



德祥地產集團有限公司

ITC PROPERTIES GROUP LIMITED

(Stock Code 股份代號 : 199)

Interim Report
2008-2009
中期報告

CONTENTS

目錄

	<i>Page</i> 頁次
Corporate Information 公司資料	2
Report on Review of Interim Financial Information 中期財務資料審閱報告	4
Condensed Consolidated Income Statement 簡明綜合損益表	6
Condensed Consolidated Balance Sheet 簡明綜合資產負債表	7
Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動表	9
Condensed Consolidated Cash Flow Statement 簡明綜合現金流量表	11
Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註	12
Management Discussion and Analysis 管理層討論及分析	44
Other Information 其他資料	51

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Cheung Hon Kit (*Chairman*)
Mr. Chan Fut Yan (*Managing Director*)
Mr. Cheung Chi Kit
Mr. Lai Tsan Tung, David
Mr. Ma Chi Kong, Karl

Independent Non-executive Directors

Mr. Qiao Xiaodong (*Vice Chairman*)
Mr. Wong Chi Keung, Alvin
Mr. Kwok Ka Lap, Alva

COMMITTEES

Audit Committee

Mr. Wong Chi Keung, Alvin (*Chairman*)
Mr. Qiao Xiaodong
Mr. Kwok Ka Lap, Alva

Remuneration Committee

Mr. Wong Chi Keung, Alvin (*Chairman*)
Mr. Chan Fut Yan
Mr. Kwok Ka Lap, Alva

COMPANY SECRETARY

Ms. Yan Ha Hung, Loucia

QUALIFIED ACCOUNTANT

Mr. Cheung Chi Kit

AUTHORISED REPRESENTATIVES

Mr. Cheung Hon Kit
Ms. Yan Ha Hung, Loucia (*Alternate to Mr. Cheung Hon Kit*)
Mr. Cheung Chi Kit
Ms. Yan Ha Hung, Loucia (*Alternate to Mr. Cheung Chi Kit*)

SOLICITORS

Conyers Dill & Pearman (*Bermuda*)
Iu, Lai & Li (*Hong Kong*)
Vincent T. K. Cheung, Yap & Co. (*Hong Kong*)
Leong Hon Man, Advogado (*Macau*)

AUDITORS

Deloitte Touche Tohmatsu

董事會

執行董事

張漢傑先生(*主席*)
陳佛恩先生(*董事總經理*)
張志傑先生
賴贊東先生
馬志剛先生

獨立非執行董事

喬小東先生(*副主席*)
王志強先生
郭嘉立先生

委員會

審核委員會

王志強先生(*主席*)
喬小東先生
郭嘉立先生

薪酬委員會

王志強先生(*主席*)
陳佛恩先生
郭嘉立先生

公司秘書

忻霞虹小姐

合資格會計師

張志傑先生

法定代表

張漢傑先生
忻霞虹小姐(*張漢傑先生替任人*)
張志傑先生
忻霞虹小姐(*張志傑先生替任人*)

律師

Conyers Dill & Pearman(*百慕達*)
姚黎李律師行(*香港*)
張葉司徒陳律師事務所(*香港*)
梁瀚民大律師(*澳門*)

核數師

德勤•關黃陳方會計師行

CORPORATE INFORMATION

公司資料

PRINCIPAL BANKERS

Industrial and Commercial Bank of China (Asia) Limited
The Bank of East Asia, Limited
Wing Hang Bank, Limited
Guangdong Development Bank Company Limited
UBS, AG Hong Kong Branch
CITIC Ka Wah Bank Limited

REGISTERED OFFICE

Clarendon House
Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3102, 31/F., Bank of America Tower
12 Harcourt Road
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

The Bank of Bermuda Limited
6 Front Street
Hamilton HM 11
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Secretaries Limited
26/F., Tesbury Centre
28 Queen's Road East
Wanchai, Hong Kong

WEBSITE

<http://www.itcproperties.com>

STOCK CODE

Hong Kong Stock Exchange 199

WARRANT CODE

Hong Kong Stock Exchange 490

主要往來銀行

中國工商銀行(亞洲)有限公司
東亞銀行有限公司
永亨銀行有限公司
廣東發展銀行股份有限公司
瑞士銀行香港分行
中信嘉華銀行有限公司

註冊辦事處

Clarendon House
Church Street
Hamilton HM 11
Bermuda

香港主要營業地點

香港
中環
夏慤道12號
美國銀行中心31樓3102室

主要股份登記及轉名處

The Bank of Bermuda Limited
6 Front Street
Hamilton HM 11
Bermuda

股份登記及轉名香港分處

卓佳秘書商務有限公司
香港灣仔
皇后大道東28號
金鐘匯中心26樓

網址

<http://www.itcproperties.com>

股份代號

香港聯交所 199

認股權證代號

香港聯交所 490

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION 中期財務資料審閱報告

Deloitte. 德勤

TO THE BOARD OF DIRECTORS OF ITC PROPERTIES GROUP LIMITED
德祥地產集團有限公司董事會

INTRODUCTION

We have reviewed the interim financial information set out on pages 6 to 43, which comprises the condensed consolidated balance sheet of ITC Properties Group Limited and its subsidiaries as of 30th September, 2008 and the related condensed consolidated income statement, statement of changes in equity and cash flow statement for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

引言

我們已審閱列載於第6頁至第43頁德祥地產集團有限公司及其附屬公司的中期財務資料於二零零八年九月三十日之簡明綜合資產負債表與截至該日止六個月期間的簡明綜合收益表、簡明綜合權益變動表和簡明綜合現金流量表以及附註解釋。根據香港聯合交易所有限公司主板證券上市規則必須符合相關規定和香港會計師公會頒佈的香港會計準則(「香港會計準則」)第34號「中期財務報告」的規定編製中期財務資料。董事須負責根據香港會計準則第34號編製及列報中期財務資料。我們的責任是根據我們的審閱對該中期財務資料作出結論。並按照我們雙方所協定的應聘條款，僅向全體董事會報告。除此以外，我們的報告書不可用作其他用途。我們概不就本報告書的內容向任何其他人士負責或承擔法律責任。

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

中期財務資料審閱報告

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
19th December, 2008

審閱範圍

我們已根據香港會計師公會頒佈的香港審閱工作準則第2410號「獨立核數師對中期財務資料的審閱」進行審閱。中期財務資料審閱工作包括主要向負責財務會計事項的人員詢問，並實施分析和其他審閱程序。由於審閱的範圍遠較按照香港審計準則進行審核的範圍為小，所以不能保證我們會注意到在審核中可能會被發現的所有重大事項。因此我們不會發表任何審核意見。

結論

根據我們的審閱工作，我們並沒有注意到任何事項，使我們相信本財務資料在所有重大方面沒有按照香港會計準則第34號的規定編製。

德勤•關黃陳方會計師行
執業會計師
香港
二零零八年十二月十九日

CONDENSED CONSOLIDATED INCOME STATEMENT

簡明綜合損益表

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

		Six months ended 30th September 截至九月三十日止六個月	
		2008 二零零八年 (unaudited) (未經審核) HK\$'000 港幣千元	2007 二零零七年 (unaudited and restated) (未經審核 及已重列) HK\$'000 港幣千元
	Notes 附註		
Continuing operations	持續經營業務		
Gross proceeds	營業總收入	3	100,213
Revenue	收益	3	51,834
Property sales and rental income	物業銷售及租金收入		21,878
Golf and leisure income	高爾夫球及消閒收入		16,367
Cost of sales	銷售成本		38,245 (18,907)
Gross profit	毛利		19,338
Income from loan financing	貸款融資收入		11,784
Net (loss) gain on financial instruments	金融工具淨(虧損)收益	4	(44,533)
Other income	其他收入		16,802
Administrative expenses	行政費用		(67,123)
Impairment losses on prepaid lease payments of leasehold land and premium on prepaid lease payments of leasehold land	租賃土地預付租賃款項及租賃土地預付租賃款項之溢價之減值虧損		-
Loss on disposal of an associate	出售一間聯營公司之虧損		-
Share of results of associates	應佔聯營公司業績		(1,507)
Share of result of a jointly controlled entity	應佔一間共同控制實體業績		(212)
Finance costs	財務費用	5	(53,673)
Loss before taxation	除稅前虧損		(119,124)
Taxation	稅項	6	342
Loss for the period from continuing operations	本期間來自持續經營業務之虧損		(118,782)
Discontinued operations	非持續經營業務		
Loss for the period from discontinued operations	本期間來自非持續經營業務之虧損	7	-
Loss for the period	本期間虧損	8	(118,782)
Attributable to:	下列人士應佔：		
Equity holders of the Company	本公司權益持有人		(118,782)
Minority interests	少數股東權益		-
			(118,782)
Loss per share	每股虧損	10	
From continuing and discontinued operations:	來自持續及非持續經營業務：		
Basic and diluted (HK cents)	基本及攤薄(港仙)		(1.65)
From continuing operations:	來自持續經營業務：		
Basic and diluted (HK cents)	基本及攤薄(港仙)		(1.65)

CONDENSED CONSOLIDATED BALANCE SHEET

簡明綜合資產負債表

(At 30th September, 2008) (於二零零八年九月三十日)

			30.9.2008 二零零八年 九月三十日 (unaudited) (未經審核) HK\$'000 港幣千元	31.3.2008 二零零八年 三月三十一日 (audited and restated) (經審核 及已重列) HK\$'000 港幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、機械及設備	11	189,993	178,543
Prepaid lease payments of leasehold land	租賃土地預付租賃款項		21,088	20,808
Premium on prepaid lease payments of leasehold land	租賃土地預付租賃款項之溢價		112,926	114,294
Available-for-sale investments	可供出售投資	12	59,073	94,570
Interest in a joint venture	於一間合資公司之權益	13	34,035	14,745
Interests in associates	於聯營公司之權益	14	135,376	135,503
Loans and interest due from associates	聯營公司之貸款及應付利息	14	1,076,312	1,077,690
Debt portion of convertible bonds	可換股債券之負債部份	15	33,947	51,120
Derivatives embedded in convertible bonds	可換股債券附帶之衍生工具	15	-	4,865
Properties under development	發展中物業		242,261	240,853
Deposits paid for acquisition of a land use right	收購土地使用權已付按金		47,275	47,275
			1,952,286	1,980,266
Current assets	流動資產			
Inventories	存貨		2,596	2,161
Financial assets at fair value through profit or loss	按公平值列賬及計入損益之金融資產	16	168,681	11,957
Properties held for sale	待售物業		340,131	252,903
Deposits paid for acquisition of properties held for sale	收購待售物業已付按金		20,477	-
Debt portion of convertible bonds	可換股債券之負債部份	15	284	-
Debtors, deposits and prepayments	應收賬款、按金及預付款項	17	501,150	514,795
Prepaid lease payments of leasehold land	租賃土地預付租賃款項		530	517
Other loan receivables	其他應收貸款		308,970	243,133
Amounts due from associates	應收聯營公司款項		2,097	2,154
Unsecured loans and interest due from related companies	關連公司之無抵押貸款及應付利息		60,105	58,251
Pledged bank deposits	已抵押銀行存款		46,689	51,818
Bank balances and cash	銀行結餘及現金		533,967	243,038
			1,985,677	1,380,727

