G–PROP (HOLDINGS) LIMITED

（Incorporated in Bermuda with limited liability）

（Stock code：286）

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2013

The board (the "Board") of directors (the "Directors") of G-Prop (Holdings) Limited (the "Company") would like to announce the unaudited consolidated interim results of the Company and its subsidiaries (together, the "Group") for the six months ended 30 June 2013 (the "Period") together with the comparative figures for the corresponding period in 2012 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2013

		For six months ended 30 June	
		2013	2012
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
Revenue	*3*	**4,398**	4,614
Costs of sales		**(43)**	(74)
Gross profit		**4,355**	4,540
Other income	*5*	**87**	426
Administrative expenses		**(6,526)**	(1,824)
Fair value changes on investment properties		**10,600**	1,550
Profit before tax		**8,516**	4,692
Income tax credit	*7*	**11**	66
Profit for the period	*6*	**8,527**	4,758
Other comprehensive income			
Fair value changes on available-for-sale financial assets that will be reclassified subsequently to profit or loss		**365**	1,932
Total comprehensive income for the period		**8,892**	6,690
Profit for the period attributable to owners of the Company		**8,527**	4,758
Total comprehensive income for the period attributable to owners of the Company		**8,892**	6,690
Earnings per share			
Basic and diluted (HK cents per share)	*9*	**0.35**	0.20

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2013

	Notes	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
Non-current assets			
Property, plant and equipment		**513**	578
Investment properties		**61,000**	50,400
Goodwill		**2,939**	2,939
Interests in jointly controlled entities		**–**	–
Available-for-sale financial assets		**–**	38,072
		64,452	91,989
Current assets			
Available-for-sale financial assets		**38,647**	–
Amount due from a shareholder	*10*	**98**	278
Loan to a shareholder	*11*	**220,000**	220,000
Debtors, deposits and prepayments	*12*	**657**	918
Short-term loans receivable		**60,018**	–
Time deposits and bank balances		**26,320**	86,769
Tax recoverable		**39**	39
		345,779	308,004
Current liabilities			
Creditors and accruals	*13*	**1,602**	964
Deposits received and receipts in advance		**1,203**	481
Obligation under a finance lease		**6**	6
		2,811	1,451
Net current assets		**342,968**	306,553
Total assets less current liabilities		**407,420**	398,542
Capital and reserves			
Share capital		**24,282**	24,282
Share premium		**351,638**	351,638
Translation reserve		**234**	234
Securities investments reserve		**404**	39
Share options reserve		**31,248**	31,248
(Accumulated losses) retained profits			
– Proposed final dividend		**–**	–
– Others		**(468)**	(8,995)
Total equity		**407,338**	398,446
Non-current liabilities			
Obligation under a finance lease		**23**	26
Deferred tax liabilities		**59**	70
		82	96
		407,420	398,542

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2013

1. Basis of preparation

These unaudited condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with Hong Kong Accounting Standard (the "HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

These unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2012.

These unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values, as appropriate.

2. Application of new and revised Hong Kong Financial Reporting Standards (the "new HKFRSs")

The accounting policies adopted in these unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2012 except as described below.

Within the Period, the Group has applied, for the first time, the following the new HKFRSs issued by the HKICPA, which are effective for current accounting period of the Group. The new HKFRSs adopted by the Group in the unaudited condensed consolidated financial statements are set out below:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009–2011 Cycle
HKFRS 1 (Amendments)	Government Loan
HKFRS 7 (Amendments)	Disclosure – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidation Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interest in Other Entities
HKFRS 13	Fair Value Measurement
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidation Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
HKAS 19 (Revised 2011)	Employee Benefits
HKAS 27 (Revised 2011)	Separate Financial Statements
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

The following new HKFRSs are relevant to the Group's condensed consolidated financial statements:

Amendments to HKAS 1 Presentation of items of other comprehensive income

The amendments to HKAS 1 introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. The amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The Group's "condensed consolidated statement of comprehensive income" is renamed as "condensed consolidated statement of profit or loss and other comprehensive income" and presentation of items of other comprehensive income has been modified accordingly.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards are described below:

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. HK (SIC)-Int 12 Consolidation – Special Purpose Entities has been withdrawn upon the effective date of HKFRS 10. Under HKFRS 10, there is only one basis for consolidation, that is, "control". In addition, HKFRS 10 includes a new definition of "control" that contains three elements: (a) power over an investee; (b) exposure, or rights, to variable returns from its involvement with the investee; and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios. The adoption of HKFRS10 does not have any financial impact on the Group as all subsidiaries within the Group satisfy the requirements for "control" under HKFRS 10 and there are no new subsidiary identified under the new guidance.

HKFRS 11 replaces HKAS 31 Interests in Joint Ventures. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. HK (SIC) – Int 13 Jointly Controlled Entities – Non-monetary Contributions by Venturers has been withdrawn upon the effective date of HKFRS 11. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate consolidation. The adoption of HKFRS 11 does not have any financial impact to the Group.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

<u>Annual Improvements to HKFRSs 2009 - 2011 Cycle issued in June 2012</u>

The Annual Improvements to HKFRSs 2009 - 2011 Cycle include a number of amendments to various HKFRSs. The amendments are effective for annual periods beginning on or after 1 January 2013. Amendments to HKFRSs include:

- amendments to HKAS 16 Property, Plant and Equipment; and
- amendments to HKAS 32 Financial Instruments: Presentation.

Amendments to HKAS 16

The amendments to HKAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in HKAS 16 and as inventory otherwise. The adoption of the amendments to HKAS 16 does not have any significant effect on the Group's consolidated financial statements.

Amendments to HKAS 32

The amendments to HKAS 32 clarify that income tax on distributions to holders of an equity instrument and transaction costs of an equity transaction should be accounted for in accordance with HKAS 12 Income Taxes. The adoption of the amendments to HKAS 32 has no effect on the Group's consolidated financial statements as the Group has already adopted this treatment.

<u>HKFRS 13 Fair Value Measurement</u>

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 Financial Instruments: Disclosures have been extended by HKFRS 13 to cover all assets and liabilities within its scope.

The application of HKFRS13 is generally more extensive than those previously required by the respective standards. Since those disclosure requirements only apply to a full set of financial statements, the Group has not additional disclosures in the interim financial report as result of adopting HKFRS13.

HKAS 19 Employee Benefits

The amendments to HKAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of HKAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of HKAS 19 are replaced with a 'net-interest' amount, which is calculated by applying the discount rate to the net defined benefit liability or asset. As the Group does not have such defined benefit plans, the adoption of HKAS 19 does not have any material impact on the financial position and the financial results of the Group.

Save as described above, the application of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early adopted the following new HKFRSs that have been issued but are not yet effective:

HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosure[2]
HKFRS 9	Financial Instruments[2]
HKFRS 10, HKFRS 12, HKAS 27 (Amendments)	Investment Entities[1]
HKAS 32 (Amendments)	Presentation – Offsetting Financial Assets and Financial Liabilities[1]
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets[1]
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting[1]
HK(IFRIC) – Int 21	Levies[1]

[1]*Effective for annual periods beginning on or after 1 January 2014.*

[2]*Effective for annual periods beginning on or after 1 January 2015.*

The Group is in the process of assessing the potential impact of these new HKFRSs but is not yet in a position to determine whether these new HKFRSs will have a significant impact on how its results of operations and financial position are prepared and presented. These new HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.

3. Revenue

	For six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue represents the aggregate amounts received and receivable from third parties and analysed as follows:		
Property rental income	**920**	930
Interest income from investment and finance	**3,478**	3,684
	4,398	4,614

4. Operating segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions.

The Group has engaged in two reportable segments (i) investment and finance; and (ii) properties investment. The segmentations are based on the information about the operation of the Group that management uses to make decisions.

