

REXLot Holdings Limited

御泰中彩控股有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock Code 股份代號 : 555)

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2010

簡明綜合收益表

截至二零一零年六月三十日止六個月

The board of directors (the “Board”) of REXLot Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company, its subsidiaries and jointly controlled entities (together, the “Group”) for the six months ended 30 June 2010 together with the unaudited comparative figures for the corresponding period in 2009 as follows:

御泰中彩控股有限公司（「本公司」）董事會（「董事會」）欣然宣布本公司、其附屬公司及共同控制實體（統稱「本集團」）截至二零一零年六月三十日止六個月之未經審核綜合中期業績，連同二零零九年同期之未經審核比較數字如下：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2010	2009
		二零一零年	二零零九年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
	Notes 附註		
Turnover	營業額	4	
		699,517	500,353
Cost of sales/service rendered	銷售／提供服務之成本	(316,316)	(291,263)
Other income	其他收入	1,979	3,814
Other (losses)/gains, net	其他（虧損）／溢利淨額	(7,059)	786
Selling and distribution expenses	銷售及分銷費用	(35,843)	(29,656)
Administrative expenses	行政開支	(79,668)	(68,640)
Operating profit	經營溢利	262,610	115,394
Finance costs	財務費用	(1,701)	(226)
Profit before taxation	除稅前溢利	5	
		260,909	115,168
Taxation	稅項	(12,756)	(7,794)
Profit for the period	期內溢利	248,153	107,374
Attributable to:	以下人士應佔：		
Equity holders of the Company	本公司權益持有人	243,767	123,156
Non-controlling interests	非控股權益	4,386	(15,782)
		248,153	107,374
Dividend	股息	7	
		0.35 cent 仙	0.18 cent 仙
Earnings per share	每股盈利		
Basic	基本	8(a)	
		3.18 cents 仙	1.66 cents 仙
Diluted	攤薄	8(b)	
		3.17 cents 仙	1.65 cents 仙

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2010

簡明綜合全面收益表

截至二零一零年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 (Unaudited) (未經審核) HK\$'000 千港元	2009 二零零九年 (Unaudited) (未經審核) HK\$'000 千港元
Profit for the period	期內溢利	248,153	107,374
Other comprehensive income	其他全面收益		
Exchange difference arising from translation of foreign operations	換算境外業務產生之匯兌差額	4,121	(5)
Total comprehensive income for the period	期內全面收益總額	252,274	107,369
Total comprehensive income for the period attributable to:	以下人士應佔期內全面收益總額：		
Equity holders of the Company	本公司權益持有人	247,453	123,204
Non-controlling interests	非控股權益	4,821	(15,835)
		252,274	107,369

CONDENSED CONSOLIDATED BALANCE SHEET

At 30 June 2010

簡明綜合資產負債表

於二零一零年六月三十日

		At 30 June 2010 於二零一零年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2009 於二零零九年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
	Notes 附註		
ASSETS			
Non-current assets			
Property, plant and equipment		153,469	156,428
Prepaid lease payments on land use rights		36,307	36,120
Investment property		967	962
Goodwill		1,694,266	1,694,266
Intangible assets		106,460	109,663
Deposits for acquisition of leasehold land use rights		3,147	3,129
Statutory deposits		884	632
Deferred tax assets		1,580	1,580
Total non-current assets		<u>1,997,080</u>	<u>2,002,780</u>
Current assets			
Inventories		199,909	99,929
Trade receivables	9	667,431	679,029
Utility and other deposits		368,906	248,056
Prepayments and other receivables		395,100	385,459
Financial assets at fair value through profit or loss		16,698	23,064
Cash and bank balances	10	231,511	353,158
Total current assets		<u>1,879,555</u>	<u>1,788,695</u>
Total assets		<u><u>3,876,635</u></u>	<u><u>3,791,475</u></u>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	12	77,152	75,902
Reserves		3,427,761	3,261,548
Proposed final dividend		-	33,083
		<u>3,504,913</u>	<u>3,370,533</u>
Non-controlling interests		<u>47,899</u>	<u>76,138</u>
Total equity		<u><u>3,552,812</u></u>	<u><u>3,446,671</u></u>

CONDENSED CONSOLIDATED BALANCE SHEET

At 30 June 2010

簡明綜合資產負債表

於二零一零年六月三十日

		At 30 June 2010 於二零一零年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2009 於二零零九年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
	Notes 附註		
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		53,769	47,338
Total non-current liabilities		53,769	47,338
Current liabilities			
Trade payables	11	98,286	111,133
Other payables and accruals		55,750	77,095
Dividend payable		33,083	–
Borrowings		61,920	80,190
Current tax liabilities		21,015	29,048
Total current liabilities		270,054	297,466
Total liabilities		323,823	344,804
Total equity and liabilities		3,876,635	3,791,475
Net current assets		1,609,501	1,491,229
Total assets less current liabilities		3,606,581	3,494,009

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2010

簡明綜合權益變動表

截至二零一零年六月三十日止六個月

		Share capital	Share premium	Capital redemption reserve	Share-based payment reserve	Special reserve	Exchange translation reserve	Retained profits	Proposed final dividend	Total	Non-controlling interests	Total equity
		股本	股份溢價	贖回儲備	以股份支付款項之儲備	特別儲備	匯兌儲備	保留溢利	末期股息建議	合計	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 31 December 2008	於二零零八年十二月三十一日	73,962	2,365,597	158	13,643	112,270	32,049	380,604	-	2,978,283	82,272	3,060,555
Exchange difference arising from translation of foreign operations recognised directly in equity	直接於權益中確認換算境外業務產生之匯兌差額	-	-	-	-	-	48	-	-	48	(53)	(5)
Profit for the period	期內溢利	-	-	-	-	-	-	123,156	-	123,156	(15,782)	107,374
Total comprehensive income for the period ended 30 June 2009	截至二零零九年六月三十日期內全面收益總額	-	-	-	-	-	48	123,156	-	123,204	(15,835)	107,369
Exercise of share options	行使購股權	1,079	31,291	-	-	-	-	-	-	32,370	-	32,370
Initial recognition for investment in subsidiaries	初步確認於附屬公司之投資	-	-	-	-	-	-	-	-	-	8,564	8,564
At 30 June 2009	於二零零九年六月三十日	75,041	2,396,888	158	13,643	112,270	32,097	503,760	-	3,133,857	75,001	3,208,858
At 31 December 2009	於二零零九年十二月三十一日	75,902	2,424,014	158	17,758	27,415	32,055	760,148	33,083	3,370,533	76,138	3,446,671
Exchange difference arising from translation of foreign operations recognised directly in equity	直接於權益中確認換算境外業務產生之匯兌差額	-	-	-	-	-	3,686	-	-	3,686	435	4,121
Profit for the period	期內溢利	-	-	-	-	-	-	243,767	-	243,767	4,386	248,153
Total comprehensive income for the period ended 30 June 2010	截至二零一零年六月三十日期內全面收益總額	-	-	-	-	-	3,686	243,767	-	247,453	4,821	252,274
Additional investment in a subsidiary	於附屬公司之額外投資	-	-	-	-	(188,940)	-	-	-	(188,940)	(33,060)	(222,000)
Issue of new shares	發行新股份	1,250	107,700	-	-	-	-	-	-	108,950	-	108,950
Exercise of share options	行使購股權	-	4,311	-	(4,311)	-	-	-	-	-	-	-
Transfer to dividend payable	轉撥至應付股息	-	-	-	-	-	-	-	(33,083)	(33,083)	-	(33,083)
At 30 June 2010	於二零一零年六月三十日	77,152	2,536,025*	158*	13,447*	(161,525)*	35,741*	1,003,915*	-	3,504,913	47,899	3,552,812

* These reserve accounts comprise the consolidated reserves of approximately HK\$3,427,761,000 in the consolidated balance sheet.