CONDENSED CONSOLIDATED BALANCE SHEET

簡明綜合資產負債表

(At 30th September, 2008) (於二零零八年九月三十日)

			30.9.2008 二零零八年 九月三十日 (unaudited) (未經審核) HK\$'000 港幣千元	31.3.2008 二零零八年 三月三十一日 (audited and restated) (經審核 及已重列) HK\$'000 港幣千元
	<i>Notes</i> 附註			
Current liabilities		流動負債		
Creditors, deposits and accrued charges		應付賬款、按金及應計開支	111,549	70,392
Amounts due to minority shareholders of subsidiaries		應付附屬公司少數股東 款項	921	890
Tax payable		應繳稅項	13,552	13,252
Convertible note payables		一年內到期之可換股票據		
– due within one year		應付款項	2,655	7,284
Obligations under finance leases		一年內到期之融資租賃		
– due within one year		承擔	62	49
Bank and other borrowings		一年內到期之銀行及		
– due within one year		其他借貸	105,902	113,996
			<u>234,641</u>	<u>205,863</u>
Net current assets		淨流動資產	<u>1,751,036</u>	<u>1,174,864</u>
Total assets less current liabilities		總資產減流動負債	<u>3,703,322</u>	<u>3,155,130</u>
Non-current liabilities		非流動負債		
Convertible note payables		一年後到期之可換股票據		
– due after one year		應付款項	1,281,993	1,236,559
Obligations under finance leases		一年後到期之融資租賃		
– due after one year		承擔	191	173
Bank and other borrowings		一年後到期之銀行及		
– due after one year		其他借貸	33,583	39,647
Deferred tax liabilities		遞延稅項負債	28,232	28,574
			<u>1,343,999</u>	<u>1,304,953</u>
			<u>2,359,323</u>	<u>1,850,177</u>
Capital and reserves		股本及儲備		
Share capital		股本	119,943	30,955
Reserves		儲備	2,232,201	1,812,043
Equity attributable to the equity holders of the Company		本公司權益持有人應佔權益	<u>2,352,144</u>	<u>1,842,998</u>
Minority interests		少數股東權益	7,179	7,179
			<u>2,359,323</u>	<u>1,850,177</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

		Attributable to equity holders of the Company 本公司權益持有人應佔部分													
		Share capital	Share premium	Convertible Capital redemption reserve	Convertible loan notes equity reserve	Share-based payment reserve	Available-for-sale investments reserve	Special reserve	Revaluation reserve	Translation reserve	Warrant reserve	Accumulated profits (losses)	Total	Minority interests	Total
		股本	股份溢價	股本贖回儲備	可換股票據股本儲備	股份付款儲備	可供出售投資儲備	特別儲備	重估儲備	換算儲備	儲備	累計溢利(虧損)	總計	少數股東權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1st April, 2007 (audited)	於二零零七年四月一日 (經審核)	23,123	1,066,055	1,124	368,304	3,296	3,481	(8,908)	1,795	10,364	-	153,005	1,621,639	50,181	1,671,820
Exchange differences arising on translation of foreign operations	換算外國業務之匯兌差額	-	-	-	-	-	-	-	-	2,148	-	-	2,148	428	2,576
Gain on fair value changes of available-for-sale investments	可供出售投資公平值變動收益	-	-	-	-	-	20,579	-	-	-	-	-	20,579	-	20,579
Net income recognised directly in equity	於股本權益直接確認之淨收入	-	-	-	-	-	20,579	-	-	2,148	-	-	22,727	428	23,155
Loss for the period	期內虧損	-	-	-	-	-	-	-	-	-	-	(108,877)	(108,877)	(854)	(109,731)
Released on disposal of subsidiaries	於出售附屬公司時轉出	-	-	-	-	-	-	-	-	(3,801)	-	-	(3,801)	(504)	(4,305)
Released on disposal of available-for-sale investments	於出售可供出售投資時轉出	-	-	-	-	-	(32,007)	-	-	-	-	-	(32,007)	-	(32,007)
Total recognised income and expenses for the period	期內已確認開支總額	-	-	-	-	-	(11,428)	-	-	(1,653)	-	(108,877)	(121,958)	(930)	(122,888)
Conversion of convertible notes	兌換可換股票據	4,832	268,001	-	(60,585)	-	-	-	-	-	-	-	212,248	-	212,248
Issue of shares	發行股份	3,000	165,000	-	-	-	-	-	-	-	-	-	168,000	-	168,000
Expenses incurred in connection with issue of shares	發行股份之開支	-	(5,088)	-	-	-	-	-	-	-	-	-	(5,088)	-	(5,088)
Recognition of equity-settled share-based payments	確認股本結算股份付款	-	-	-	-	2,771	-	-	-	-	-	-	2,771	-	2,771
At 30th September, 2007 (unaudited)	於二零零七年九月三十日 (未經審核)	30,955	1,493,968	1,124	307,719	6,067	(7,947)	(8,908)	1,795	8,711	-	44,128	1,877,612	49,251	1,926,863

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 簡明綜合權益變動表

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

		Attributable to equity holders of the Company 本公司權益持有人應佔部分													
		Share capital	Share premium	Convertible Capital redemption reserve	Convertible loan notes equity reserve	Share-based payment reserve	Available-for-sale investments reserve	Special reserve	Revaluation reserve	Translation reserve	Warrant reserve	Accumulated profits (losses)	Minority interests	Total	
		股本	股份溢價	股本贖回儲備	可換股票據股本儲備	股份付款儲備	可供出售投資儲備	特別儲備	重估儲備	換算儲備	儲備	累計溢利(虧損)	總計	少數股東權益	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
At 1st April, 2008 (audited)	於二零零八年四月一日 (經審核)	30,955	1,493,942	1,124	307,719	11,638	(12,900)	(8,908)	804	7,472	-	11,152	1,842,998	7,179	1,850,177
Exchange differences arising on translation of foreign operations	換算外國業務之匯兌差額	-	-	-	-	-	-	-	-	2,321	-	-	2,321	-	2,321
Loss on fair value changes of available-for-sale investments	可供出售投資公平值變動虧損	-	-	-	-	-	(23,232)	-	-	-	-	-	(23,232)	-	(23,232)
Income and expenses recognised directly in equity	直接於權益中確認之收入及開支	-	-	-	-	-	(23,232)	-	-	2,321	-	-	(20,911)	-	(20,911)
Loss for the period	本期間虧損	-	-	-	-	-	-	-	-	-	-	(118,782)	(118,782)	-	(118,782)
Impairment loss on available-for-sale investments	可供出售投資減值虧損	-	-	-	-	-	31,171	-	-	-	-	-	31,171	-	31,171
Released on disposal of available-for-sale investments	於出售可供出售投資時轉出	-	-	-	-	-	4,299	-	-	-	-	-	4,299	-	4,299
Total recognised income and expenses for the period	期內已確認收入及開支總額	-	-	-	-	-	12,238	-	-	2,321	-	(118,782)	(104,223)	-	(104,223)
Rights issue with warrants	具認股權證之供股	92,866	522,622	-	-	-	-	-	-	-	34,571	-	650,059	-	650,059
Expenses incurred in connection with issue of shares	發行股份之開支	-	(23,183)	-	-	-	-	-	-	-	-	-	(23,183)	-	(23,183)
Recognition of equity-settled share-based payments	確認股本結算股份付款	-	-	-	-	3,999	-	-	-	-	-	-	3,999	-	3,999
Transfer on lapse of share options	於購股權失效時轉撥	-	-	-	-	(4,242)	-	-	-	-	-	4,242	-	-	
Repurchase and cancellation of shares	購回及註銷股份	(3,878)	(13,628)	3,878	-	-	-	-	-	-	-	(3,878)	(17,506)	-	(17,506)
At 30th September, 2008 (unaudited)	於二零零八年九月三十日 (未經審核)	119,943	1,979,753	5,002	307,719	11,395	(662)	(8,908)	804	9,793	34,571	(107,266)	2,352,144	7,179	2,359,323

Note: Special reserve of the Group represents the difference between the nominal value of the share capital of the subsidiaries acquired and the nominal amount of the share capital of the Company issued as consideration under the group reorganisation in 1994.