Principal activities are as follows:

Investment and finance	–	Investing and financing activities
Properties investment	–	Property leasing

The Group's measurement methods used to determine reported segment profit or loss remain unchanged with 2012.

The Group's reportable segments are strategic business units that operate different activities. They are managed separately because each business has different markets and requires different marketing strategies.

Included in revenue arising from investment and finance of HK$3,478,000 (2012: HK$3,684,000) is revenue of approximately HK$2,975,000 (2012: HK$3,228,000) which arose from the Group's one (2012: two) major customer and this customer accounted for more than 10% of the Group's total revenue.

Operating segments information is presented below:

Condensed Consolidation Statements of Profit or Loss and Other Comprehensive Income
For the six months ended 30 June 2013

	Investment and finance (Unaudited) *HK$'000*	**Properties investment (Unaudited)** *HK$'000*	**Consolidated (Unaudited)** *HK$'000*
Revenue			
Revenue from external customers	**3,478**	**920**	**4,398**
Results			
Segment results for reportable segments	**(224)**	**(27)**	**(251)**
Bank interest income	**53**		**53**
Unallocated items			
Unallocated corporate expenses, net			**(1,886)**
Income tax credit			**11**
Core loss (excluding major non-cash item)			**(2,073)**
Major non-cash item			
Fair value changes on investment properties			**10,600**
Profit for the period attributable to owners of the Company			**8,527**

Condensed Consolidated Statement of Financial Position
As at 30 June 2013

	Investment and finance (Unaudited) *HK$'000*	Properties investment (Unaudited) *HK$'000*	Consolidated (Unaudited) *HK$'000*
Assets			
Segment assets for reportable segments	**344,318**	**64,229**	**408,547**
Unallocated corporate assets			**1,684**
Consolidated total assets			**410,231**
Liabilities			
Segment liabilities for reportable segments	**907**	**613**	**1,520**
Unallocated corporate liabilities			**1,373**
Consolidated total liabilities			**2,893**

Condensed Consolidation Statements of Profit or Loss and Other Comprehensive Income
For the six months ended 30 June 2012

	Investment and finance (Unaudited) *HK$'000*	Properties investment (Unaudited) *HK$'000*	Consolidated (Unaudited) *HK$'000*
Revenue			
Revenue from external customers	3,684	930	4,614
Results			
Segment results for reportable segments	3,548	864	4,412
Bank interest income	248		248
Unallocated items:			
Unallocated corporate expenses, net			(1,518)
Income tax credit			66
Core profit (excluding major non-cash item)			3,208
Major non-cash item			
Fair value changes on investment properties			1,550
Profit for the period attributable to owners of the Company			4,758

Condensed Consolidated Statement of Financial Position
As at 31 December 2012

	Investment and finance (Audited) *HK$'000*	Properties investment (Audited) *HK$'000*	Consolidated (Audited) *HK$'000*
Assets			
Segment assets for reportable segments	343,468	54,304	397,772
Unallocated corporate assets			2,221
Consolidated total assets			399,993
Liabilities			
Segment liabilities for reportable segments	908	550	1,458
Unallocated corporate liabilities			89
Consolidated total liabilities			1,547

Geographical information

For the periods ended 30 June 2013 and 2012, all the Group's operations are located in Hong Kong. The Group's revenue is all derived from Hong Kong for both periods.