* 該等儲備賬包括於綜合資產負債表之綜合儲備約3,427,761,000港元。

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2010

簡明綜合現金流量表

截至二零一零年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 (Unaudited) (未經審核) HK\$'000 千港元	2009 二零零九年 (Unaudited) (未經審核) HK\$'000 千港元
Net cash generated from operating activities	經營活動所得現金淨額	161,413	172,034
Net cash used in investing activities	投資活動所用現金淨額	(370,986)	(226,651)
Net cash generated from financing activities	融資活動所得現金淨額	90,954	40,780
Decrease in cash and cash equivalents	現金及現金等價物減少	(118,619)	(13,837)
Cash and cash equivalents at 1 January	於一月一日之現金及 現金等價物	309,187	224,598
Cash and cash equivalents at 30 June	於六月三十日之現金及 現金等價物	190,568	210,761
Analysis of the balances of cash and cash equivalents	現金及現金等價物 結餘分析		
Bank balances – general accounts	銀行結餘 – 一般賬戶	188,442	208,567
Cash in hand	手頭現金	2,126	2,194
		190,568	210,761

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2010

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with 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”) and with the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2009.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 January 2010.

HKFRS 1 Amendments	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKFRS 2 Amendments	Amendments to HKFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners

The adoption of these new and revised HKFRSs has had no significant financial effect on these financial statements and there have been no significant changes to the accounting policies applied in these financial statements.

未經審核簡明中期財務報表附註

截至二零一零年六月三十日止六個月

1. 編製基準

本未經審核簡明綜合中期財務報表乃按照香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十六之適用披露規定及香港會計師公會（「香港會計師公會」）頒佈之香港會計準則（「香港會計準則」）第34號「中期財務報告」編製。

2. 主要會計政策

編製簡明綜合財務報表所用之會計政策與編製本集團截至二零零九年十二月三十一日止年度之年度財務報表一致。

於本中期間，本集團首度採納以下由香港會計師公會頒佈，並於本集團二零一零年一月一日開始之財政年度生效之新訂及經修訂準則、修訂及詮釋。

香港財務報告準則第1號修訂	對香港財務報告準則第1號之修訂，首次採納香港財務報告準則－首次採納者之額外豁免
香港財務報告準則（修訂本）	對二零零九年香港財務報告準則之改進
香港財務報告準則第2號修訂	對香港財務報告準則第2號之修訂，以股份支付款項－集團以現金結算以股份支付款項之交易
香港（國際財務報告詮釋委員會）－詮釋第17號	向擁有人分派非現金資產

採納該等新訂及經修訂香港財務報告準則不會對該等財務報表產生重大財務影響，且該等財務報表中所採用之會計政策並無出現重大變動。

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2010

未經審核簡明 中期財務報表附註(續)

截至二零一零年六月三十日止六個月

3. SEGMENT INFORMATION

The Group manages its businesses by segments which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker for the purposes of resources allocation and performance assessment, the Group determines that there are two reportable segments which are lottery and financial business.

Business segments

For the six months ended 30 June 2010

3. 分部資料

本集團按業務劃分及管理其業務分部。本集團以就分配資源及評核表現而向本集團首要營運決策人內部呈報資料一致之方式將兩個報告分部釐定為彩票及金融業務。

業務分部

截至二零一零年六月三十日止六個月

		Lottery business 彩票業務		Financial business 金融業務		Total 合計	
		2010 二零一零年 (Unaudited) (未經審核) HK\$'000 千港元	2009 二零零九年 (Unaudited) (未經審核) HK\$'000 千港元	2010 二零一零年 (Unaudited) (未經審核) HK\$'000 千港元	2009 二零零九年 (Unaudited) (未經審核) HK\$'000 千港元	2010 二零一零年 (Unaudited) (未經審核) HK\$'000 千港元	2009 二零零九年 (Unaudited) (未經審核) HK\$'000 千港元
Turnover	營業額	694,373	487,980	5,144	12,373	699,517	500,353
Segment results Profit/(loss)	分部業績 溢利/(虧損)	277,130	128,272	(4,849)	(7,018)	272,281	121,254
Net unallocated expenses	未分類開支 淨額					(11,372)	(6,086)
Profit before taxation Taxation	除稅前溢利 稅項					260,909 (12,756)	115,168 (7,794)
Profit for the period	期內溢利					248,153	107,374

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2010

未經審核簡明 中期財務報表附註(續)

截至二零一零年六月三十日止六個月

4. TURNOVER

Turnover represents the aggregate of income from provision of lottery machines and related services, commission income and interest income.

4. 營業額

營業額指提供彩票機及相關服務之收入、佣金收入及利息收入。

		Six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 (Unaudited) (未經審核) HK\$'000 千港元	2009 二零零九年 (Unaudited) (未經審核) HK\$'000 千港元
Lottery Income	彩票收入		
Income from provision of lottery machines and related services	提供彩票機及相關服務收入	694,373	487,980
Financial Income	財務收入		
Commission income	佣金收入	2,113	2,479
Interest income	利息收入	3,031	9,894
		699,517	500,353

5. PROFIT BEFORE TAXATION

The Group's profit before taxation is stated after charging the following:

5. 除稅前溢利

本集團之除稅前溢利於呈列前已扣除以下各項：

		Six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 (Unaudited) (未經審核) HK\$'000 千港元	2009 二零零九年 (Unaudited) (未經審核) HK\$'000 千港元
Depreciation and amortisation on:	以下項目之折舊及攤銷：		
– Property, plant and equipment	– 物業、廠房及設備	31,191	19,232
– Intangible assets	– 無形資產	3,630	762
Operating lease rentals in respect of office premises and warehouse	辦公室物業及倉庫之經營租賃租金	8,696	8,882

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2010

未經審核簡明中期財務報表附註(續)

截至二零一零年六月三十日止六個月

6. TAXATION

No provision for Hong Kong profits tax is made as the Group has no estimated assessable profits for the six months ended 30 June 2010 (2009: Nil). Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rate of taxation prevailing in the countries in which the Group operates.

6. 稅項

由於本集團於截至二零一零年六月三十日止六個月並無估計應課稅溢利，故並無作出香港利得稅撥備(二零零九年：無)。海外利得稅按照期內估計應課稅溢利依照本集團經營業務所在國家之現行稅率計算。

		Six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 (Unaudited) (未經審核) HK\$'000 千港元	2009 二零零九年 (Unaudited) (未經審核) HK\$'000 千港元
Current tax	當期稅項		
– Hong Kong profits tax	– 香港利得稅	–	–
– PRC income tax	– 中國所得稅	12,756	7,794

7. DIVIDEND

The Board has declared an interim dividend of 0.35 HK cent per share for the six months ended 30 June 2010 (2009: 0.18 HK cent per share) payable to shareholders of the Company whose names appear on the Company's register of members on 19 October 2010.

7. 股息

董事會已宣派截至二零一零年六月三十日止六個月之中期股息每股0.35港仙(二零零九年：每股0.18港仙)，有關股息會派付予於二零一零年十月十九日名列本公司股東名冊之本公司股東。

8. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share for the six months ended 30 June 2010 are based on the profit attributable to equity holders of the Company of approximately HK\$243,767,000 (2009: approximately HK\$123,156,000).

8. 每股盈利

截至二零一零年六月三十日止六個月之每股基本及攤薄盈利按本公司權益持有人應佔溢利約243,767,000港元(二零零九年：約123,156,000港元)計算。

- (a) The basic earnings per share is based on the weighted average number of approximately 7,670,658,425 (2009: approximately 7,423,996,000) ordinary shares in issue during the six months ended 30 June 2010.
- (b) The diluted earnings per share is based on approximately 7,686,472,664 (2009: approximately 7,465,992,000) ordinary shares which are the weighted average number of ordinary shares in issue during the period plus the weighted average number of approximately 15,814,239 (2009: approximately 41,996,000) ordinary shares deemed to be issued at no consideration if all outstanding options had been exercised.