附註: 本集團特別儲備為本公司根據於一九九四年集團重組所收購附屬公司之股本面值與本公司發行作為代價之股本面值兩者之差額。

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

簡明綜合現金流量表

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

		Six months ended 30th September 截至九月三十日止六個月	
		2008 二零零八年 (unaudited) (未經審核) HK\$'000 港幣千元	2007 二零零七年 (unaudited) (未經審核) HK\$'000 港幣千元
	Note 附註		
Operating cash flows before movements in working capital	未計營運資金變動前之經營業務現金流量	(4,561)	72,631
(Increase) decrease in financial assets at fair value through profit or loss	按公平值列賬及計入損益之金融資產(增加)減少	(167,448)	29,773
(Increase) decrease in other loan receivables	其他應收貸款(增加)減少	(65,837)	7,151
Decrease (increase) in debtors, deposits and prepayments	應收賬款、按金及預付款項減少(增加)	26,977	(234,598)
Decrease (increase) in properties held for sale	持作銷售物業減少(增加)	10,515	(205,685)
Other operating cash flows	其他經營現金流量	(11,663)	(2,318)
Net cash used in operating activities	經營業務所耗現金淨額	(212,017)	(333,046)
Net cash used in investing activities	投資業務所耗現金淨額		
Proceeds from redemption of convertible bonds by the issuer	發行者贖回可換股債券所得款項	57,000	-
Proceeds from disposal of an associate	出售聯營公司所得款項	-	136,607
Refundable earnest monies received	已收可予退還誠意金	-	21,884
Loan advanced to a jointly controlled entity	墊款予一間共同控制實體之貸款	(58,577)	-
Refundable earnest monies paid	已付可予退還誠意金	(20,670)	-
Loan advanced to a joint venture	墊款予一間合資公司之貸款	(18,905)	-
Loans advanced to associates	墊款予聯營公司之貸款	-	(166,016)
Disposal of subsidiaries (net of cash and cash equivalents disposed of)	出售附屬公司(扣除所出現金及現金等值項目)	-	(61,809)
Purchase of available-for-sale investments	購入可供出售投資	(5,633)	(41,307)
Other investing cash flows	其他投資現金流量	14,786	(10,343)
		(31,999)	(120,984)
Net cash from financing activities	融資業務所得現金淨額		
Proceeds from issue of shares	發行股份所得款項	650,059	168,000
New bank and other borrowings raised	新增銀行及其他借貸	20,247	406,591
Repayment to a former shareholder of a subsidiary	償還附屬公司前股東之款項	(58,758)	-
Repayment of bank and other borrowings	償還銀行及其他借貸	(35,202)	(63,924)
Expenses paid in connection with issue of shares	發行股份開支	(23,183)	(5,088)
Share repurchase and cancellation	購回及註銷股份	(17,506)	-
Other financing cash flows	其他融資現金流量	(28)	10,961
		535,629	516,540
Net increase in cash and cash equivalents	現金及現金等值項目增加淨額	291,613	62,510
Cash and cash equivalents at beginning of the period	期初之現金及現金等值項目	243,038	254,622
Effect of foreign exchange rate changes	匯率變動影響	(684)	(1,919)
Cash and cash equivalents at end of the period, representing bank balances and cash	期終之現金及現金等值項目指銀行結餘及現金	533,967	315,213

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

1. BASIS OF PREPARATION

The 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 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values.

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 31st March, 2008. In addition, the Group has applied the following accounting policies during the current interim period:

Warrants

Warrants issued by the Company that will be settled by the exchange of a fixed amount of cash for a fixed number of the Company’s own equity instruments are classified as an equity instrument.

The fair value of warrants on the date of issue is recognised in equity (warrant reserve). The warrant reserve will be transferred to share capital and share premium upon exercise of the warrants. Where the warrants remain unexercised at the expiry date, the amount previously recognised in warrant reserve will be released to the accumulated profits or losses.

1. 編製基準

簡明綜合財務報表乃根據香港聯合交易所有限公司(「聯交所」)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第34號「中期財務報告」編製。

2. 主要會計政策

除若干金融工具乃於適用情況下按公平值計算外，簡明綜合財務報表乃按歷史成本法編製。

此簡明綜合財務報表所採納會計政策與編製本集團截至二零零八年三月三十一日止年度之年度財務報表所依循者一致。此外，本集團於本中期期間已應用下列會計政策：

認股權證

由本公司發行以定額現金換取本公司本身之定額股本工具進行結算之認股權證分類為股本工具。

認股權證於發行日期之公平值於權益(認股權證儲備)確認。認股權證儲備於認股權證獲行使後轉撥至股本及股份溢價。倘認股權證於屆滿日期尚未行使，過往於認股權證儲備確認之金額將解除至累計溢利或虧損。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

2. PRINCIPAL ACCOUNTING POLICIES

(Cont'd)

Jointly controlled entities

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

The results and assets and liabilities of jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in jointly controlled entities are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the jointly controlled entities, less any identified impairment loss. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

When a group entity transacts with a jointly controlled entity of the Group, profits or losses are eliminated to the extent of the Group's interest in the jointly controlled entity.

In the current interim period, the Group has applied, for the first time, amendments and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning 1st April, 2008 or immediately effective from 1st July, 2008. The adoption of these new HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

2. 主要會計政策 (續)

共同控制實體

共同控制實體指以合資安排另行成立之獨立實體，而合資各方共同控制該實體之經濟活動。

共同控制實體之業績及資產與負債以會計權益法計入綜合財務報表。根據權益法，於共同控制實體之投資以成本在綜合資產負債表內列賬，並就本集團應佔共同控制實體之資產淨值於收購後之變動作出調整，減任何已識別減值虧損列賬。倘本集團應佔共同控制實體之虧損相等於或高於其於該共同控制實體之權益(包括任何實質上構成本集團於該共同控制實體之淨投資一部份之任何長期權益)，則本集團會終止確認其應佔之進一步虧損。本集團會就額外應佔之虧損撥備，並會確認負債，惟僅以本集團已產生法定或推定責任或代表該共同控制實體付款為限。

當一家集團實體與一家本集團共同控制實體進行交易時，損益會按本集團於該共同控制實體之權益為限予以撇銷。

於本中期期間，本集團首次應用由香港會計師公會頒佈並於本集團由二零零八年四月一日開始之財務年度起或於二零零八年七月一日即時生效之若干修訂及詮釋(「新香港財務報告準則」)。採納該等新香港財務報告準則並未對本集團於現時或過往會計期間之業績或財務狀況構成重大影響，因此並未確認過往期間之調整。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

2. PRINCIPAL ACCOUNTING POLICIES 2. 主要會計政策 (續)

(Cont'd)

The Group has not early applied the following new or revised standards, amendments or interpretations that have been issued but are not yet effective:

HKFRSs (Amendments)	Improvements to HKFRSs ¹
HKAS 1 (Revised)	Presentation of Financial Statements ²
HKAS 23 (Revised)	Borrowing Costs ²
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ³
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ²
HKAS 39 (Amendment)	Eligible Hedged Items ³
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate ²
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ²
HKFRS 3 (Revised)	Business Combinations ³
HKFRS 8	Operating Segments ²
HK(IFRIC)-Int 13	Customer Loyalty Programmes ⁴
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate ²
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation ⁵
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners ³

¹ Effective for annual periods beginning on or after 1st January, 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1st July, 2009

² Effective for annual periods beginning on or after 1st January, 2009

³ Effective for annual periods beginning on or after 1st July, 2009

⁴ Effective for annual periods beginning on or after 1st July, 2008

⁵ Effective for annual periods beginning on or after 1st October, 2008

本集團並無提早應用下列已頒佈惟尚未生效之新準則或經修訂準則、修訂或詮釋：

香港財務報告準則 (修訂本)	香港財務報告準則改善 ¹
香港會計準則第1號 (經修訂)	呈列財務報表 ²
香港會計準則第23號 (經修訂)	借貸成本 ²
香港會計準則第27號 (經修訂)	綜合及獨立財務報表 ³
香港會計準則第32號及第1號(修訂本)	可予沽出之金融工具及因清盤而產生之責任 ²
香港會計準則第39號(修訂本)	合資格對沖項目 ³
香港財務報告準則第1號及香港會計準則第27號(修訂本)	投資附屬公司、共同控制實體或聯營公司之成本 ²
香港財務報告準則第2號(修訂本)	歸屬條件及註銷 ²
香港財務報告準則第3號(經修訂)	業務合併 ³
香港財務報告準則第8號	經營分部 ²
香港(國際財務報告詮釋委員會) – 詮釋第13號	客戶忠誠計劃 ⁴
香港(國際財務報告詮釋委員會) – 詮釋第15號	房地產建造合同 ²
香港(國際財務報告詮釋委員會) – 詮釋第16號	海外業務投資淨額對沖 ⁵
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 ³

¹ 於二零零九年一月一日或之後開始之年度期間生效，除香港財務報告準則第5號之修訂外，其將於二零零九年七月一日或之後開始之年度期間生效

² 於二零零九年一月一日或之後開始之年度期間生效

³ 於二零零九年七月一日或之後開始之年度期間生效

⁴ 於二零零八年七月一日或之後開始之年度期間生效

⁵ 於二零零八年十月一日或之後開始之年度期間生效

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

2. PRINCIPAL ACCOUNTING POLICIES

(Cont'd)

The adoption of HKAS 1 results in a change in presentation of the primary statements of financial statements and HKFRS 8 results in a change in the basis of reporting of segment information. The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st July, 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company (the "Directors") anticipate that the application of the other new or revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

For management purposes, the Group is currently organised into five operating divisions. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Property development	–	development of property
Property investment	–	trading of properties
Golf and leisure	–	development and operation of golf resort and hotel
Securities investment	–	trading of securities
Finance	–	loan financing services

The Group was previously engaged in trading of motorcycles and manufacturing and trading of medicine and health products, which were discontinued in March 2008 and July 2007, respectively, as set out in note 7.

2. 主要會計政策 (續)

採納香港會計準則第1號導致財務報表之主要報表之呈列出現變動，而香港財務報告準則第8號導致分部資料之呈報基準出現變動。若收購日期為二零零九年七月一日或之後開始之首個年度報告期間開始之時或其後，則採納香港財務報告準則第3號(經修訂)可能影響有關業務合併之會計處理。若母公司於附屬公司之擁有權變動並無導致失去控制權，則香港會計準則第27號(經修訂)將影響有關擁有權變動之會計處理並將之以股權交易入賬。本公司董事(「董事」)預期，應用其他新訂或經修訂準則、修訂或詮釋不會對本集團之業績及財務狀況構成重大影響。

3. 分部資料

就管理而言，本集團目前分為五個營運部門。該等部門為本集團報告其首要分部資料之基準。

主要營運如下：

物業發展	–	物業發展
物業投資	–	物業買賣
高爾夫球及 消閒	–	發展及經營 高爾夫球 度假村及酒店
證券投資	–	證券買賣
融資	–	貸款融資服務

如附註7所載，本集團過往從事買賣摩托車以及製造及買賣醫藥及健康產品，該等業務已分別於二零零八年三月及二零零七年七月終止。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

3. SEGMENT INFORMATION (Cont'd)

Gross proceeds comprise revenue from property development and investment, golf and leisure operations, loan financing income, dividend income from investments held-for-trading and gross proceeds from disposal of investments held-for-trading. Revenues include revenue from property development and investment, golf and leisure operations, loan financing income, dividend income from investments held-for-trading and net realised gain on sales of investments held-for-trading. For the six months ended 30th September, 2007, revenue included gross proceeds from disposal of investments held-for-trading of HK\$260,266,000 and interest on loan due from an associate of HK\$37,619,000 which shall be included in other income. Comparative figures are restated to conform with current period presentation.