Other segments information

	Investment and finance (Unaudited) *HK$'000*		**Properties investment (Unaudited)** *HK$'000*		**Unallocated (Unaudited)** *HK$'000*		**Consolidated (Unaudited)** *HK$'000*	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
Capital expenditure	**–**	–	**–**	–	**11**	–	**11**	–
Depreciation	**–**	–	**–**	–	**76**	–	**76**	–

5. Other income

	For six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Included in other income are:		
Bank interest income	**53**	248
Other property income	**8**	8
Other income	**1**	170
Exchange gain, net	**25**	–
	87	426

6. Profit for the period

	For six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit for the period has been arrived at after (charging)/crediting:		
Total staff costs, including Directors' emoluments:		
Directors' emoluments	**(1,586)**	(235)
Salaries and other benefits	**(1,825)**	(611)
Retirement benefit scheme contributions	**(46)**	(35)
	(3,457)	(881)
Auditors' remuneration	**(150)**	(149)
Depreciation of property, plant and equipment	**(76)**	–
Exchange loss, net	–	(136)
Operating lease rentals in respect of rented premises	**(1)**	–
Gross rental income from investment properties	**920**	930
Less: Direct operating expenses from investment properties that generated rental income during the period	**(37)**	(68)
Direct operating expenses from investment properties that did not generate rental income during the period	**(6)**	(6)
	877	856

7. Income tax credit

	For six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
The credit/(charge) comprises:		
Current tax:		
Hong Kong Profit Tax	–	(24)
Deferred Tax		
Current period	**8**	–
Prior period	**3**	90
	11	66

Hong Kong profit tax is calculated at 16.5% on the estimated profit for the both periods.

8. Dividend

	For six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Final dividend for 2012 of HK 0 cent (2011:HK 0.1 cent) per share	–	2,428

The Directors do not recommend any payments of interim dividend for the Period (2012: HK 0.1 cent) .

9. Earnings per share

The calculation of the basic and diluted earnings per share is based on the profit attributable to owners of the Company of HK$8,527,000 for the Period (2012: HK$4,758,000) and the weighted average number of 2,428,255,008 (2012: 2,428,255,008) ordinary shares in issue during the Period.

Diluted earnings per share for the period ended 30 June 2013 and 2012 was the same as the basic earnings per share as there were no diluting events during both periods.

10. Amount due from a shareholder

Details of the amount due from a shareholder disclosed pursuant to section 161B of the Companies Ordinance are as follows:

Name of shareholder	Maximum amount outstanding during the period	**30 June 2013**	31 December 2012
		(Unaudited)	(Audited)
	HK$'000	***HK$'000***	*HK$'000*
Champion Dynasty Limited ("Champion Dynasty")	278	**98**	–

The amount due from a shareholder is interest receivable but not due from Champion Dynasty and unsecured, non-interest bearing and have no fixed terms of repayment. The Directors consider the carrying amount of the amount due from a shareholder approximate to the fair value.

Champion Dynasty is directly owned by an executive Director, Mr. Cheung Wai Kuen ("Mr. Cheung").

11. Loan to a shareholder

On 27 September 2012, the Company, as lender, entered into a loan agreement with Champion Dynasty, as borrower, and Mr. Cheung, as an individual guarantor, and 廣東奧理德醫療投資有限公司(Guangdong Allad Yiliao Touzi Company Limited*), as a corporate guarantor, to grant a three-year revolving loan facility of up to HK$220 million to Champion Dynasty at an interest rate of HIBOR plus 2.5% per annum (the "Revolving Loan").

Details of the loan were set out in the Company's circular dated 5 November 2012.

Name of shareholder	Maximum amount outstanding during the period	**30 June 2013 (Unaudited)**	31 December 2012 (Audited)
	HK$'000	***HK$'000***	*HK$'000*
Champion Dynasty	220,000	**220,000**	–

12. Debtors, deposits and prepayments

There were no trade debtors included in debtors, deposits and prepayments as at 30 June 2013 (31 Dec 2012: HK$ Nil) and therefore, no aged analysis of trade receivable was needed to provide.

The Directors consider that the carrying amounts of the Group's debtors, deposits and repayments approximate their fair values.

13. Creditors and accruals

There were no trade payables included in creditors and accruals as at 30 June 2013 and 31 December 2012.

INTERIM DIVIDEND

The Board has resolved not to declare payment of any interim dividend for the Period (2012: Nil).