- (a) 每股基本盈利按截至二零一零年六月三十日止六個月之已發行普通股之加權平均數約7,670,658,425股(二零零九年：約7,423,996,000股)計算。
- (b) 每股攤薄盈利按約7,686,472,664股(二零零九年：約7,465,992,000股)普通股計算，即期內已發行普通股之加權平均數另加將於所有尚未行使購股權獲行使時被視為無償發行之約15,814,239股(二零零九年：約41,996,000股)普通股之加權平均數。

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2010

未經審核簡明 中期財務報表附註(續)

截至二零一零年六月三十日止六個月

9. TRADE RECEIVABLES

Margin client receivables, net
Other client receivables, net
Broker receivables
Amounts due from clearing houses
Loan receivables, net
Loan interest receivables, net
Trade receivables – Lottery business

應收孖展客戶賬款淨額
應收其他客戶賬款淨額
應收經紀賬款
應收結算所賬款
應收貸款淨額
應收貸款利息淨額
應收貿易賬款—彩票業務

At 30 June 2010	At 31 December 2009
於二零一零年 六月三十日	於二零零九年 十二月三十一日
(Unaudited)	(Audited)
(未經審核)	(經審核)
HK\$'000	HK\$'000
千港元	千港元
5,619	2,507
2,055	841
802	6,316
23	–
–	1,478
–	391
658,932	667,496
667,431	679,029

Margin client receivables are repayable on demand, bear interest at prevailing market rates and are secured by clients' securities listed on The Stock Exchange of Hong Kong Limited with market value of approximately HK\$20,940,000 as at 30 June 2010 (31 December 2009: approximately HK\$18,720,000). No aging analysis is disclosed for margin client receivables as, in the opinion of the directors of the Company (the "Directors"), such aging analysis does not give additional value in view of the nature of business of securities margin financing and broking.

The settlement terms of other client receivables, broker receivables and amounts due from clearing houses are one to two days after the trade date or are repayable on demand. The age of these balances is within 30 days.

The Group generally grants credit periods of 90 to 120 days to its trade debtors.

應收孖展客戶賬款於要求時償還，以現行市場利率計息，並以於香港聯合交易所有限公司上市之客戶證券作為抵押，於二零一零年六月三十日之市值約為20,940,000港元（二零零九年十二月三十一日：約18,720,000港元）。由於本公司董事（「董事」）認為就證券孖展融資及經紀業務性質而言，賬齡分析意義不大，因此並無披露應收孖展客戶賬款之賬齡分析資料。

應收其他客戶賬款、應收經紀賬款及應收結算所賬款之還款期為交易日後一至兩天或於要求時償還。此等結餘之賬齡為30天內。

本集團一般授予其貿易債務人90至120天信貸期。

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2010

未經審核簡明 中期財務報表附註(續)

截至二零一零年六月三十日止六個月

9. TRADE RECEIVABLES (continued)

The aging analysis of loan receivables, loan interest receivables and trade receivables – Lottery business as at 30 June 2010 is as follows:

		At 30 June 2010 於二零一零年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2009 於二零零九年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Three months or less	三個月或以下	471,289	482,202
One year or less but over three months	一年或以下但三個月以上	182,034	180,271
Over one year	一年以上	5,609	6,892
		<u>658,932</u>	<u>669,365</u>

10. CASH AND BANK BALANCES

		At 30 June 2010 於二零一零年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2009 於二零零九年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Pledged bank deposits	有抵押銀行存款	22,389	16,875
Short term bank deposit	短期銀行存款	–	77,800
Cash at banks	銀行現金		
– general accounts	– 一般賬戶	188,442	229,936
– segregated accounts	– 獨立賬戶	18,554	27,029
Cash in hand	手頭現金	2,126	1,518
		<u>231,511</u>	<u>353,158</u>

10. 現金及銀行結餘

**NOTES TO THE UNAUDITED CONDENSED
INTERIM FINANCIAL STATEMENTS** (continued)

For the six months ended 30 June 2010

**未經審核簡明
中期財務報表附註** (續)

截至二零一零年六月三十日止六個月

11. TRADE PAYABLES

Margin client payables	應付孖展客戶賬款
Other client payables	應付其他客戶賬款
Amounts due to clearing houses	應付結算所賬款
Trade payables – Lottery business	應付貿易賬款 – 彩票業務
Bills payables – Lottery business	應付票據 – 彩票業務

At 30 June 2010	At 31 December 2009
於二零一零年 六月三十日	於二零零九年 十二月三十一日
(Unaudited)	(Audited)
(未經審核)	(經審核)
HK\$'000	HK\$'000
千港元	千港元
4,082	4,863
17,599	28,515
–	71
54,216	60,809
22,389	16,875
98,286	111,133

Margin client payables and other client payables are repayable on demand and bear interest at prevailing market rates. No aging analysis is disclosed for margin client payables, other client payables and amounts due to clearing houses as, in the opinion of the Directors, such aging analysis does not give additional value in view of the nature of business of securities margin financing and broking.

Trade payables – Lottery business are expected to be settled within one year or are repayable on demand.

The aging analysis of trade payables – Lottery business as at 30 June 2010 is as follows:

Three months or less	三個月或以下
One year or less but over three months	一年或以下但三個月以上

應付孖展客戶賬款及應付其他客戶賬款乃按要求時償還，並以現行市場利率計息。由於董事認為就證券孖展融資業務及經紀業務性質而言，賬齡分析意義不大，因此並無披露應付孖展客戶賬款、應付其他客戶賬款及應付結算所賬款之賬齡分析資料。

應付貿易賬款 – 彩票業務預期於一年內支付或按要求時償還。

於二零一零年六月三十日，應付貿易賬款 – 彩票業務之賬齡分析如下：

At 30 June 2010	At 31 December 2009
於二零一零年 六月三十日	於二零零九年 十二月三十一日
(Unaudited)	(Audited)
(未經審核)	(經審核)
HK\$'000	HK\$'000
千港元	千港元
43,400	52,023
10,816	8,786
54,216	60,809

**NOTES TO THE UNAUDITED CONDENSED
INTERIM FINANCIAL STATEMENTS** (continued)

For the six months ended 30 June 2010

**未經審核簡明
中期財務報表附註** (續)

截至二零一零年六月三十日止六個月

12. SHARE CAPITAL

Authorised:

Ordinary shares of HK\$0.01 each

		Number of shares 股份數目	Amount 金額 HK\$ 港元
At 31 December 2009 and at 30 June 2010	於二零零九年十二月三十一日 及二零一零年六月三十日	<u>20,000,000,000</u>	<u>200,000,000</u>

Issued and fully paid:

Ordinary shares of HK\$0.01 each

		Number of shares 股份數目	Amount 金額 HK\$ 港元
At 31 December 2009	於二零零九年十二月三十一日	7,590,175,000	75,901,750
Issuance upon exercise of share options	行使購股權時發行	<u>125,000,000</u>	<u>1,250,000</u>
At 30 June 2010	於二零一零年六月三十日	<u>7,715,175,000</u>	<u>77,151,750</u>

12. 股本

法定：

每股面值0.01港元之普通股

		Number of shares 股份數目	Amount 金額 HK\$ 港元
At 31 December 2009 and at 30 June 2010	於二零零九年十二月三十一日 及二零一零年六月三十日	<u>20,000,000,000</u>	<u>200,000,000</u>

已發行及繳足：

每股面值0.01港元之普通股

		Number of shares 股份數目	Amount 金額 HK\$ 港元
At 31 December 2009	於二零零九年十二月三十一日	7,590,175,000	75,901,750
Issuance upon exercise of share options	行使購股權時發行	<u>125,000,000</u>	<u>1,250,000</u>
At 30 June 2010	於二零一零年六月三十日	<u>7,715,175,000</u>	<u>77,151,750</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2010

未經審核簡明 中期財務報表附註(續)

截至二零一零年六月三十日止六個月

13. COMMITMENTS

As at 30 June 2010, the Group's future aggregate minimum lease payments under non-cancellable operating leases are payable as follows:

		At 30 June 2010 於二零一零年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2009 於二零零九年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Land and buildings	土地及樓宇		
Within one year	一年內	23,399	17,132
In the second to fifth year inclusive	第二年至第五年 (包括首尾兩年)	21,133	13,716
		<u>44,532</u>	<u>30,848</u>

The Group leases various office premises and warehouses under operating leases.