For the six months ended 30th September, 2008

		Property development 物業發展 HK\$'000 港幣千元	Property investment 物業投資 HK\$'000 港幣千元	Golf and leisure 高爾夫球 及消閒 HK\$'000 港幣千元	Securities investment 證券投資 HK\$'000 港幣千元	Finance 融資 HK\$'000 港幣千元	Segment total 分部合計 HK\$'000 港幣千元	Elimination/ adjustments 對銷/ 調整 HK\$'000 港幣千元	Consolidated 綜合 HK\$'000 港幣千元
GROSS PROCEEDS	營業總收入	796	21,082	16,367	50,184	11,784	100,213	-	100,213
REVENUE	收益								
External sales	對外之銷售	796	21,082	16,367	1,805	11,784	51,834	-	51,834
Inter-segment sales*	分部之間之銷售*	-	-	-	-	8,924	8,924	(8,924)	-
Total	合計	796	21,082	16,367	1,805	20,708	60,758	(8,924)	51,834
SEGMENT RESULTS	分部業績	(8,924)	5,145	(9,208)	(47,942)	4,357	(56,572)	7,113	(49,459)
Unallocated corporate income	未分配企業收入						17,236	-	17,236
Unallocated corporate expenses	未分配企業費用						(31,509)	-	(31,509)
Share of results of associates	應佔聯營公司業績	(1,507)	-	-	-	-	(1,507)	-	(1,507)
Share of result of a jointly controlled entity	應佔一間共同 控制實體業績	(212)	-	-	-	-	(212)	-	(212)
Finance costs	財務費用						(53,673)	-	(53,673)
Loss before taxation	除稅前虧損						(126,237)	7,113	(119,124)
Taxation	稅項						342	-	342
Loss for the period	本期間虧損						(125,895)	7,113	(118,782)

* Inter-segment sales were charged at terms determined and agreed between group companies

3. 分部資料(續)

營業總收入包括物業發展及投資收益、高爾夫球及消閒業務、貸款融資收入、持作買賣投資之股息收入及出售持作買賣投資所得款項總額。收益包括物業發展及投資收益、高爾夫球及消閒業務、貸款融資收入、持作買賣投資之股息收入及出售持作買賣投資之變現收益淨額。截至二零零七年九月三十日止六個月，收益包括來自出售持作買賣投資之營業總收入港幣260,266,000元及應收一間聯營公司之貸款利息港幣37,619,000元(應計入其他收入)。比較數字已重列，務求與本期間呈列一致。

截至二零零八年九月三十日止六個月

* 分部之間之銷售乃按集團內各公司之間釐定及同意之條款計費

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

3. SEGMENT INFORMATION (Cont'd)

For the six months ended 30th September, 2007

3. 分部資料(續)

截至二零零七年九月三十日止六個月

		Continuing operations 持續經營業務						Discontinued operation 非持續經營業務					Total Consolidated 綜合 港幣千元
		Property development 物業發展 HK\$'000 港幣千元	Property investment 物業投資 HK\$'000 港幣千元	Golf and leisure 高爾夫球 及消閒 HK\$'000 港幣千元	Securities investment 證券投資 HK\$'000 港幣千元	Finance 融資 HK\$'000 港幣千元	Segment total 分部合計 HK\$'000 港幣千元	Elimination/ adjustments 對銷/調整 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元	Motorcycles 摩托車 HK\$'000 港幣千元	Medicine and health products 醫藥及 健康產品 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元	
GROSS PROCEEDS	營業總收入	978	6,925	24,994	261,122	20,395	314,414	-	314,414	9,044	115,741	124,785	439,199
REVENUE	收益												
External sales	對外之銷售	978	6,925	24,994	6,730	20,395	60,022	-	60,022	9,044	115,741	124,785	184,807
Inter-segment sales*	分部之間之銷售*	-	-	-	-	14,005	14,005	(14,005)	-	-	-	-	-
Total	合計	978	6,925	24,994	6,730	34,400	74,027	(14,005)	60,022	9,044	115,741	124,785	184,807
SEGMENT RESULTS	分部業績	(322)	2,215	(10,651)	54,079	1,406	46,727	18,815	65,542	347	1,747	2,094	67,636
Unallocated corporate income	未分配企業收入						44,323	-	44,323			689	45,012
Unallocated corporate expenses	未分配企業費用						(27,187)	-	(27,187)			-	(27,187)
Impairment losses on prepaid lease payments of leasehold land and premium on prepaid lease payment of leasehold land	租賃土地預付租賃款項以及租賃土地預付租賃款項之溢價之減值虧損	-	-	(45,000)	-	-	(45,000)	-	(45,000)	-	-	-	(45,000)
Loss on disposal of an associate	出售一間聯營公司所產生之虧損	-	(39,486)	-	-	-	(39,486)	-	(39,486)	-	-	-	(39,486)
Share of results of associates	應佔聯營公司業績	(38,036)	5,000	-	-	-	(33,036)	-	(33,036)	-	-	-	(33,036)
Finance costs	財務費用						(55,523)	-	(55,523)			(612)	(56,135)
(Loss) profit before taxation	除稅前(虧損)溢利						(109,182)	18,815	(90,367)			2,171	(88,196)
Taxation	稅項						(2,400)	-	(2,400)			(558)	(2,958)
Loss on disposal of discontinued operations	出售非持續經營業務所產生之虧損						-	-	-			(18,577)	(18,577)
Loss for the period	本期間虧損						(111,582)	18,815	(92,767)			(16,964)	(109,731)

* Inter-segment sales were charged at terms determined and agreed between group companies

* 分部之間之銷售乃按集團內各公司之間釐定及同意之條款計費

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

4. NET (LOSS) GAIN ON FINANCIAL INSTRUMENTS 4. 金融工具淨(虧損)收益

	Continuing operations Six months ended 30th September 持續經營業務 截至九月三十日止六個月		Discontinued operations Six months ended 30th September 非持續經營業務 截至九月三十日止六個月		Consolidated Six months ended 30th September 綜合 截至九月三十日止六個月	
	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
(Loss) gain on disposal of available-for-sale investments	(4,299)	38,410	-	-	(4,299)	38,410
Gain on redemption of convertible bonds by the issuer	3,103	-	-	-	3,103	-
Impairment loss on available-for-sale investments	(31,171)	-	-	-	(31,171)	-
(Decrease) increase in fair values of:						
- financial assets held-for-trading	(10,724)	19,488	-	-	(10,724)	19,488
- equity-linked notes	-	(323)	-	-	-	(323)
- derivatives embedded in convertible bonds	(3,247)	(1,397)	-	-	(3,247)	(1,397)
Dividend income on financial instruments	1,805	857	-	-	1,805	857
	(44,533)	57,035	-	-	(44,533)	57,035

5. FINANCE COSTS

5. 財務費用

	Continuing operations Six months ended 30th September 持續經營業務 截至九月三十日止六個月		Discontinued operations Six months ended 30th September 非持續經營業務 截至九月三十日止六個月		Consolidated Six months ended 30th September 綜合 截至九月三十日止六個月	
	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Interest on:						
Unsecured loans from minority shareholders of subsidiaries	-	216	-	-	-	216
Unsecured loans from a related company	-	49	-	-	-	49
Bank and other borrowings wholly repayable within five years	3,685	5,376	-	612	3,685	5,988
Obligations under finance leases	12	4	-	-	12	4
Effective interest on convertible note payables	49,976	49,878	-	-	49,976	49,878
	53,673	55,523	-	612	53,673	56,135

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

6. TAXATION

6. 稅項

	Continuing operations Six months ended 30th September 持續經營業務 截至九月三十日止六個月		Discontinued operations Six months ended 30th September 非持續經營業務 截至九月三十日止六個月		Consolidated Six months ended 30th September 綜合 截至九月三十日止六個月	
	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Current tax:						
Hong Kong Profits Tax	-	56	-	-	-	56
Taxation in other jurisdictions	-	66	-	558	-	624
	-	122	-	558	-	680
Deferred tax (credit) charge	(342)	2,278	-	-	(342)	2,278
	(342)	2,400	-	558	(342)	2,958

On 26th June, 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which includes the reduction in corporate profits tax rate by 1% to 16.5% effective from the year of assessment 2008-2009. Accordingly, Hong Kong Profits Tax is calculated at 16.5% (2007: 17.5%) of the estimated assessable profits for the six months ended 30th September, 2008.

Taxation arising in other jurisdictions is calculated at rates prevailing in the relevant jurisdictions.

7. DISCONTINUED OPERATIONS

On 31st July, 2007, the Group disposed of its entire 100% equity interest in Tung Fong Hung Investment Limited ("TFH") (together with its subsidiaries, the "TFH Group"), which carried out all of the Group's business of manufacturing and trading of medicine and health products, together with an assignment of the outstanding loan owed by TFH amounted to HK\$99,728,000 to the acquirer.

於二零零八年六月二十六日，香港立法會通過《2008年收入條例草案》，該議案訂明企業利得稅稅率調低1%至16.5%，自二零零八年至二零零九年應課稅年度起生效。因此，截至二零零八年九月三十日止六個月之香港利得稅乃按估計應課稅溢利之16.5%（二零零七年：17.5%）計算。

其他司法權區產生之稅項乃按有關司法權區之現行稅率計算。

7. 非持續經營業務

於二零零七年七月三十一日，本集團出售其於Tung Fong Hung Investment Limited（「東方紅」）（連同其附屬公司一併稱為「東方紅集團」）之全部股本權益（東方紅原負責本集團的製造及買賣醫藥及健康產品一切業務），同時將東方紅所欠之港幣99,728,000元未償還貸款撥予收購方。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

7. DISCONTINUED OPERATIONS (Cont'd)

On 31st March, 2008, the Group disposed of its entire interest in King-Tech International Holdings Limited (together with its subsidiary, the "King-Tech Group"), which carried out all of the Group's business of trading of motorcycles.