FINANCIAL OPERATION REVIEW

Results

Revenue for the Period was HK$4,398,000 (2012:HK$4,614,000), a slight decline of HK$216,000 when compared with last period. Gross profit for the Period amounted to HK$4,355,000 (2012: HK$4,540,000), a decrease of 4% as compared with last period.

Income from the investment and finance segment represents interest income from a floating rate note in the principal amount of USD5,000,000 (the "FRN") of HK$292,000 (2012: HK$960,000) and loans to a shareholder and four third-party borrowers of HK$3,186,000 (2012: Nil) for the Period while the interest income from loan to a fellow subsidiary of HK$2,724,000 for the last period that loan to a fellow subsidiary of HK$300,000,000 was repaid in full within 2012 by a series of repayments.

On the one side, there was a drop of the floating rate note's interest income because a floating rate note was matured in 2012. On the other side, the Group has been starting to engage in the money lender business in Hong Kong and the interest income from provision of loans for the Period can partially compensate such drop of the floating rate note's interest income.

For property leasing, the rental income decreased to HK$920,000 (2012: HK$930,000), as a result of a slight decline in average occupancy rate of the properties. Included the results for the Period was an increase in fair value of investment properties of HK$10,600,000 (2012: HK$1,550,000).

Profit attributable to owners of the Company

Profit attributable to owners of the Company for the Period was HK$8,527,000 compared with HK$4,758,000 in last period. The increase in profit mainly attributed to the increase in fair value gain on investment properties as compare to last period. The basic and diluted earnings per share are HK0.35cents (2012: HK0.20cents).

Core loss

The major non-cash item for the Period was the increase in fair value of investment properties of HK$10,600,000 (2012: HK$1,550,000). The core loss attributable to owners of the Company was HK$2,073,000 (2012 profit: HK$3,208,000) when the major non-cash item is excluded. The core loss for the Period was resulted in a significant increase in operational expenses of the Group such as salaries, office rental expense, depreciation etc. rising from new employments and the rent of office in Hong Kong for the Group since August 2012.

Net Asset Value

As at 30 June 2013, the Group's net assets was HK$407,338,000 (31 December 2012: HK$398,446,000), an increase of HK$8,892,000 as compared with last financial year. The increase was caused by profit for the Period of HK$ 8,527,000 and increase in fair value of available-for-sale financial assets of HK$365,000.

Net asset value per share attributable to owners of the Company as at 30 June 2013 was HK16.77cents (31 December 2012: HK16.41cents).

Investment and Finance

As at 30 June 2013, the Group had a short term FRN in principal amount of US$5,000,000 as available-for-sale financial assets. The interest rates are calculated with reference to LIBOR and the carrying amount is approximately HK$38,647,000. The Group also made the Revolving Loan to Champion Dynasty of HK$220,000,000 at HIBOR plus 2.5% per annum. In addition, the Group has provided short term loans of HK$20,000,000 to four third-party borrowers under the Money Lenders Ordinance at an interest rate of 9% per annum. No hedging for interest rate and foreign currency was subsisted during the Period.

Equity

The number of issued ordinary shares as at 30 June 2013 and 31 December 2012 was 2,428,255,008.

Debt and Gearing

The Group did not have any borrowings as at 30 June 2013 and 31 December 2012.

Time deposits and bank balances as at 30 June 2013 was approximately HK$26,320,000 (31 December 2012: HK$86,769,000). Majority of the Group's income for the Period was denominated in Hong Kong dollar and United States dollar and no hedging for non-Hong Kong dollar assets or investments was made during the Period.

Pledge of Assets

As at 30 June 2013 and 31 December 2012, no assets were pledged by the Group to secure any banking facilities and the Group did not have any obligations under banking facility documentation.