本集團根據經營租約租用不同辦公室物業及倉庫。

14. CONTINGENT LIABILITIES

The Group has no significant contingent liabilities as at 30 June 2010 (31 December 2009: Nil).

14. 或然負債

於二零一零年六月三十日，本集團並無重大或然負債(二零零九年十二月三十一日：無)。

15. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group during the period are as follows:

15. 關連人士交易

期內本集團之主要管理人員補償如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 (Unaudited) (未經審核) HK\$'000 千港元	2009 二零零九年 (Unaudited) (未經審核) HK\$'000 千港元
Fees, salary and other short-term employee benefits	袍金、薪金及其他短期 僱員福利	2,946	4,176
Pension scheme contributions	退休金計劃供款	18	18
		<u>2,964</u>	<u>4,194</u>

MANAGEMENT DISCUSSION AND ANALYSIS

For the period under review, the Group was principally engaged in lottery system and games development business and distribution and marketing of lottery products in China.

The China Lottery Market comprises two lotteries, namely, the China Welfare Lottery and the China Sports Lottery. The Group provides services to both lotteries.

BUSINESS REVIEW AND PROSPECTS

Lottery Business

The Group's lottery business can be broadly divided into System and Games Development Business ("SGDB") and Distribution and Marketing Business ("DMB").

Turnover of the lottery business for the period increased by 42.3% to HK\$694,373,000 (2009: HK\$487,980,000), accounting for 99.3% of the total turnover. Profit before taxation arising from this segment recorded a growth of 116% to HK\$277,130,000 (2009: HK\$128,272,000).

China Lottery Market

In the first half of 2010, China's Lottery market has demonstrated a strong momentum of growth with sales of RMB77.23 billion (2009: RMB62.77 billion), up 23% period-on-period.

During the period under review, China's total Welfare Lottery sales was RMB44.7 billion, accounting for about 58% of the total lottery sales in China. Welfare Computer Ticket Games ("CTG") accounted for about 77% of total welfare lottery sales; Welfare Scratch Cards was about 15% and Video Lottery Terminals ("VLT") took about 8%. Sales of Welfare CTG has increased in a stable and sustainable manner in the first half of 2010 registering an approximately 11% period-on-period growth. The VLT segment has registered significant improvement as a result of the re-opening of VLT gaming halls in the fourth quarter last year.

China's total Sports Lottery sales was RMB32.53 billion, accounting for about 42% of the total lottery sales in China in this period. Sports CTG and Sports Scratch Cards accounted for about 75% and 25% respectively. Sales of Sports CTG, including Single Match Games ("SMG"), increased by 25% period-on-period to approximately RMB24.45 billion. This growth was partially attributed to the extended roll out of SMG during the period and the positive impacts received from the South Africa World Cup. SMG sales has reached RMB1.3 billion per month during the World Cup, which is very encouraging when compared with the full year sales of RMB130 million in last year.

管理層討論及分析

於回顧期內，本集團主要於中國從事彩票系統與遊戲開發業務及彩票產品的配送與市場業務。

中國彩票市場有兩類彩票，即中國福利彩票及中國體育彩票。本集團均有為兩類彩票提供服務。

業務回顧及展望

彩票業務

本集團之彩票業務大致分為系統與遊戲開發業務（「系統與遊戲開發業務」）及配送與市場業務（「配送與市場業務」）。

彩票業務於期內之營業額增加42.3%至694,373,000港元（二零零九年：487,980,000港元），佔總營業額之99.3%。該分部之除稅前溢利增長116%至277,130,000港元（二零零九年：128,272,000港元）。

中國彩票市場

於二零一零年上半年，中國彩票市場之增長趨勢強勁，銷售額為人民幣77.23億元（二零零九年：人民幣62.77億元），按期增長23%。

於回顧期內，中國福利彩票之總銷售額為人民幣447億元，佔中國彩票總銷售額約58%。福彩電腦票佔福利彩票之總銷售額約77%；福彩即開票佔約15%，而中福在線則佔約8%。福彩電腦票銷售額於二零一零年上半年以平穩及可持續方式上升，按期增長約11%。由於中福在線銷售廳於去年第四季重開，中福在線分部錄得大幅增長。

中國體育彩票之總銷售額為人民幣325.3億元，佔期內中國彩票總銷售額約42%。體彩電腦票及體彩即開票分別佔約75%及25%。體彩電腦票之銷售額，包括單場競猜遊戲（「競彩」），按期增加25%至約人民幣244.5億元。此增幅的部分原因是由於競彩於期內陸續推出以及南非世界盃所帶來的正面影響所致。在世界盃舉行期間，該月之競彩銷售額達至人民幣13億元，相比去年全年銷售額人民幣1.3億元，成績令人鼓舞。

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

System and Games Development Business

The Group's SGDB Division has continued to deliver solid earnings during the period under review. Our SGDB Division is an active participant in the provision of systems and equipments for both CTG and Scratch Cards products in China.

Welfare CTG Business

For the first half of 2010, Welfare CTG registered a double-digit growth of 11% period-on-period. It remained the largest segment in the China lottery market. Given its respectable weight in the total lottery sales, we believe the stable growth of this segment will give positive contribution to the Group's revenue base.

Our Group's Welfare CTG business is principally conducted through Shenzhen Sinodata Technology Co Ltd ("Sinodata"), a non-wholly owned subsidiary of our Group. Sinodata is the leading system and equipment supplier for the Welfare CTG market. It provides services to 16 lottery provinces in China. During the period under review, the Group had successfully maintained its leading market positioning in Welfare CTG segment. In June 2010, the interest in Sinodata held by the Company has been increased to 89.84% through the acquisition of an additional 5.09% equity interest in Sinodata.

Welfare Instant Lottery (Scratch Cards) Business

Welfare Scratch Cards sales registered a very substantial growth in the first half of 2010, up 43% to RMB6.69 billion. The roll out of Welfare Scratch Cards with higher face value since the first quarter of 2010, coupled with the launch of other theme based tickets, had proven to be instrumental in pushing up the Scratch Cards sales.

The Group is the exclusive system and equipment supplier of Welfare Scratch Cards validation and system implementation in China through our 50%-owned Beijing Guard Libang Technology Co Ltd ("Guard Libang"). Guard Libang is a 50:50 joint venture with Scientific Games Corporation ("Scientific Games"), the world's leading instant lottery system and validation company. Our strategic partnership with Scientific Games enables us to bring its expertise and technology know-how to the Scratch Cards market in China.

In addition, the Group has also been involved in Scratch Cards printing business since late 2008 and its printing facilities is located at Shijiazhuang, the Provincial Capital of Hebei Province. Through a cooperative venture with Shijiazhuang Offset Printing House, one of three entities authorized to print for the Welfare Scratch Cards programs, our Group is contributing to the development of Welfare Scratch Cards in China. During the period under review, the existing plant has run in its full gear.

管理層討論及分析

(續)

系統與遊戲開發業務

於回顧期內，本集團之系統與遊戲開發業務分部持續帶來穩定收入。本集團之系統與遊戲開發業務分部積極為中國電腦票及即開票產品提供系統及設備服務。

福彩電腦票業務

於二零一零年上半年，福彩電腦票取得11%之按期增長，繼續成為中國彩票市場之最大分部。鑑於此分部佔彩票總銷售額之重要比重，本集團相信其穩定增長會為本集團之收入基礎帶來正面效益。

本集團之福彩電腦票業務主要透過本集團之非全資附屬公司深圳市思樂數據技術有限公司（「思樂」）進行。思樂為福彩電腦票市場之領先系統及設備供應商，為中國16個彩票省份提供服務。於回顧期內，本集團成功維持其在福彩電腦票分部之市場領導地位。於二零一零年六月，本公司透過收購思樂額外5.09%之股權，將其於思樂之權益增加至89.84%。

福彩即開票業務

於二零一零年上半年，福彩即開票之銷售額大幅增加43%至人民幣66.9億元。自二零一零年第一季推出較高面值的福彩即開票以及發行其他主題彩票，確實有助提高即開票之銷售額。

本集團為中國福彩即開票認證及系統實行之獨家系統及設備供應商，該業務主要透過本集團持有50%權益之北京戈德利邦科技有限公司（「戈德利邦」）進行。戈德利邦乃本集團與世界領先即開票系統及認證公司Scientific Games Corporation（「Scientific Games」）之合營企業，雙方各佔百分之五十權益。本集團與Scientific Games之策略夥伴關係，使本集團可將其專業知識及技術引進中國即開票市場。

此外，自二零零八年底，本集團亦已參與即開票印刷業務，本集團之印刷設施位於河北省省會石家莊。透過與石家莊市膠印廠（作為三家獲認可印刷福彩即開票廠家之一）訂立合作協議，本集團已成功對中國福彩即開票市場發展作出貢獻。於回顧期內，現有廠房全面運作。

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Sports CTG Business

The Group's Sports CTG business involved the sales of CTG machines to the Provincial Sports Lottery Centres across China. During the period under review, apart from the sales of CTG machines in servicing the needs of traditional Sports CTG business, the Group also focused on the development of high frequency games running on CTG based or electronic platforms and the deployment of system and equipment in support of the Single Match Games roll out in China. The Group is poised to capture the business opportunities in these areas as we believe they will make significant contribution to the success of the Group's business in the future.