The (loss) profit for the period from the discontinued operations is analysed as follows:

7. 非持續經營業務(續)

於二零零八年三月三十一日，本集團出售其於勁龍國際控股有限公司(連同其附屬公司一併稱為「勁龍集團」)之全部權益(勁龍集團原負責本集團的買賣摩托車業務)。

期內來自非持續經營業務之(虧損)溢利分析如下：

		Six months ended 30.9.2007 截至二零零七年 九月三十日 止六個月 HK\$'000 港幣千元
Profit for the period from discontinued operations:	本期間來自非持續經營業務之溢利：	
Profit from manufacturing and trading of medicine and health products operation	來自製造及買賣醫藥及健康產品業務之溢利	1,266
Profit from trading of motorcycles operation	來自買賣摩托車業務之溢利	<u>347</u>
		1,613
Loss on disposal of the business of manufacturing and trading of medicine and health products	出售製造及買賣醫藥及健康產品業務之虧損	<u>(18,577)</u>
		<u>(16,964)</u>
Attributable to:	下列人士應佔：	
Equity holders of the Company	本公司權益持有人	(16,894)
Minority interests	少數股東權益	<u>(70)</u>
		<u>(16,964)</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

7. DISCONTINUED OPERATIONS (Cont'd)

The results of businesses of manufacturing and trading of medicine and health products, and trading of motorcycles which have been included in the condensed consolidated income statement in prior period were as follows:

7. 非持續經營業務(續)

過往期間，製造及買賣醫藥及健康產品業務及買賣摩托車業務(已載於簡明綜合損益表)之業績如下：

		Motorcycles 摩托車	Medicine and health products 醫藥及 健康產品	Total 總計
		1.4.2007 to 30.9.2007 二零零七年 四月一日至 二零零七年 九月三十日 HK\$'000 港幣千元	1.4.2007 to 31.7.2007 二零零七年 四月一日至 二零零七年 七月三十一日 HK\$'000 港幣千元	1.4.2007 to 30.9.2007 二零零七年 四月一日至 二零零七年 九月三十日 HK\$'000 港幣千元
Revenue	收益	9,044	115,741	124,785
Cost of sales	銷售成本	(8,503)	(77,496)	(85,999)
Gross profit	毛利	541	38,245	38,786
Other income	其他收入	1	967	968
Distribution and selling expenses	分銷及銷售費用	–	(25,580)	(25,580)
Administrative expenses	行政費用	(195)	(11,196)	(11,391)
Finance costs	財務費用	–	(612)	(612)
Profit before taxation	除稅前溢利	347	1,824	2,171
Taxation	稅項	–	(558)	(558)
Profit for the period	本期間溢利	347	1,266	1,613
Attributable to:	下列人士應佔：			
Equity holders of the Company	本公司權益持有人	347	1,336	1,683
Minority interests	少數股東權益	–	(70)	(70)
		347	1,266	1,613

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

7. DISCONTINUED OPERATIONS (Cont'd)

The net assets of the TFH Group at the date of disposal were as follows:

		31.7.2007 二零零七年 七月三十一日 HK\$'000 港幣千元
Net assets disposed of	出售資產淨額	130,483
Realisation of translation reserve	換算儲備變現	<u>(3,801)</u>
		126,682
Loss on disposal	出售虧損	<u>(18,577)</u>
		108,105
Total consideration	代價總額	<u>108,105</u>
Satisfied by:	以下列方式支付：	
Cash consideration	現金代價	20,000
Other loan receivable	其他應收貸款	90,000
Expenses incurred for the disposal	出售開支	<u>(1,895)</u>
		<u>108,105</u>
		1.4.2007 to 31.7.2007 二零零七年 四月一日至 二零零七年 七月三十一日 HK\$'000 港幣千元
Net cash outflow arising on the disposal:	出售之現金流出淨額：	
Cash consideration	現金代價	20,000
Bank balances and cash disposed of	出售銀行結餘及現金	(79,914)
Expenses incurred for the disposal	出售開支	<u>(1,895)</u>
		<u>(61,809)</u>
Cash flows from the TFH Group:	來自東方紅集團之現金流量：	
Net cash from operating activities	經營業務所得之現金淨額	28,317
Net cash used in investing activities	投資業務所耗之現金淨額	(822)
Net cash from financing activities	融資業務所得之現金淨額	<u>846</u>
Net cash flows	現金流量淨額	<u>28,341</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

8. LOSS FOR THE PERIOD

8. 本期間虧損

	Continuing operations		Discontinued operations		Consolidated	
	Six months ended		Six months ended		Six months ended	
	30th September		30th September		30th September	
	持續經營業務		非持續經營業務		綜合	
	截至九月三十日止六個月		截至九月三十日止六個月		截至九月三十日止六個月	
	2008	2007	2008	2007	2008	2007
	二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Loss for the period has been arrived at after charging (crediting):						
Depreciation of property, plant and equipment	5,439	8,712	-	1,881	5,439	10,593
Release of prepaid lease payments of leasehold land	262	1,237	-	10	262	1,247
Amortisation of premium on prepaid lease payments of leasehold land	1,368	1,542	-	-	1,368	1,542
Equity-settled share-based payments expenses	3,999	2,771	-	-	3,999	2,771
Loss on disposal of property, plant and equipment	117	33	-	14	117	47
Interest income	(25,073)	(63,232)	-	(691)	(25,073)	(63,923)

9. DIVIDENDS

The directors do not recommend the payment of an interim dividend in respect of the six months ended 30th September, 2008 (six months ended 30th September, 2007: Nil).

9. 股息

董事不建議派付截至二零零八年九月三十日止六個月的中期股息(截至二零零七年九月三十日止六個月:無)。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

10. LOSS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted loss per share attributable to the ordinary equity holders of the Company is based on the following data:

Loss:	虧損：
Loss for the period attributable to the equity holders of the Company and loss for the purpose of basic loss per share	本公司權益持有人應佔本期間虧損及計算每股基本虧損之虧損
Number of shares:	股份數目：
Weighted average number of ordinary shares for the purpose of basic loss per share	計算每股基本虧損之普通股加權平均數

The calculation of diluted loss per share for the six months ended 30th September, 2007 and 2008 has not assumed the conversion of the Company's convertible notes and exercise of the share options and warrants as these potential ordinary shares are anti-dilutive during both periods.

The weighted average number of ordinary shares for the basic and diluted loss per share for both periods has been adjusted for the rights issue on 5th August, 2008.

10. 每股虧損

來自持續經營及非持續經營業務

本公司普通股權益持有人應佔每股基本及攤薄虧損乃按照以下數據計算：

Six months ended 30th September 截至九月三十日止六個月	
2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
(118,782)	(108,877)
7,218,563,891	4,411,602,066

計算截至二零零七年及二零零八年九月三十日止六個月之每股攤薄虧損時，並無假設本公司之可換股票據獲兌換或購股權及認股權證獲行使，因該等潛在普通股於各期間均具反攤薄作用。

計算各期間之每股基本及攤薄虧損所用之普通股加權平均數已就二零零八年八月五日之供股作出調整。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

10. LOSS PER SHARE (Cont'd)

From continuing operations

The calculation of the basic and diluted loss per share from continuing operations attributable to the ordinary equity holders of the Company is based on the following data:

Loss:	虧損：
Loss for the period attributable to the equity holders of the Company and loss for the purpose of basic loss per share	本公司權益持有人應佔本期間虧損及計算每股基本虧損之虧損
<i>Less:</i> Loss for the period from discontinued operations attributable to the equity holders of the Company	減：本公司權益持有人應佔本期間來自非持續經營業務之虧損
Loss for the purpose of basic loss per share from continuing operations	計算每股基本虧損之來自持續經營業務之虧損

The denominators used are the same as those detailed above for both basic and diluted loss per share.

From discontinued operations

Basic loss per share from discontinued operations was 0.4 HK cent per share for the six months ended 30th September, 2007, based on the loss for the six months ended 30th September, 2007 from discontinued operations attributable to the equity holders of the Company of HK\$16,894,000 and the denominators detailed above for both basic and diluted loss per share.

10. 每股虧損(續)

來自持續經營業務

本公司普通股權益持有人應佔來自持續經營業務之每股基本及攤薄虧損乃按照以下數據計算：

Six months ended 30th September 截至九月三十日止六個月	
2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
(118,782)	(108,877)
—	(16,894)
(118,782)	(91,983)

所用之分母與上文所述計算兩項每股基本及攤薄虧損所用者相同。

來自非持續經營業務

根據截至二零零七年九月三十日止六個月來自非持續經營業務之本公司權益持有人應佔虧損港幣16,894,000元及上文所述計算每股基本及攤薄虧損所用之分母計算，截至二零零七年九月三十日止六個月，來自非持續經營業務之每股基本虧損為每股0.4港仙。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

11. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group disposed of certain property, plant and equipment with a carrying amount of HK\$242,000 (1.4.2007 to 30.9.2007: HK\$187,000) for proceeds of HK\$125,000 (1.4.2007 to 30.9.2007: HK\$140,000), resulting in a loss on disposal of HK\$117,000 (1.4.2007 to 30.9.2007: HK\$47,000).

In addition, the Group spent approximately HK\$12,517,000 (1.4.2007 to 30.9.2007: HK\$22,665,000) on acquisition of property, plant and equipment.

12. AVAILABLE-FOR-SALE INVESTMENTS

During the period, the Group acquired certain listed equity securities at an aggregate consideration of HK\$5,633,000 (1.4.2007 to 30.9.2007: HK\$124,640,000) and disposed of certain of its available-for-sale investments with a carrying value of HK\$17,898,000 (1.4.2007 to 30.9.2007: HK\$11,618,000).

In addition, impairment losses of HK\$31,171,000 (1.4.2007 to 30.9.2007: Nil) in respect of equity securities listed in Hong Kong and Singapore have been recognised in the condensed consolidated income statement during the period due to the prolonged decline in their fair values.

11. 物業、機械及設備

期內，本集團出售賬面值為港幣242,000元(二零零七年四月一日至二零零七年九月三十日：港幣187,000元)之若干物業、機械及設備，所得款項港幣125,000元(二零零七年四月一日至二零零七年九月三十日：港幣140,000元)，導致出售虧損港幣117,000元(二零零七年四月一日至二零零七年九月三十日：港幣47,000元)。

此外，本集團斥資約港幣12,517,000元(二零零七年四月一日至二零零七年九月三十日：港幣22,665,000元)收購物業、機械及設備。

12. 可供出售投資

期內，本集團以總代價港幣5,633,000元(二零零七年四月一日至二零零七年九月三十日：港幣124,640,000元)收購若干上市股本證券，並出售賬面值港幣17,898,000元(二零零七年四月一日至二零零七年九月三十日：港幣11,618,000元)之若干可供出售投資。

此外，由於香港及新加坡上市股本證券公平值長期下跌，故期內之簡明綜合損益表已就其確認減值虧損港幣31,171,000元(二零零七年四月一日至二零零七年九月三十日：無)。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

13. INTEREST IN A JOINT VENTURE

Interest in properties held for development	於持作發展物業之權益
Loan to a joint venture	予一間合資公司之貸款

In March 2008, the Group disposed of Guangzhou Panyu Lotus Golf & Country Club Co., Ltd (“Panyu Golf”), a 65% owned subsidiary of the Company, which held a golf resort known as “Guangzhou Lotus Hill Golf Resort” located at Panyu, Guangdong Province in the People’s Republic of China (the “PRC”). As part of the consideration for the disposal, the Group entered into a joint venture agreement to construct and develop certain residential units over a piece of land with a site area of approximately 48,000 sq.m. located in the golf resort (the “Development Project”). The Group’s interest in properties held for development represents its entitlement to share 65% of the residual value of the Development Project under the terms of the joint venture agreement.

