with staff costs excluding directors' emoluments amounted to HK\$4.8 million (30 June 2007: 4 million).

The employee remuneration packages including provident fund and medical benefits currently offered are competitive to the market. Employee remuneration is reviewed and determined by management annually based on both employees' individual and Group's overall performance.

SECTION F: CORPORATE GOVERNANCE

I. Directors' and Chief Executives' Interests and Short Positions in the Shares, underlying Shares and Debentures of the Company or any Associated Corporation

As at 30 June 2008, the interests and short positions of each of the Directors and Chief Executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which (i) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept under Section 352 of the SFO, or (iii) have to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Long position in shares

Name of Director	Nature of interest	Name of company in which ordinary shares/securities are held	Number of Ordinary shares/securities held	Approximate percentage of total shareholding
Mr. TSANG Chiu Ching	Beneficial interest	The Company	749,250	0.25%
	Interest of controlled corporation	The Company	40,794,195 (Note 1 & 3)	13.70%
	Interest of controlled corporation	The Company	88,275,577 (Note 2 & 3)	29.66%

Name of Director	Nature of interest	Name of company in which ordinary shares/ securities are held	Number of Ordinary shares/ securities held	Approximate percentage of total shareholding
Mr. TSANG Chiu Mo Samuel	Interest of controlled corporation	The Company	40,794,195 (Note 1 & 3)	13.70%
	Interest of controlled corporation	The Company	88,275,577 (Note 2 & 3)	29.66%
Ms. TSANG Chiu Yuen Sylvia	Interest of controlled corporation	The Company	40,794,195 (Note 1 & 3)	13.70%
	Interest of controlled corporation	The Company	88,275,577 (Note 2 & 3)	29.66%

Notes:

1. These shares were beneficially owned by Barsmark Investments Limited.
2. These shares were beneficially owned by ST (79) Investment Limited.
3. The issued share capital of Barsmark Investments Limited and ST (79) Investment Limited are both wholly and beneficially owned by ST Investments Holding Limited ("ST Investments"), the issued share capital of which is beneficially owned as to one-third by each of Fortune Ocean Limited (a company wholly and beneficially owned by Mr. TSANG Chiu Ching), Conba Investments Limited (a company wholly and beneficially owned by Mr. TSANG Chiu Mo Samuel) and Ssky Investments Limited (a company wholly and beneficially owned by Ms. TSANG Chiu Yuen Sylvia, the sister of Mr. TSANG Chiu Ching and Mr. TSANG Chiu Mo Samuel). Mr. TSANG Chiu Ching, Mr. TSANG Chiu Mo Samuel and Ms. TSANG Chiu Yuen Sylvia are directors of Barsmark Investments Limited, ST (79) Investment Limited and ST Investments. Mr. TSANG Chiu Ching is a director of Fortune Ocean Limited. Mr. TSANG Chiu Mo Samuel is a director of Conba Investments Limited. Ms. TSANG Chiu Yuen Sylvia is a director of Ssky Investments Limited.

Save as disclosed above, none of the Directors and Chief Executives (including their spouse and children under 18 years of age) of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

II. Substantial Shareholders' Interests and Short Positions in the Shares, underlying Shares of the Company

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 30 June 2008, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and Chief Executives.

Long position in shares

Name of shareholder	Nature of interest	Number of shares held	Approximate Percentage of total shareholding
Barsmark Investments Limited (Note 1)	Beneficial interest	40,794,195	13.70%
ST (79) Investment Limited (Note 1)	Beneficial interest	88,275,577	29.66%
ST Investments Holding Limited (Note 1)	Interest of controlled corporation	129,069,772 (Note 2)	43.36%
Conba Investments Ltd. (Note 1)	Interest of controlled corporation	129,069,772 (Note 2)	43.36%
Ssky Investments Limited (Note 1)	Interest of controlled corporation	129,069,772 (Note 2)	43.36%
Fortune Ocean Limited (Note 1)	Interest of controlled corporation	129,069,772 (Note 2)	43.36%
Szeto Investments Holdings (Amusement) Limited (Note 3)	Beneficial interest	29,531,250	9.92%
Szeto Investments Holdings Ltd. (Note 3)	Interest of controlled corporation	29,531,250	9.92%
Szeto International Holdings Ltd. (Note 3)	Interest of controlled corporation	29,531,250	9.92%
Ms. SZETO Yuk Lin (Note 3)	Interest of controlled corporation	29,531,250	9.92%

Note:

1. Barsmark Investments Limited and ST (79) Investment Limited are both wholly and beneficially owned by ST Investments Holding Limited, the issued share capital of which is beneficially owned as to one-third by each of (i) Conba Investments Ltd. (a company wholly and beneficially owned by Mr. TSANG Chiu Mo Samuel); (ii) Fortune Ocean Limited (a company wholly and beneficially owned by Mr. TSANG Chiu Ching); and (iii) Ssky Investments Limited (a company wholly and beneficially owned by Ms. TSANG Chiu Yuen Sylvia, the sister of Mr. TSANG Chiu Mo Samuel and Mr. TSANG Chiu Ching).

2. These shares represent the aggregate number of shares beneficially owned by Barsmark Investments Limited and ST (79) Investment Limited.
3. Szeto Investments Holdings (Amusement) Limited is wholly-owned by Szeto Investments Holdings Limited, the issued share capital of which is wholly-owned by Szeto International Holdings Limited. Ms. SZETO Yuk Lin is wholly and beneficially interested in the entire issued share capital of Szeto International Holdings Limited.

Save as disclosed above, no other person other than the Directors or Chief Executives of the Company had interests or short positions in the Shares or underlying shares as recorded in the register required to be kept by the Company under Section 336 of the SFO.

III. Purchase, Sales or Redemption of Listed Securities

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

IV. Compliance with the Code of Best Practice of the Listing Rules

None of the Directors of the Company is aware of information that would reasonably indicate that the Company is not, or was not for any part of the six months ended 30 June 2008, in compliance with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules, save for the deviations set out below.

Code A.2.1

As at 30 June 2008, Mr. TSANG Chiu Mo Samuel is the Executive Chairman of the Company and no Chief Executive Officer has been appointed. The responsibilities of Chief Executive Officer have been carried out by Mr. TSANG Chiu Mo Samuel. The Board believes that it is in the best interest of the Company and the shareholders as a whole for Mr. TSANG Chiu Mo Samuel, who is knowledgeable in the business of the Group and possesses the essential leadership skills to guide discussions of the Board in an effective manner, to continue to carry out the responsibilities of Chief Executive Officer, which ensures on the effectiveness and efficiency of the decision making process of the Board.

V. Audit Committee

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited condensed financial statements for the six months ended 30 June 2008 with the directors.

VI. Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities transactions by Directors by Listed Issuers (the “Model Code”) set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2008.

By Order of the Board

CHU MING TAK EVANS TANIA

Executive Director

Hong Kong, 5 September 2008