Distribution and Marketing Business

Taking advantage of the successful performance attained in SGDB Division, the Group had commenced the DMB Division in late 2008. During the period under review, the DMB Division has demonstrated its strong growth potential and the Group has committed to consolidate its comprehensive distribution platform for the expanding spectrum of lottery products in China.

Cooperation Distribution Business

The Group has been dedicated to develop its cooperative distribution business model since late 2008. Under the cooperative model, we focus on with our distribution channel partners, entities and organizations that already had a widely diversified and recognized retail network. Our partners include China Post, PetroChina, Sinopec, China Resources, other major supermarket and convenience store chains.

During the period under review, we have further witnessed a significant improvement on the operation results which was mainly attributed to the successful establishment of the extensive distribution network spanning across China at prime locations with high traffic and minimum operating cost in the past 2 years. Building on a responsible and reliable distribution chain for scratch card lottery tickets, the Group has fortified its leading position in Chinese lottery distributions.

管理層討論及分析

(續)

體彩電腦票業務

本集團之體彩電腦票業務包括銷售電腦彩票機予國內省體育彩票中心。於回顧期內，除銷售電腦彩票機以供傳統體彩電腦票業務所需外，本集團亦專注於發展透過電腦票或於電子平台上進行之高頻遊戲，並調配系統及設備以支持在中國開展之競彩業務。本集團已準備就緒，以把握這方面的商機，因為本集團相信此等範疇的商機能為本集團日後之成功發展帶來重大貢獻。

配送與市場業務

憑藉系統與遊戲開發業務分部的卓越表現，本集團於二零零八年底展開配送與市場業務。於回顧期內，配送與市場業務分部展示出強大增長潛力，而本集團亦致力鞏固其綜合配送平台，以應付種類日益增加的中國彩票產品。

合作配送業務

本集團自二零零八年開始一直致力發展其合作配送業務。在合作模式下，本集團專注於與已有多元化及廣泛認可零售網絡之配送渠道夥伴、企業及機構合作。本集團之彩票配送渠道夥伴包括中國郵政、中石油、中石化、華潤、其他主要連鎖式超市及便利店。

於回顧期內，本集團之經營業績進一步錄得大幅改善，主要由於過去兩年成功在中國位置優越、人流高及經營成本低之地點設立廣泛配送網絡。憑藉負責任及可靠的即開票配送鏈，本集團已鞏固其於中國彩票配送方面之領導地位。

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Single Match Games Business

In supporting the launch of SMG in China, the Group has been playing an active role in setting up dedicated franchised shops for SMG in selected provinces and supplying the equipment for the launch of SMG.

During the first half of this year, we have witnessed the enormous growth potential of SMG. Benefiting from the South Africa World Cup, SMG sales has increased substantially in this period with the sales recorded RMB1.3 billion per month during the World Cup versus RMB130 million full year sales in 2009.

During the period under review, the Group has continued to expand its footprint by setting up dedicated franchised SMG shops across key provinces in China. As at end of the period, the Group already has presence in 7 provinces. To capture the business opportunities presented to us during World Cup, the Group has established a 24-hour Call Center in Guangdong for our SMG customers in the second quarter this year. This newly launched Call Center services have received overwhelming response from customers which helped to boost member registration and the sales. The Group pledges to provide reliable and convenient services to enhance the lottery playing experience of our SMG customers through the local presence of physical stores complementary to our user-friendly Call Center.

Mobile Lottery Business and the Electronic Lottery Platform

Being the forerunner in the introduction of new technologies and systems for the smooth and reliable development of lottery equipments and risk management system and distribution channels in China, our Group has commenced cautiously the development of a comprehensive electronic distribution platform. It incorporates the use of new and leading technologies in formulating a paperless lottery platform utilizing modern distribution channels like cooperating distribution methods and mobile based channels (the “ELP”).

In strict adherence to the regulatory guidelines established by the supervising authorities, we started our mobile based lottery distribution operation in 2009. In the first half of 2010, we have focused on fortifying our position in mobile lottery business in the existing provinces on the one hand and expanding our business geographically on the other hand. Currently, we have signed contracts and have been authorized to roll out the mobile lottery platform in 7 provinces/regions in China and we have already completed in 5 of them. We expect the number of users to increase over time upon our expansion into different provinces/regions and deepening our penetration into existing provinces/regions. China Mobile is our major roll out partner for the mobile lottery operation.

管理層討論及分析

(續)

單場競猜遊戲業務

為支持於中國推出競彩，本集團積極於特選省份增設競彩專門店，並供應推出競彩的設備。

於本年度上半年，本集團見證了競彩的龐大增長潛力。受惠於南非世界杯，競彩銷售額大幅增加，於世界杯期間該月的銷售額達人民幣13億元，而二零零九年全年銷售額則為人民幣1.3億元。

於回顧期內，本集團在中國主要省份設立競彩專門店以繼續擴展其業務。期末，本集團已進駐7個省份。為把握世界杯帶來之商機，本集團於本年度第二季在廣東設立24小時電話服務中心供競彩客戶使用。客戶對新增之電話服務反應熱烈，對增加會員登記及銷售額有重大助益。本集團透過設立競彩專門店配合其方便易用之電話服務中心，務求為競彩客戶提供可靠及簡便之服務，從而提升其參與競彩之體驗。

手機彩票業務及電子彩票配送平台

為順利和可靠地發展彩票設備及風險管理系統以及中國配送渠道，本集團率先推出新科技，並審慎地開始發展綜合電子配送平台。本集團結合嶄新及領先技術，利用合作配送方法及手機銷售渠道等現代配送渠道，創造出無紙化彩票平台（「電子彩票配送平台」）。

在嚴格遵循監管機構設定之監管指引下，本集團已於二零零九年開展手機彩票業務。於二零一零年上半年，本集團專注於鞏固現有省份之手機彩票業務，同時將業務擴展至不同地域。目前，本集團已簽訂多份合約，獲准於中國7個省份／地區推出手機彩票平台，並已完成其中5個省份。本集團預期，隨著本集團拓展至不同省份／地區及深入滲透現有省份／地區後，用戶數目將會日益增加。中國移動是本集團推出手機彩票業務的主要夥伴。

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Financial Business

Turnover of the financial business for the period decreased by 58.4% to HK\$5,144,000 (2009: HK\$12,373,000), accounting for 0.7% of the total turnover and recorded segment loss of HK\$4,849,000 (2009: HK\$7,018,000). The Group will continue to divest from its non core business and focus on the promising core lottery operations. Active measures have been taken to look for opportunities in releasing further resources from this business segment.

Outlook

Building on the solid foundation of our core lottery business, we have continued to make encouraging progress and record healthy growth in both revenue and earnings. The Group will deepen our penetration into the whole value chain of the China lottery industry from the lottery system architect upstream to distribution of lottery products downstream.

We expect the Group's DMB will bring a lot of synergies to the SGDB by building a comprehensive lottery distribution platform comprising of network of physical stores and electronic distribution channels. In the first half of 2010, we are gratifying to witness the encouraging performance of DMB division and its leading market position. The Group will continue its efforts to focus on the development of DMB.