In addition, the Group is obliged to advance an aggregate of RMB40 million for use in the Development Project, in which approximately RMB16,618,000 was advanced by the Group during the period. The loan is unsecured, interest bearing at prevailing market rate in the PRC with an effective interest rate of 7.56% per annum and will not be repaid until completion of the Development Project. In the opinion of the directors, the loan will not be repaid within twelve months from the balance sheet date and is therefore classified as non-current asset.

13. 於一間合資公司之權益

30.9.2008 二零零八年 九月三十日 HK\$’000 港幣千元	31.3.2008 二零零八年 三月三十一日 HK\$’000 港幣千元
15,130	14,745
18,905	-
34,035	14,745

於二零零八年三月，本集團出售本公司持有65%權益之附屬公司廣州番禺蓮花山高爾夫球度假俱樂部有限公司（「番禺高爾夫球」）。該公司持有一個位於中華人民共和國（「中國」）廣東省番禺名為「廣州蓮花山高爾夫球度假村」之高爾夫球度假村。作為出售代價之一部份，本集團訂立合資協議，於高爾夫球度假村內一幅地盤面積約為48,000平方米之土地上興建及開發若干住宅單位（「發展項目」）。本集團於持作發展物業之權益指其根據合資協議之條款應佔發展項目餘值之65%權益。

此外，本集團有責任墊付用於發展項目之人民幣40,000,000元，本集團已於期內墊付其中約人民幣16,618,000元。貸款為無抵押、按中國現行市場利率計息（實際年利率為7.56厘），直至發展項目完成為止不會償還。董事認為，貸款不會於結算日起十二個月內償還，因而分類為非流動資產。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

14. INTERESTS IN ASSOCIATES/LOANS AND INTERESTS DUE FROM ASSOCIATES

14. 於聯營公司之權益／聯營公司之貸款及應付利息

		30.9.2008 二零零八年 九月三十日 <i>HK\$'000</i> 港幣千元	31.3.2008 二零零八年 三月三十一日 <i>HK\$'000</i> 港幣千元
Cost of investment in associates, unlisted	於聯營公司之投資成本，非上市	170,628	170,626
Share of post-acquisition losses, net of dividend received	應佔收購後虧損，扣除已收股息	<u>(35,252)</u>	<u>(35,123)</u>
		<u>135,376</u>	<u>135,503</u>
Loans to associates	聯營公司貸款	1,047,309	1,021,508
Interest receivables	應收利息	<u>56,182</u>	<u>56,182</u>
		1,103,491	1,077,690
Less: Loss allocated in excess of cost of investment	減：超出投資成本之已分配虧損	<u>(27,179)</u>	<u>—</u>
		<u>1,076,312</u>	<u>1,077,690</u>

The loans to associates are unsecured, have no fixed repayment terms and are non-interest bearing except for an amount of approximately HK\$281,150,000 (31.3.2008: HK\$281,150,000) which carries interest at 5.25% (31.3.2008: 5.25% to 7.75%) per annum. The effective interest rate on the interest-free amounts was 8% per annum. In the opinion of the directors, the amounts will not be repaid within twelve months from the balance sheet date and are therefore classified as non-current asset.

借予聯營公司的貸款為無抵押，無固定還款期及免息，惟一筆約港幣281,150,000元（二零零八年三月三十一日：港幣281,150,000元）貸款之年息5.25厘（二零零八年三月三十一日：介乎5.25厘至7.75厘之間）。該筆免息貸款的實際年息率為8厘。董事認為，由於該等款項不會於結算日起十二個月內償還，因而分類為非流動資產。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

15. DEBT PORTION OF CONVERTIBLE BONDS/DERIVATIVES EMBEDDED IN CONVERTIBLE BONDS

During the period, the Group purchased a 2% convertible bond due 2011 issued by Wing On Travel (Holdings) Limited (“Wing On”), a company whose shares are listed on the Stock Exchange, on 8th June, 2006 (the “Wing On Bonds”) in the principal amount of HK\$45,000,000 at a total consideration of HK\$33,750,000. The conversion price is HK\$0.339 per share.

The Group classified the debt portion of the convertible bonds as loans and receivables and the embedded conversion option as financial assets at fair value through profit or loss on initial recognition. The fair value of each component of the Wing On Bonds on initial recognition are determined by the directors of the Company with reference to the valuation performed by Greater China Appraisal Limited, a firm of independent valuers. The effective interest rate of the debt portion of Wing On Bonds is 17.51% per annum. Interest receivable on the debt portion of the Wing On Bonds due within one year of HK\$284,000 has been shown as current asset in the condensed consolidated balance sheet.

In addition, all the outstanding convertible bonds held by the Group issued by Get Nice Holdings Limited with principal amount of HK\$57 million were redeemed at 100% of the principal amount outstanding together with the accrued interest thereon calculated at 5% per annum, resulting in a gain on redemption (by the issuer) of HK\$3,103,000.

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

During the period, the Group acquired financial assets held-for-trading of HK\$197,719,000 and disposed of financial assets held-for-trading with a carrying amount of HK\$30,194,000.

15. 可換股債券之負債部份／可換股債券附帶之衍生工具

期內，本集團收購永安旅遊(控股)有限公司(「永安」，一間其股份於聯交所上市之公司)於二零零六年六月八日發行之二零一一年到期兩厘可換股債券(「永安債券」)，本金額港幣45,000,000元，合共代價為港幣33,750,000元。兌換價為每股港幣0.339元。

本集團將可換股債券之負債部份列作借貸及應收款項，而附帶衍生工具部份於初步確認時透過損益賬按公平值列作金融資產。該等永安債券各部份於初步確認時之公平值，乃由本公司董事參考漢華評值有限公司(一家獨立估值公司)之估值而釐定。永安債券負債部份之實際年息為17.51厘。一年內到期之永安債券負債部分之應收利息港幣284,000元於簡明綜合資產負債表內列作流動資產。

此外，本集團持有所有由結好控股有限公司發行之未償還可換股債券本金額港幣57,000,000元，以代價為全部未償還本金額另加其按年利率5厘計算之應計利息被贖回，從而產生(由發行者)贖回之收益港幣3,103,000元。

16. 按公平值列賬及計入損益之金融資產

期內，本集團收購港幣197,719,000元之持作買賣金融資產及出售賬面值港幣30,194,000元之持作買賣金融資產。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

17. DEBTORS, DEPOSITS AND PREPAYMENTS

The Group allows credit period ranging from 0 to 30 days to its trade customers. The following is an aged analysis of trade debtors at the reporting date:

Trade debtors aged:	貿易應收賬款賬齡：
0 – 60 days	零至六十日
61 – 90 days	六十一至九十日
Over 90 days	超過九十日
Refundable earnest monies	可予退還誠意金
Other debtors, deposits and prepayments	其他應收賬款、按金 及預付款項

The refundable earnest monies represent monies paid for acquisition of interests in properties located in the PRC, Macau and Vietnam. Included in the balance is an amount of HK\$330,191,000 (31.3.2008: HK\$330,191,000) paid by the Group through Wing On for the negotiation of possible acquisition of certain equity interest in a property holding company incorporated in the British Virgin Islands which indirectly held 60% interest in properties located in Guangzhou, the PRC. Wing On will procure and undertake to return the earnest monies to the Group within three months upon conclusion of the negotiation unless the fund is applied towards any payment for acquisition of the property interest. Up to the date of this report, the negotiation has not yet been concluded.

17. 應收賬款、按金及預付款項

本集團給予其貿易客戶之信貸期由零至三十日不等。貿易應收賬款於結算日之賬齡分析如下：

30.9.2008 二零零八年 九月三十日 HK\$'000 港幣千元	31.3.2008 二零零八年 三月三十一日 HK\$'000 港幣千元
663	16,977
336	124
10,644	10,584
11,643	27,685
386,461	365,791
103,046	121,319
501,150	514,795

可予退還誠意金指有關收購位於中國、澳門及越南物業權益已付之誠意金。結餘中一筆港幣330,191,000元(二零零八年三月三十一日：港幣330,191,000元)之金額，乃本集團透過永安來支付，以磋商可能收購一間於英屬處女群島註冊成立之物業控股公司之若干股權，該公司間接持有位於中國廣州之物業之60%權益。永安將促使並承諾於磋商結束後三個月內退還誠意金予本集團(除非該筆金額用作支付收購物業權益)。截至本報告日期，有關磋商尚未結束。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

18. CREDITORS, DEPOSITS AND ACCRUED CHARGES

The following is an aged analysis of trade creditors at the reporting date:

Trade creditors aged:	貿易應付賬款賬齡：
0 – 60 days	零至六十日
61 – 90 days	六十一至九十日
Over 90 days	超過九十日
Other creditors, deposits and accrued expenses	其他應付賬款、按金及應計開支

18. 應付賬款、按金及應計開支

貿易應付賬款於結算日之賬齡分析如下：

30.9.2008 二零零八年 九月三十日 <i>HK\$'000</i> 港幣千元	31.3.2008 二零零八年 三月三十一日 <i>HK\$'000</i> 港幣千元
1,464	1,420
511	355
<u>1,162</u>	<u>360</u>
3,137	2,135
<u>108,412</u>	<u>68,257</u>
<u>111,549</u>	<u>70,392</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

19. CONVERTIBLE NOTE PAYABLES

19. 可換股票據應付款項

		30.9.2008 二零零八年 九月三十日 HK\$'000 港幣千元	31.3.2008 二零零八年 三月三十一日 HK\$'000 港幣千元
Carrying amount of debt component of convertible notes issued on:	於下列日期發行之可換股票據：		
11th August, 2005 ("First 2010 Convertible Notes")	二零零五年八月十一日 (「第一批二零一零年可換股票據」)	466,271	453,254
8th June, 2006 ("Second 2010 Convertible Notes")	二零零六年六月八日 (「第二批二零一零年可換股票據」)	16,147	15,472
15th June, 2006 ("2011 Convertible Notes")	二零零六年六月十五日 (「二零一一年可換股票據」)	<u>802,230</u>	<u>775,117</u>
		<u>1,284,648</u>	<u>1,243,843</u>
Analysed for reporting purposes as:	就申報用途之分析如下：		
Current liability	流動負債	2,655	7,284
Non-current liability	非流動負債	<u>1,281,993</u>	<u>1,236,559</u>
		<u>1,284,648</u>	<u>1,243,843</u>

No conversion was made by holders of the above convertible notes during the period.