Capital Commitment and Contingent Liabilities

On 21 June 2013, an indirect wholly-owned subsidiary of the Company had entered a share investment and arrangement agreement in relation to acquisition of 35% equity interest in 東莞南方醫大代謝醫學研發有限公司 (Dongguan Southern Medical University Metabolic Medicines Research and Development Company Limited*) ("Southern Metabolic") with the consideration of RMB820,000 and agreement to pay an amount of RMB800,000 as working capital of the Southern Metabolic in cash. Therefore, as at 30 June 2013, the total capital commitment of the Group in relation to acquire 35% equity interest in Southern Metabolic are RMB1,620,000 (equivalent to approximately HK$2,055,000) (31 December 2012: Nil).

Except the foresaid, the Group did not have any material capital commitment as at 30 June 2013 and contingent liabilities as at 30 June 2013 and 31 December 2012.

Financial and Interest Income/Expenses

Interest income was included in both revenue and other income for the Period. Recorded in revenue for the Period was interest income derived from the floating rate note, the Revolving Loan to Champion Dynasty and loans to four third-party borrowers, amounting to HK$3,478,000 (2012: HK$3,684,000). Recorded in other income was bank interest income, amounting HK$53,000 (2012: HK$248,000). There was no finance cost (2012: Nil) during the Period.

Remuneration Policies and Share Option Scheme

As at 30 June 2013, the Group employed 8 staff members (31 December 2012: 8). Total staff cost excluding Directors' emoluments for the Period was approximately HK$1,871,000 (2012: HK$646,000). The total staff cost was represented the staff cost recharged from other fellow subsidiaries of the Company for the last period and the total staff cost was expenses incurred by the Group for its employees for the Period. The share option scheme had been adopted on 11 October 2012. The Company had granted an aggregate of 168,000,000 share options carrying the right to subscribe for the nominal ordinary shares of HK$0.01 each of the Company, representing approximately 6.92% of total of 2,428,255,008 shares issued share capital as at 18 December 2012 (date of grant). No option was exercised during the Period. Therefore, the outstanding of share options of the Company was still 168,000,000 as at 30 June 2013.

Property Valuation

A property valuation has been carried out by Roma Appraisals Limited ("Roma Appraisals"), an independent qualified professional valuer, in respect of the Group's investment properties as at 30 June 2013 and it was used in preparing 2013 interim results. The property valuation as at 31 December 2012 was carried out by Peak Vision Appraisals Limited. The valuation was based on either direct comparison approach assuming each of these properties is capable of being sold in its existing state with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant markets, or investment method by taking into account the current passing rents and the reversionary income potential of such properties.

The Group's investment properties were valued at HK$61,000,000 as at 30 June 2013, the increase in fair value of HK$10,600,000 was credited to the condensed consolidated statement of profit or loss and other comprehensive income for the Period.

BUSINESS REVIEW

During the Period, the Group was mainly engaged in the businesses of (i) investment and finance, and (ii) properties investment.

Investment and Finance

The Revolving Loan in sum of HK$220,000,000 was made by certain drawdowns in November and December 2012 to Champion Dynasty at the interest rate of HIBOR plus 2.5% per annum. The Group had made an accrual comprises of interest income from Champion Dynasty and four third-party borrowers about HK$2,975,000 and HK$211,000 respectively during the Period while the accrual of interest income from a fellow subsidiary about 2,724,000 for the last period which the loan to a fellow subsidiary of HK$300,000,000 was repaid in full within 2012 by series of repayments.

Meanwhile, the investment in the FRN which was reclassified from non-current asset to current asset during the Period with an interest income of about HK$292,000 during the Period, in comparison with HK$960,000 of the last period. On 16 August 2013, the FRN was disposed and the Directors believe the Group disposed this low yield investment and has additional fund from the sale proceed of the FRN for expansion of other new segments such as proposed health management business and provision of loans under the Money Lenders Ordinance which could generate more income for the Group in future.