As the Chinese lottery market continues to develop, it is envisaged that a well developed customer and risk management system is important for the smooth and reliable development of lottery distribution channels. The Group has committed to maintain its leading and unparalleled position in this dynamic industry by introducing new technologies and systems for serving this purpose. Being a herald of the industry, we have commenced the development of ELP since 2008. The ELP which we have developed can cover the mobile, telephone and web based lottery platforms as the regulations permit. Conceivably, we believe that ELP, will mark a new era for a reliable, convenient and cost-effective distribution and marketing channel of lottery tickets in China. Also, with the ELP in place, we are expecting to see more synergies will be generated amongst various lottery distribution platforms within the Group. We have already made significant progress in the development of the mobile and telephone lottery platforms and we are well positioned to participate in the launching of web/WAP based platforms depending on the regulatory developments in this regard. This development will have very positive effect on our DMB such that it will, in our view, further enhance the contributions of our DMB business significantly in the coming years and enables sustainable and good returns to be delivered in the longer term.

管理層討論及分析

(續)

金融業務

期內金融業務營業額減少58.4%至5,144,000港元(二零零九年:12,373,000港元),佔總營業額之0.7%,並錄得分部虧損4,849,000港元(二零零九年:7,018,000港元)。本集團將繼續減少其非核心業務,並專注於前景理想之彩票業務。本集團已不斷尋找機會進一步釋放此業務分部之資源。

展望

在本集團核心彩票業務之穩固基礎上,本集團繼續取得令人鼓舞之進展,並錄得穩健之收入及盈利增長。本集團將全面深入滲透中國彩票行業之整條價值鏈,包括上游之彩票系統建構,以至下游之彩票產品配送。

本集團預期,透過建立由實質店舖網絡及電子配送渠道組成之綜合彩票配送平台,本集團之配送與市場業務將為系統與遊戲開發業務帶來龐大之協同效應。於二零一零年上半年,本集團欣然見證配送與市場業務分部之出色表現及其市場領導地位。本集團將繼續專注發展配送與市場業務。

隨著中國彩票行業繼續發展,預期一個發展完善之客戶及風險管理系統對彩票配送渠道之順暢及可靠發展相當重要。本集團致力推出新科技及系統,務求在瞬息萬變之行業中維持其領導及卓越地位。作為業內之領軍者,本集團自二零零八年起開始發展電子彩票配送平台。本集團發展之電子彩票配送平台涵蓋手機、電話及網絡彩票配送平台(如規例許可)。可想而知,本集團相信電子彩票配送平台將為中國彩票行業締造一個新世代,帶來可靠、方便且具成本效益的配送及市場推廣渠道。此外,憑藉電子彩票配送平台,本集團預期旗下多個彩票配送平台之間將產生更廣泛之協同效應。本集團已於開發手機及電話彩票平台方面取得重大進展,同時亦就推出網絡/流動無線網絡平台作充份準備,只待與此相關的規例取得進展。此發展將對本集團之配送與市場業務帶來非常正面的效應,因此本集團認為此發展將在未來數年進一步大幅擴大配送與市場業務之貢獻,長期而言亦會產生可持續及豐厚之回報。

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

The development of the ELP, will also serve to provide great synergies to our cooperative distribution platform that we have developed with our valuable partners (like China Post, PetroChina, Sinopec, China Resources, other major supermarket and convenience store chains) in the past couple of years by bringing a new dimension to the distribution of lottery in China. It will enable our Group to fortify our leading position as a comprehensive lottery distributor in China. From time to time, we plan to co-operate with other leading distribution channel partners in China to deepen our penetration in the lottery market.

With respect to SMG, the growth potential is enormous in China, according to market estimates. The South Africa World Cup has proven to be a catalyst for the growth in SMG sales and enhanced its development in China. It is widely believed that as the market for SMG matures in the coming couple of years, SMG may become the single largest games category of all lottery products in China by lottery size and revenue generation.

Our Group will play an active role in supporting the development of SMG in China. The Group believes that SMG will be one of the key drivers to our revenue growth in the future as the SMG business segment takes shape and develops over the course of the coming few years.

In addition to the traditional lottery products such as CTG and Scratch Cards, it's widely expected that high frequency games will become a new growth driver for lottery sales in China in the future. With the Group's strong capabilities in high frequency games design and deployment, we believe that we're well positioned to take advantage of this opportunity. The Group will continue to extent its involvement in high frequency games' development geographically. Such a development is expected to bring a lot of synergies to our existing SGDB and DMB.

Looking ahead, our SGDB will continue to provide a solid foundation and stable recurrent income in supporting the business development of the Group, in particular the DMB development. In addition, given its resilience in nature, it will also enhance the Group's ability to weather through challenges ahead if any. As a major participant in China's Lottery industry, we are not only confident and optimistic about the future prospects of our Group, but are also confident that the Welfare and Sports Lotteries in China will continue to make significant contributions for the good causes which benefit the general public in China. The Group will continue its efforts in the furthering of such good causes in China through the careful and diligent execution of its planned strategies.

Keeping abreast of the favourable business environment and being market-oriented, we will timely adjust strategies to be conducive to its development and apply flexible and proactive marketing and investment strategies to maximize shareholder value.

管理層討論及分析

(續)

電子彩票配送平台之發展亦會為中國彩票配送行業帶來新的空間，從而為本集團與重要夥伴（如中國郵政、中石油、中石化、華潤、其他主要連鎖式超市及便利店）在過去數年共同建立之合作配送平台提供龐大之協同效應。此發展亦有助本集團加強其作為中國綜合彩票配送商之領先地位。本集團不時計劃與中國其他領先的配送渠道夥伴合作，以深化本集團於彩票市場之滲透。

根據市場估計，中國競彩之增長潛力甚大。事實證明，南非世界杯是競彩銷售增長之催化劑，加強了其於中國之發展。市場廣泛認為，隨著競彩市場於未來數年漸趨成熟，以彩票規模及所產生收入而言，競彩或會成為中國所有彩票產品之單一最大遊戲類別。

本集團將積極支持中國之競彩發展。本集團相信，隨著競彩業務分部在未來數年逐漸成形及發展，競彩將成為本集團未來收入增長的其中一個重要動力。

除電腦票及即開票等傳統彩票產品外，一般預期高頻遊戲將於未來成為中國彩票銷售之新增長動力。憑藉本集團於高頻遊戲設計及應用方面之強大能力，本集團相信本集團已佔據有利位置以善用這個機會。本集團將繼續拓展本集團發展高頻遊戲之地域。此等發展預期為本集團現有之系統與遊戲開發業務及配送與市場業務產生莫大協同效應。

展望將來，本集團之系統與遊戲開發業務將繼續為本集團提供穩固基礎及穩定收入，以支持本集團之業務發展，尤其是配送與市場業務發展。此外，基於有關業務之穩健特性，本集團面對任何未來挑戰之能力亦將有所提升。作為中國彩票行業之主要參與者，本集團不但對其前景充滿信心及感到樂觀，同時亦深信中國福利及體育彩票將繼續為有利於中國人民之公益事業作出重大貢獻。本集團亦將審慎及致力貫徹執行其既定策略，不斷努力推動中國有關公益事業。

透過緊貼有利的市況及以市場為主導，本集團將適時調整策略，以有利於其發展，並運用靈活及積極的市場推廣及投資策略以盡量提高股東價值。

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

FINANCIAL REVIEW

Financial Results

For the six months ended 30 June 2010, the Group achieved an encouraging result. During the period, the Group recorded a turnover of HK\$699,517,000 (2009: HK\$500,353,000), representing an increase of 39.8% over the last year. The increase was mainly attributable to the increase in turnover from the lottery business.

The unaudited profit attributable to shareholders was HK\$243,767,000 (2009: HK\$123,156,000). The earnings per share was 3.18 HK cents (2009: 1.66 HK cents). Fully diluted earnings per share was 3.17 HK cents (2009: 1.65 HK cents).