期內，上述可換股票據之持有人概無進行兌換。

During the period, the conversion price of the outstanding First 2010 Convertible Notes and Second 2010 Convertible Notes was adjusted from HK\$0.44 per share to HK\$0.227 per share while that of the outstanding 2011 Convertible Notes was adjusted from HK\$0.70 per share to HK\$0.361 per share pursuant to the completion of the Company's rights issue in August 2008 as set out in note 21(i).

期內，誠如附註21(i)所述，根據本公司於二零零八年八月完成之供股，未償還之第一批二零一零年可換股票據及第二批二零一零年可換股票據之兌換價由每股港幣0.44元調整為每股港幣0.227元，而未償還之二零一一年可換股票據之兌換價由每股港幣0.70元調整為每股港幣0.361元。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

20. BANK AND OTHER BORROWINGS

During the period, the Group obtained new bank and other borrowings of HK\$20,247,000 (1.4.2007 to 30.9.2007: HK\$406,591,000) which carry interest at 7.02% (1.4.2007 to 30.9.2007: 5.79% to 7.25%) per annum and are repayable within one year. The Group repaid bank and other borrowings of HK\$35,202,000 during the period (1.4.2007 to 30.9.2007: HK\$63,924,000).

20. 銀行及其他貸款

期內，本集團取得新造銀行及其他貸款為港幣20,247,000元（二零零七年四月一日至二零零七年九月三十日：港幣406,591,000元），年息率為7.02厘（二零零七年四月一日至二零零七年九月三十日：介乎5.79厘至7.25厘之間），還款期為一年內。期內本集團已償還的銀行及其他貸款為港幣35,202,000元（二零零七年四月一日至二零零七年九月三十日：港幣63,924,000元）。

21. SHARE CAPITAL

21. 股本

		Number of shares 股份數目	Amount 金額 HK\$'000 港幣千元
Ordinary shares of HK\$0.01 each	每股面值港幣0.01元之普通股		
Authorised:	法定：		
At 1st April, 2008 and 30th September, 2008	於二零零八年四月一日及 二零零八年九月三十日	40,000,000,000	400,000
Issued and fully paid:	已發行及已繳足：		
At 1st April, 2008	於二零零八年四月一日	3,095,518,026	30,955
Rights issue (note i)	供股(附註i)	9,286,554,078	92,866
Repurchase and cancellation of shares (note ii)	購回及註銷股份(附註ii)	(387,805,000)	(3,878)
At 30th September, 2008	於二零零八年九月三十日	11,994,267,104	119,943

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

21. SHARE CAPITAL (Cont'd)

Notes:

- (i) In August 2008, the Company has issued and allotted 9,286,554,078 ordinary shares of HK\$0.01 each to the existing qualifying shareholders pursuant to the rights issue on the basis of three rights shares (with warrants in the proportion of four warrants for every fifteen rights shares subscribed) for every share currently held (the "Rights Issue") at a subscription price of HK\$0.07 per share. The net proceeds of approximately HK\$627 million was used as general working capital of the Group. The new shares rank pari passu with the existing shares in all respects. Details of the Rights Issue are set out in a circular of the Company dated 11th July, 2008.
- (ii) During the period, the Company repurchased a total of 387,805,000 ordinary shares of HK\$0.01 each in the share capital of the Company through the Stock Exchange at an aggregate consideration of approximately HK\$17 million. All of these shares were cancelled upon repurchase. The nominal value of the cancelled shares was credited to the capital redemption reserve and the aggregate consideration was paid out of the reserves of the Company.

None of the Company's subsidiaries purchased, sold and redeemed any of the Company's listed securities during both periods.

22. WARRANTS

Pursuant to the Rights Issue as detailed in note 21(i), the Company has issued 2,476,414,420 warrants to the subscribers of the rights shares conferring the rights to the holders thereof to subscribe in cash for 2,476,414,420 ordinary shares of the Company of HK\$0.01 each at an initial exercise price of HK\$0.105 per share (subject to anti-dilutive adjustment) at any time during the period from 5th August, 2008 to 4th February, 2010.

At 30th September, 2008, the Company had outstanding 2,476,414,420 warrants, the exercise in full of which would result in the issue of 2,476,414,420 ordinary shares of HK\$0.01 each.

21. 股本(續)

附註：

- (i) 於二零零八年八月，本公司根據供股按當時每持有一股股份可認購三股供股股份(連同每認購十五股供股股份可認購四份之認股權證)向現有合資格股東發行及配發9,286,554,078股每股面值港幣0.01元之普通股(「供股」)，認購價為每股港幣0.07元。所得款項約港幣627,000,000元用作本集團之一般營運資金。新股份於各方面與現有股份享有同等地位。供股詳情載於本公司日期為二零零八年七月十一日之通函。
- (ii) 期內，本公司於聯交所購回合共387,805,000股本公司股本中每股面值港幣0.01元之普通股，合共代價約港幣17,000,000元。所有該等股份已於購回後註銷。已註銷股份之面值撥入資本贖回儲備，總代價從本公司儲備撥付。

各期間內，本公司附屬公司概無購回、出售及贖回本公司任何上市證券。

22. 認股權證

根據附註21(i)所述供股，本公司已向供股股份之認購人發行2,476,414,420份認股權證，賦予其持有人於二零零八年八月五日至二零一零年二月四日期間隨時以現金認購2,476,414,420股本公司每股面值港幣0.01元之普通股，初步行使價為每股港幣0.105元(可予反攤薄調整)。

於二零零八年九月三十日，本公司已發行2,476,414,420份認股權證，如獲悉數行使可導致發行2,476,414,420股每股面值港幣0.01元之普通股。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

22. WARRANTS (Cont'd)

The subscription rights attaching to the warrants are measured at fair value of approximately HK\$34,571,000 on initial recognition and are recognised in equity in the warrant reserve.

The fair value of the warrants issued during the period was calculated using the Binominal Option Pricing model. The inputs into the model were as follows:

Date of issue	5.8.2008
Share price	HK\$0.064
Exercise price	HK\$0.105
Time to maturity	1.5 years
Expected volatility	75.58%
Expected dividend yield	Nil
Risk free rate	1.981%
Fair value per warrant	HK\$0.0140

The variables and assumptions used in computing the fair value of the warrants are based on the management's best estimate.

22. 認股權證(續)

認股權證所附認購權於初次確認時計量之公平值約港幣34,571,000元，並於權益內之認股權證儲備確認。

期內已發行認股權證之公平值乃以二項式期權定價模式計算。模式之數據載列如下：

發行日期	二零零八年八月五日
股價	港幣0.064元
行使價	港幣0.105元
到期時限	1.5年
預計波幅	75.58%
預計股息率	無
無風險利率	1.981厘
每份認股權證 之公平值	港幣0.0140元

計算認股權證公平值所採用之變數及假設乃按管理層之最佳估計作出。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

23. SHARE - BASED PAYMENT TRANSACTIONS 23. 股份付款交易

The Company has a share option scheme for eligible directors of the Company and employees and other participants, who render similar services as employees, of the Group. The following table discloses details of movements of the Company's share options during the period:

本公司已就本公司合資格董事及本集團僱員及提供與僱員相近服務之其他參與人士採納購股權計劃。期內本公司購股權變動詳情載列如下：

Date of grant	Exercisable period	Exercise price per share	Outstanding at 1.4.2008	Number of share options			Outstanding at 30.9.2008
				Adjustment during the period	Lapsed during the period	Expired during the period	
		每股 行使價 HK\$ 港幣 (note i) (附註i)	於二零零八年 四月一日 尚未行使	期內調整 (note ii) (附註ii)	期內失效	期內屆滿	於二零零八年 九月三十日 尚未行使
15.8.2006 二零零六年 八月十五日	15.8.2006 – 14.8.2008 二零零六年八月十五日至 二零零八年八月十四日	0.315	13,400,000	7,412,900	(750,000)	(20,062,900)	-
	15.8.2007 – 14.8.2008 二零零七年八月十五日至 二零零八年八月十四日	0.315	13,400,000	7,412,900	(750,000)	(20,062,900)	-
27.7.2007 二零零七年 七月二十七日	27.7.2008 – 26.7.2011 二零零八年七月二十七日至 二零一一年七月二十六日	0.422	31,850,000	18,078,100	(1,832,650)	-	48,095,450
	27.7.2009 – 26.7.2011 二零零九年七月二十七日至 二零一一年七月二十六日	0.422	31,850,000	18,078,100	(1,832,650)	-	48,095,450
			<u>90,500,000</u>	<u>50,982,000</u>	<u>(5,165,300)</u>	<u>(40,125,800)</u>	<u>96,190,900</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

23. SHARE - BASED PAYMENT TRANSACTIONS (Cont'd)

Notes:

- (i) Pursuant to the terms and conditions of the share option scheme of the Company adopted on 26th August, 2002, the exercise prices of the outstanding options granted on 15th August, 2006 and 27th July, 2007 were adjusted from HK\$0.500 per share to HK\$0.315 per share and from HK\$0.670 per share to HK\$0.422 per share, respectively, as a result of the Company's Rights Issue in August 2008.
- (ii) As a consequence of the Rights Issue, the outstanding options granted by the Company on 15th August, 2006 and 27th July, 2007 were adjusted by an increase of 50,982,000 options in aggregate. The directors consider that the modification is solely for the purpose of preserving the rights of the holders of the Company's share options and therefore does not result in an increase in fair value of the outstanding share options. Accordingly, no adjustment for the current and prior periods has been required.

During the period, the Group recognised a share-based payment expense of approximately HK\$3,999,000 (1.4.2007 to 30.9.2007: HK\$2,771,000) in relation to the share options granted by the Company.