Investment Properties

As at 30 June 2013, the Group held 31 car parking spaces with 5 adjoining spaces and a carport basement situated in Wanchai and Central. The relevant occupancy rate was approximately 83.33% with rental income amounted to about HK$920,000 for the Period. The rental income represented a drop of 1% as compared to the last period. Such decline in rental income was mainly attributable to the decreased average usage of car parking spaces. Meanwhile, an unrealised fair value gain of HK$10,600,000 on the investment properties was recorded during the Period.

EVENT AFTER THE REPORTING PERIOD

On 16 August 2013, an indirect wholly owned subsidiary of the Company disposed the FRN in the financial market which the FRN had been holding as ordinary and usual course business of the Group. The sale proceed of the FRN was approximately USD4,990,000 (equivalent to approximately HK$38,688,000) excluding transaction costs and the expected loss was approximately HK$32,000. Details are set out in the Company's announcements dated 18 and 19 August 2013.

PROSPECTS

The income of the Group has been sourcing from two businesses i.e. (i) investment and finance and (ii) properties investment. Although the revenue and earnings from them are stable, the Directors consider it is to the benefit of the Group’s future performance and in the interests of the shareholders of the Company (the “Shareholders”) as a whole to expand into other new business segments that could generate more income for the Group when an opportunity emerges.

With a view of the Directors, the sharp fall in both world-wide birth rate and death rate that have resulted in the aging global population is an acknowledged phenomenon. In more advanced and developed countries, with people generally having better access to information, there is a greater awareness of the importance of good health, contributing to more generous spending on medical, health care and physical well-being. Therefore, the Directors believe in the prospect of the health management business and benefit for the growth of the Group in future.

On 22 April 2013, the Company had entered into a non-legally binding agreement with various co-operative parties for the proposed development of health management business. The Company intends to line up certain leading and reputable domestic and overseas players in the relevant areas to explore and expand into the health management industry in the People’s Republic of China (the “PRC”) through the launching of health management projects. The Company believes that entering into of the agreement with the co-operative parties is the first step of tapping into the health management business. Relevant details are set out in the Company's announcement dated 23 April 2013.

On 21 June 2013, an indirect wholly-owned subsidiary of the Company had entered the letter of intent relation to the tender of renting three floors of a commercial building at International Biological Island, Guangzhou, the PRC (“Biological Island”) for the establishment of an office and clinic(s) in order to engage in the proposed health management business. The term of the proposed rental is 2 years and the monthly rental for the lease mentioned in the letter of intent will be RMB186,000. The Directors consider that Biological Island is conveniently situated at southeast part of Guangzhou, the PRC. It is near Guangzhou Universities City and Pazhou International Convention and Exhibition Centre and the Guanzhou Station (Metro Line 4) with a 10-minute, 20-minute and 45-minute driving distance to Guangzhou business centre, Guangzhou Eastern Railway Station and Guangzhou Baiyun Airport respectively. It comprises a headquarters community, standard property units and a recycle sewage treatment plant, Guangzhou international science & technology cooperation and communication centre and biotech island international innovation centre. At the same time, Biological Island is regarded as the central biotech district in Guangzhou. It is a suitable place for headquarters and research centres of hi-end biotech corporations. Thus, the Directors believe that it is a proper choice to commence the proposed health management business at Biological Island by establishing an office and clinic(s). Details are disclosed in the Company's announcement dated 23 June 2013.

On 21 June 2013, an indirect wholly-owned subsidiary of the Company also had entered a share investment and arrangement agreement in relation to acquisition of 35% equity interest in Southern Metabolic with the consideration of RMB820,000 and agreement to pay an amount of RMB800,000 as working capital of the Southern Metabolic in cash. Southern Metabolic is one of the parties of a non-legally binding agreement in relation to proposed development of health management business as above foresaid. It is a limited liability company established in the PRC and is a subsidiary of Southern Medical University. Southern Metabolic is a hi-tech research company situated in 松山湖國家高科技園區（Songshan Lake State High-Tech Industrial Development Zone*）in Dongguan, the PRC and is principally engaged in the research and development of new solutions and products in diagnosis, treatment and prevention of metabolic diseases. The Directors believe this acquisition will be advantage for the Group to enter the proposed health management business. Details are disclosed in the Company's announcements dated 23 June 2013.