Liquidity, Financial Resources and Funding

At 30 June 2010, the equity attributable to equity holders of the Company amounted to HK\$3,504,913,000 as compared to HK\$3,370,533,000 at the end of the previous year.

At 30 June 2010, the Group had cash reserves of approximately HK\$231,511,000 (31 December 2009: HK\$353,158,000), which included approximately HK\$18,554,000 (31 December 2009: HK\$27,029,000) of clients' funds that were kept in designated segregated bank accounts. Most of the cash reserves were placed with major banks in the PRC and Hong Kong.

The gearing ratio as at 30 June 2010 was 1.74% (31 December 2009: 2.33%). The gearing ratio was derived by dividing the aggregate of borrowings by the amount of shareholders' equity. The liquidity ratio of the Group, represented by a ratio between current assets over current liabilities, was 696% (31 December 2009: 601%), reflecting adequacy of financial resources.

The Group had outstanding bank borrowings of approximately HK\$61,920,000 as at 30 June 2010 (31 December 2009: approximately HK\$61,657,000). The bank borrowings were denominated in Renminbi and interest bearing at prevailing commercial lending rates. It is expected that all these borrowings will be repaid by internal generated funds.

Taking into account the financial resources available to the Group including internally generated funds and available banking facilities, the Group has sufficient working capital to meet its present requirements.

管理層討論及分析

(續)

財務回顧

財務業績

截至二零一零年六月三十日止六個月，本集團之業績令人鼓舞。期內，本集團錄得營業額699,517,000港元（二零零九年：500,353,000港元），較去年上升39.8%，主要原因是彩票業務營業額增加。

未經審核股東應佔溢利為243,767,000港元（二零零九年：123,156,000港元）。每股盈利為3.18港仙（二零零九年：1.66港仙）。每股全面攤薄盈利為3.17港仙（二零零九年：1.65港仙）。

流動資金、財務資源及融資

於二零一零年六月三十日，本公司權益持有人應佔權益為3,504,913,000港元，去年年底則為3,370,533,000港元。

於二零一零年六月三十日，本集團有現金儲備約231,511,000港元（二零零九年十二月三十一日：353,158,000港元），包括存放於指定銀行獨立賬戶之客戶資金約18,554,000港元（二零零九年十二月三十一日：27,029,000港元）。現金儲備大部分存放於中國及香港主要銀行。

於二零一零年六月三十日之負債比率為1.74%（二零零九年十二月三十一日：2.33%）。負債比率為將借貸總額除以股東權益總額。本集團以流動資產除以流動負債計算之流動資金比率為696%（二零零九年十二月三十一日：601%），反映財務資源充裕。

本集團於二零一零年六月三十日之未償還銀行借貸為約61,920,000港元（二零零九年十二月三十一日：約61,657,000港元）。銀行借貸以人民幣為單位，並以現行商業貸款利率計息。預期上述所有借貸將以內部資金償還。

連同本集團可動用之財務資源，包括內部資金及可動用銀行信貸，本集團具備足夠營運資金應付現時需要。

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Pledge of Assets

At 30 June 2010, the Group's land and building with total market value of approximately HK\$49,143,000 (31 December 2009: HK\$48,864,000) and the Group's bank deposits of HK\$22,389,000 (31 December 2009: HK\$16,875,000) were pledged to banks to secure the bank borrowings granted to the Group.

Share Capital

125,000,000 new shares of HK\$0.01 each were issued and allotted during the period upon exercise of share options granted by the Company.

Save as the above, there was no change in the share capital structure of the Company during the period under review.

Exposure to Fluctuation in Exchange Rate Risk and Interest Rate Risk

The Group's assets, liabilities and transactions are mainly denominated either in Hong Kong dollar or Renminbi. The Group did not enter into any foreign exchange forward contracts to hedge against exchange rates fluctuations. Foreign exchange risk arising from the normal course of operations is considered to be minimal and the management will closely monitor the fluctuation in the currency and take appropriate actions when condition arises.

In terms of the interest rate risk exposures, the Group does not have any significant interest rate risk as both the borrowings of the Group and the interest rates currently remain at low levels.

Material Acquisitions and Disposals of Subsidiaries

The Group had no material acquisition and disposal of subsidiaries during the six months ended 30 June 2010.

Human Resources

At 30 June 2010, the Group had 1,409 employees.

The Group remunerated its employees mainly based on the individual's performance and experience. Apart from the basic remuneration, discretionary bonus and share options may be granted to eligible employees by reference to the Group's performance as well as the individual's performance.

The Group will continue to emphasise on staff training and total quality management to better prepare its staff members for the upcoming changes and challenges in the market and industry.

管理層討論及分析

(續)

資產抵押

於二零一零年六月三十日，本集團之土地及樓宇總市值約49,143,000港元（二零零九年十二月三十一日：48,864,000港元）及本集團之銀行存款22,389,000港元（二零零九年十二月三十一日：16,875,000港元）已抵押予銀行，以作為授予本集團之銀行借貸之擔保。

股本

因本公司授出之購股權獲行使，本公司於期內發行及配發125,000,000股每股面值0.01港元之新股份。

除上文所述者外，於回顧期內，本公司之股本架構並無變動。

匯率及利率波動之風險

本集團之資產、負債及交易主要以港元或人民幣計算。本集團並無就對沖匯率波動而訂立任何外匯遠期合約。在一般業務過程中，外匯風險極微，惟管理層將密切監察外匯波動，並於有需要時採取適當行動。

於利率風險方面，由於本集團之借貸及現行利率維持於低水平，故本集團並無任何重大利率風險。

重大收購及出售附屬公司

截至二零一零年六月三十日止六個月，本集團並無重大收購及出售附屬公司。

人力資源

於二零一零年六月三十日，本集團共有1,409名僱員。

本集團主要按個別員工之表現及經驗釐定僱員薪酬。除基本酬金外，本集團亦會按本集團業績表現及個別員工表現向合資格僱員發放不定額花紅及購股權。

本集團將繼續重視員工培訓及全面品質管理，使員工能作好充分準備，面對市場及行業未來之轉變及挑戰。

OTHER INFORMATION

其他資料

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

As at 30 June 2010, the interests or short positions of the Directors and chief executives in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) were as follows:

Long position in the ordinary shares of HK\$0.01 each (“Shares”) in the Company

Name of Director 董事姓名	Number of Shares held 所持股份數目	Nature of interest 權益性質	Percentage of issued share capital 佔已發行股本百分比
Chan How Chung, Victor 陳孝聰	1,198,805,635 (Note) (附註)	Interest of controlled corporation 受控制公司權益	15.54%

Note: These shares are held by Kingly Profits Corporation as beneficial owner. Kingly Profits Corporation is wholly owned by Smart Ease Corporation, which in turn, is wholly owned by Mr. Chan How Chung, Victor.

董事及主要行政人員之權益

於二零一零年六月三十日，董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份或債權證中擁有根據證券及期貨條例第352條須記錄在本公司存置之登記冊上之權益或淡倉，或根據上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益或淡倉如下：

於本公司每股0.01港元普通股（「股份」）之好倉

附註：此等股份由Kingly Profits Corporation以實益擁有人身份持有。Kingly Profits Corporation由Smart Ease Corporation全資擁有，而Smart Ease Corporation則由陳孝聰先生全資擁有。

Save as disclosed above, as at 30 June 2010, none of the Directors or chief executives had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (with in the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零一零年六月三十日，董事或主要行政人員概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債權證中擁有記錄在根據證券及期貨條例第352條須存置之登記冊上之權益或淡倉，或根據標準守則須知會本公司及聯交所之權益或淡倉。

OTHER INFORMATION

(continued)

其他資料

(續)

SHARE OPTIONS

The movements in share options granted under the share option scheme adopted by the Company on 22 November 2002 (the "Scheme") during the six months ended 30 June 2010 are shown below:

購股權

於截至二零一零年六月三十日止六個月內，根據本公司於二零零二年十一月二十二日採納之購股權計劃（「該計劃」）授出之購股權之變動如下：

Category of participant 參與人類別	Number of options 購股權數目				At 30 June 2010 於二零一零年 六月三十日	Date of offer to grant options 購股權 授出日期	Exercise price per Share 每股行使價 (HK\$) (港元)	Exercisable period 可行使期間
	At 1 January 2010 於二零一零年 一月一日	Granted during the period 期內授出	Exercised during the period 期內行使	Lapsed during the period 期內失效				
Employees 僱員	16,000,000	-	(5,000,000) ¹	-	11,000,000	20/6/2007	0.79	9/7/2007 – 8/7/2010
	10,000,000	-	-	-	10,000,000	25/7/2007	1.13	8/8/2007 – 7/8/2010
	5,000,000	-	(5,000,000) ²	-	-	14/10/2008	0.30	31/10/2008 – 30/10/2011
	182,500,000	-	(25,500,000) ³	-	157,000,000	8/12/2009	0.90	16/12/2009 – 7/12/2012
Other eligible participants 其他合資格參與人士	20,000,000	-	-	-	20,000,000	20/6/2007	0.79	9/7/2007 – 8/7/2010
	5,000,000	-	-	-	5,000,000	25/7/2007	1.13	8/8/2007 – 7/8/2010
	94,000,000	-	(72,000,000) ³	-	22,000,000	8/12/2009	0.90	16/12/2009 – 7/12/2012
Total 總數	<u>332,500,000</u>	<u>-</u>	<u>(107,500,000)</u>	<u>-</u>	<u>225,000,000</u>			

¹ The weighted average closing price of the Shares immediately before the date on which the options were exercised was HK\$1.110.

¹ 緊接購股權獲行使之日前股份之加權平均收市價為1.110港元。

² The weighted average closing price of the Shares immediately before the date on which the options were exercised was HK\$0.932.

² 緊接購股權獲行使之日前股份之加權平均收市價為0.932港元。

³ The weighted average closing price of the Shares immediately before the date on which the options were exercised was HK\$1.017.

³ 緊接購股權獲行使之日前股份之加權平均收市價為1.017港元。

At 30 June 2010, no Director had any interests in options to subscribe for shares. During the six months ended 30 June 2010, no share options were granted under the Scheme.

於二零一零年六月三十日，概無董事於可認購股份之購股權中擁有任何權益。截至二零一零年六月三十日止六個月內概無根據該計劃授出購股權。

OTHER INFORMATION

(continued)

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2010, the interests or short positions of the following parties (other than a director or chief executive of the Company) in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long position in the Shares

Name of Shareholder 股東名稱	Number of Shares held 所持股份數目	Nature of interest 權益性質	Percentage of issued share capital 佔已發行股本百分比
Kingly Profits Corporation	1,198,805,635 (Note) (附註)	Beneficial owner 實益擁有人	15.54%
Wellington Management Company, LLP	487,972,040	Investment manager 投資經理	6.32%
Ameriprise Financial Inc	714,234,300	Interest of controlled corporation 受控制公司權益	9.26%

Note: These shares are held by Kingly Profits Corporation as beneficial owner. Kingly Profits Corporation is wholly owned by Smart Ease Corporation, which in turn, is wholly owned by Mr. Chan How Chung, Victor. The interest disclosed herein was the same as the interest of Mr. Chan How Chung, Victor as disclosed in the section under "Interests of Directors and Chief Executives" in this report.

Save as disclosed above, the register required to be kept under Section 336 of the SFO shows that as at 30 June 2010, the Company had not been notified of any other person who had an interest or short position in the shares or underlying shares of the Company.

其他資料

(續)

主要股東權益

於二零一零年六月三十日，按本公司根據證券及期貨條例第336條須存置之登記冊所載，下列各方（本公司董事或行政人員除外）於本公司股份或相關股份中擁有之權益或淡倉如下：

於股份之好倉

Nature of interest 權益性質	Percentage of issued share capital 佔已發行股本百分比
Beneficial owner 實益擁有人	15.54%
Investment manager 投資經理	6.32%
Interest of controlled corporation 受控制公司權益	9.26%

附註：此等股份由Kingly Profits Corporation以實益擁有人身份持有。Kingly Profits Corporation由Smart Ease Corporation全資擁有，而Smart Ease Corporation則由陳孝聰先生全資擁有。於此披露之權益與本報告「董事及主要行政人員之權益」一節所披露陳孝聰先生之權益相同。

除上文所披露者外，根據證券及期貨條例第336條須存置之登記冊所顯示，於二零一零年六月三十日，本公司並無獲知會有任何其他人士於本公司股份或相關股份中擁有權益或淡倉。

OTHER INFORMATION

(continued)

INTERIM DIVIDEND

The Board has declared an interim dividend of 0.35 HK cent per share for the six months ended 30 June 2010 (2009: 0.18 HK cent per share) payable to shareholders of the Company whose names appear on the Company's register of members on 19 October 2010. The interim dividend will be paid on or about 29 October 2010.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 18 October 2010 to Tuesday, 19 October 2010, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Standard Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 15 October 2010.

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

The Company and its subsidiaries have not purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2010.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2010.

AUDIT COMMITTEE

The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the unaudited interim financial statements for the six months ended 30 June 2010.

其他資料

(續)

中期股息

董事會已宣派截至二零一零年六月三十日止六個月之中期股息為每股0.35港仙(二零零九年:每股0.18港仙),股息將派付予於二零一零年十月十九日名列本公司股東名冊之本公司股東。中期股息將於二零一零年十月二十九日左右派付。

暫停辦理股份過戶登記手續

本公司將由二零一零年十月十八日(星期一)至二零一零年十月十九日(星期二)(包括首尾兩日)止期間,暫停辦理本公司股份過戶登記手續,屆時將不會辦理登記任何過戶登記手續。為符合資格獲得中期股息,股東必須最遲於二零一零年十月十五日(星期五)下午四時三十分前,將所有股份過戶文件連同有關股票一併送交本公司之股份過戶登記處香港分處卓佳標準有限公司,地址為香港皇后大道東28號金鐘匯中心26樓。

買賣或贖回本公司上市證券

本公司及其附屬公司於截至二零一零年六月三十日止六個月內概無買賣或贖回本公司任何上市證券。

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載之標準守則作為董事進行證券交易之操守準則。經本公司作出明確查詢後,全體董事均已確認彼等已於截至二零一零年六月三十日止六個月內一直遵守標準守則所規定之標準。

審核委員會

審核委員會已會同管理層審閱本集團採納之會計原則及慣例,並討論內部監控及財務申報事宜,包括審閱截至二零一零年六月三十日止六個月之未經審核中期財務報表。

OTHER INFORMATION

(continued)

REMUNERATION COMMITTEE

The remuneration committee of the Company was established, with specific terms of reference in compliance with the Code of Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The committee is responsible for making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and to determine the specific remuneration packages and conditions of employment for the Directors.

CODE ON CORPORATE GOVERNANCE PRACTICES

None of the Directors is aware of any information which would reasonably indicate that the Company is not, or was not, throughout the six months period, in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules, except that the Code Provision A.4.1 requires that non-executive directors should be appointed for a specific term, subject to re-election. Currently, the non-executive Directors are not appointed for a specific term, but are subject to retirement by rotation at the Company's annual general meeting as specified in the Company's bye-laws.

By order of the Board

Chan How Chung, Victor
Executive Director

Hong Kong, 30 August 2010

其他資料

(續)

薪酬委員會

本公司已成立薪酬委員會，並遵照上市規則附錄十四所載之企業管治常規守則制定特定之權責範圍。該委員會負責就本公司有關董事及高級管理人員所有薪酬之政策及架構向董事會提出推薦建議，並釐定董事之特定薪酬組合及僱用條件。

企業管治常規守則

董事概不知悉任何資料合理顯示，本公司於六個月期內之任何時間並無或曾無遵守上市規則附錄十四所載之企業管治常規守則，惟守則條文A.4.1條規定非執行董事須按特定任期委任並須重選之守則除外。現時，非執行董事並無指定任期，惟須根據本公司之公司細則之規定於本公司之股東週年大會上輪告退。

承董事會命

執行董事
陳孝聰

香港，二零一零年八月三十日