In the long run, the Group plans to set up a number of chained health management business in the PRC to provide personal health management to serve the high-end segment in the population under all three status of heath, sub-health and ill. Furthermore, it is a Group’s goal to create a pool of global premium medical resources and construct a leading model in health management.

The Company will make further announcement(s) to disclose any progress of the above-mentioned transactions when it is appropriate.

Meanwhile, besides the foresaid development of the Group, if any appropriate investment opportunities arise, any acquisition(s) of new business(es) with a view to generate more income in the long run will be considered by the Board. To conclude, the Group has been continuing to cope with the changes and challenges of its future business to pursue its progressive and flexible business strategy in the nearest future.

CORPORATE GOVERNANCE

The Company had fully applied the principles and complied with the requirements of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Listing Rules throughout the Period. None of the Directors was aware of any information that would reasonably indicate that the Company was during the Period, incompliant with the CG Code except for the deviations as follows:

Under code provision A.4.1 of the CG Code, non-executive directors should be appointed for specific terms and subject to re-election. However, the former two independent non-executive Directors, namely Mr. Lam Yat Fai and Mr. Leung Yun Fai who resigned with effective from 8 March 2013 were not appointed for any specific term. Notwithstanding that, they were subject to retirement and re-election by rotation at the Company's annual general meeting at least once every three years in accordance with the Company's Bye-laws. The Directors were of the view that the term of the former independent non-executive Directors was specific enough in substance. Furthermore, subsequent to the resignations of them, all non-executive Directors, including independent non-executive Directors, were appointed with specific terms clearly stated in their letters of appointment with the Company. Accordingly, the Company has fully complied with this code provision since 8 March 2013.

Under code provision A.3 of the CG Code, non-executive directors should be of sufficient number for their views to carry weight. Moreover, under Rules 3.10 (1) and 3.21 of the Listing Rules, every board of directors and the audit committee of a listed company must include at least three independent non-executive directors. During the period from 1 January 2013, being the effective date of the resignation of Dr. David Chain Chi Woo, to 20 February 2013, the number of independent non-executive Directors was below the minimum required number. Starting from 20 February 2013, the Company recompiled the code provision when Mr. Yau Chi Ming, Mr. Huang Liang and Mr. Mai Yang Guang were appointed as independent non-executive Directors.

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

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules as a code of conduct regarding securities transactions by the Directors. The Company has also adopted a code of conduct regarding securities transactions by the relevant employees on terms no less exacting than the required standard set out in the Model Code (the "Employees' Code"). Having made specific enquiry of all Directors and the relevant employees, all Directors and the relevant employees confirmed that they have complied with the required standard set out in the Model Code and the Employees' Code throughout the Period.

REVIEW BY AUDIT COMMITTEE

The interim results for the Period are unaudited and have not been reviewed by the auditors of the Company. The audit committee of the Company, comprised all the independent non-executive Directors, has reviewed with management the accounting principles and practices adopted by the Group and the unaudited consolidated financial statements for the Period.

APPRECIATION

I would like to take this opportunity to express our gratitude to the Shareholders for their continued support, and to our fellow Directors and those who have worked for the Group for their valuable contribution.

By Order of the Board
Cheung Wai Kuen
Chairman

Hong Kong, 23 August 2013

As at the date of this announcement, the Board comprises Mr. Cheung Wai Kuen and Mr. Cheng Hau Yan as executive Directors; Mr. Lin Jiang as non-executive Director; and Mr. Huang Liang, Mr. Mai Yang Guang and Mr. Yau Chi Ming as independent non-executive Directors.

This announcement is also available for viewing on the website of Hong Kong Exchanges and clearing Limited at www.hkex.com.hk and on the website of the Company at www.g-prop.com.hk

** For identification only*