附註：

- (i) 根據本公司於二零零二年八月二十六日採納之購股權計劃之條款及條件，由於本公司於二零零八年八月之供股，於二零零六年八月十五日及二零零七年七月二十七日授出之未行使購股權之行使價已分別由每股港幣0.500元調整至每股港幣0.315元及由每股港幣0.670元調整至每股港幣0.422元。
- (ii) 由於供股，本公司於二零零六年八月十五日及二零零七年七月二十七日授出之未行使購股權作出合共增加50,982,000份購股權之調整。董事認為此等修改僅為保障本公司購股權持有人之權利而作出，故並無增加未行使購股權之公平值。因此，毋須作出本期及前期調整。

期內，本集團就本公司授出之購股權而確認以股份付款開支約港幣3,999,000元（二零零七年四月一日至二零零七年九月三十日：港幣2,771,000元）。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

24. ACQUISITION OF ASSETS THROUGH ACQUISITION OF A SUBSIDIARY

In September 2008, the Group acquired the remaining 50% equity interest in Keen Step Corporation Limited (“Keen Step”) at a consideration of HK\$1 (the “Acquisition”). Keen Step was a company formed between, and owned equally by, a wholly-owned subsidiary of the Company and an independent third party in May 2008 for the purpose of the acquisition and holding of properties and was accounted for as a jointly controlled entity of the Group using equity accounting prior to the Acquisition.

The assets and liabilities acquired are as follows:

24. 透過收購附屬公司收購資產

於二零零八年九月，本集團以代價港幣1元收購建毅有限公司(「建毅」)餘下50%股權(「收購」)。建毅為本公司一間全資附屬公司及一名獨立第三方於二零零八年五月成立並平均擁有之公司，以收購及持有物業，於收購前以權益會計法計入本集團之賬目內作為共同控制實體。

所收購資產與負債如下：

		<i>HK\$'000</i> 港幣千元
Assets and liabilities acquired:	所收購資產與負債：	
Properties held for sale	待售物業	97,743
Deposits paid for acquisition of properties held for sale	收購待售物業已付按金	20,477
Debtors	應收賬款	73
Creditor and accrued charge	應付賬款及應計開支	(936)
Amount due to the Group	應付本集團之款項	(58,599)
Amount due to a shareholder	應付一股東之款項	<u>(58,758)</u>
		-
Less: Interest in a jointly controlled entity held by the Group prior to the Acquisition	減：收購前本集團於一間共同控制實體之權益	<u>-</u>
		-
Cash consideration	現金代價	<u>-</u>
Net cash outflow arising on acquisition:	收購產生現金流出淨額：	
Cash consideration paid	已付現金代價	<u>-</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

25. CAPITAL AND OTHER COMMITMENTS 25. 資本及其他承擔

		30.9.2008	31.3.2008
		二零零八年 九月三十日	二零零八年 三月三十一日
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of acquisition of property, plant and equipment	就購置物業、機械及設備之已訂約但未於簡明綜合財務報表撥備	29,926	31,292
Other commitments:	其他承擔：		
– acquisition of a land use right	– 收購土地使用權	5,000	5,000
– acquisition of properties held for sale	– 收購待售物業	22,018	–
– loan to an associate	– 向一間聯營公司提供貸款	15,000	15,000
– loan to a joint venture	– 向一間合資公司提供貸款	26,601	–
		68,619	20,000
		98,545	51,292

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

26. PLEDGE OF ASSETS

At the balance sheet date, the Group's bank and other borrowings and credit facilities from financial institutions were secured by the following:

Bank deposits	銀行存款
Properties held for sale	待售物業
Financial assets at fair value through profit or loss	按公平值列賬並計入損益之金融資產
Property, plant and equipment	物業、機械及設備

In addition, the Group's bank deposits of approximately HK\$2,566,000 (31.3.2008: HK\$10,550,000) were pledged to banks in respect of banking facilities granted to third parties at 30th September, 2008.

26. 資產抵押

於結算日，本集團之銀行及其他借貸及由財務機構作出之信貸融資由下列項目作抵押：

30.9.2008 二零零八年 九月三十日 <i>HK\$'000</i> 港幣千元	31.3.2008 二零零八年 三月三十一日 <i>HK\$'000</i> 港幣千元
44,123	41,268
223,476	231,818
1,472	1,756
<u>242</u>	<u>215</u>
<u>269,313</u>	<u>275,057</u>

此外，於二零零八年九月三十日，本集團約為港幣2,566,000元(二零零八年三月三十一日：港幣10,550,000元)之銀行存款已抵押予銀行，作為銀行授予第三者融資之擔保。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

27. RELATED PARTY DISCLOSURES

(i) **Compensation of key management personnel:**

The remunerations of directors in respect of the period are as follows:

Short-term benefits	短期利益
Share-based payments	股份付款

The remunerations of directors were determined by the remuneration committee having regard to the performance of individuals and market trends.

27. 有關連人士披露

(i) **主要管理人員報酬**

期內董事酬金如下：

Six months ended	
30th September	
截至九月三十日止六個月	
2008	2007
二零零八年	二零零七年
HK\$'000	HK\$'000
港幣千元	港幣千元
7,584	6,571
<u>2,826</u>	<u>2,036</u>
<u>10,410</u>	<u>8,607</u>

董事酬金由薪酬委員會經參考個人表現及市場趨勢而釐定。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

27. RELATED PARTY DISCLOSURES (Cont'd)

27. 有關連人士披露(續)

(ii) Related party transactions:

During the period, the Group had the following transactions with related parties:

(ii) 有關連人士交易

期內，本集團曾與有關連人士進行以下交易：

Related parties 有關連人士	Notes 附註	Nature of transactions 交易性質	Six months ended 30th September 截至九月三十日止六個月	
			2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Minority shareholders of subsidiaries: 附屬公司少數股東：				
廣州市番禺旅游總公司		Interest expense 利息開支	–	216
		Management fee paid 已付管理費	–	153
三亞博后經濟開發有限公司		Rental paid 已付租金	–	115
Other related companies: 其他有關連公司：				
番禺高爾夫球協會	(a)	Interest expense 利息開支	–	49
Great Intelligence Limited	(b)	Rental and related building management fee paid 已付租金及相關樓宇管理費	1,341	–
Island Town Limited	(c)	Rental and related building management fee paid 已付租金及相關樓宇管理費	1,710	–
Wing On 永安	(d)	Interest income 利息收入	1,866	2,489
Associates: 聯營公司：				
Orient Town Limited 華鎮有限公司		Imputed interest income 估算利息收入	–	23,813
		Interest income 利息收入	7,312	13,806
		Management fee paid 已付管理費	152	455
		Management fee received 已收管理費	60	190
More Profit International Limited (e)		Interest income 利息收入	–	9,068

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2008) (截至二零零八年九月三十日止六個月)

27. RELATED PARTY DISCLOSURES (Cont'd)

(ii) Related party transactions: (Cont'd)

Notes:

- (a) Mr. Lai Tsan Tung, David, an executive director of the Company, is the chairman of the association.
- (b) Mr. Chan Fut Yan, an executive director of the Company, is also a director of this entity.
- (c) A wholly-owned subsidiary of Hanny Holdings Limited, which is a substantial shareholder of the Company.
- (d) Mr. Cheung Hon Kit, an executive director of the Company, is also a director of this entity.
- (e) More Profit International Limited ceased to be an associate of the Group since 20th September, 2007.

28. POST BALANCE SHEET EVENTS

Subsequent to 30th September, 2008, the Group has the following significant post balance sheet events:

- (i) Subsequent to the balance sheet date and up to the date of this report, the Company repurchased a total of 78,330,000 ordinary shares of HK\$0.01 each in the Company at an aggregate consideration of approximately HK\$4 million. All of these shares were cancelled upon repurchase. The nominal value of the cancelled shares was credited to the capital redemption reserve and the aggregate consideration was paid out of the reserves of the Company.
- (ii) As stated in the announcement dated 4th November, 2008, Mandung Limited (“Mandung”), an indirect wholly-owned subsidiary of the Company, entered into an agreement on 30th October, 2008 with Mr. George Wang (the “Vendor”), an independent third party to the Group, whereby Mandung conditionally agreed to purchase and the Vendor conditionally agreed to sell the entire issued share capital of Pine Cheer Limited (“Pine Cheer”), all of which are owned by the Vendor, and the entire amount of the shareholder’s loan owing by Pine Cheer to the Vendor as at the date of completion of the acquisition for an aggregate consideration of approximately HK\$199 million.

The transaction was completed on 16th December, 2008.

27. 有關連人士披露(續)

(ii) 有關連人士交易(續)

附註:

- (a) 本公司執行董事賴贊東先生為協會主席。
- (b) 本公司執行董事陳佛恩先生亦為該實體之董事。
- (c) 為本公司主要股東錦興集團有限公司之全資附屬公司。
- (d) 本公司執行董事張漢傑先生亦為該實體之董事。
- (e) More Profit International Limited自二零零七年九月二十日起不再成為本集團之聯營公司。

28. 結算日後事項

於二零零八年九月三十日後，本集團出現下列重大結算日後事項：

- (i) 於結算日後及直至本報告日期，本公司購回合共78,330,000股每股面值港幣0.01元之普通股，合共代價約港幣4,000,000元。所有該等股份已於購回後註銷。已註銷股份之面值撥入資本贖回儲備，總代價從本公司儲備撥付。
- (ii) 誠如日期為二零零八年十一月四日之公佈所述，本公司之間接全資附屬公司Mandung Limited(「Mandung」)與本集團之獨立第三方George Wang先生(「賣方」)於二零零八年十月三十日訂立協議，據此Mandung有條件同意購買，而賣方有條件同意出售展栢有限公司(「展栢」)全部已發行股本，全部由賣方擁有，以及展栢於收購完成日期結欠賣方之全部股東貸款金額，總代價約港幣199,000,000元。

交易已於二零零八年十二月十六日完成。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

The Group's gross proceeds for the six months ended 30th September, 2008 were approximately HK\$100.2 million, showing a reduction of HK\$214.2 million from the comparative figure of HK\$314.4 million mainly due to significant decrease in trading of securities during the period.

Income from loan financing amounted to HK\$11.8 million for the period, showing a decrease as compared with HK\$20.4 million in last period mainly due to the disposal of 20% effective interest in shareholder's loan to Grand Waldo Hotel in 2007.

Since Concordia (as defined below) in current period capitalised all its borrowing cost as part of the cost for its property development, the Group's interest income from the shareholder's loan to Concordia, which is included in other income, was eliminated on equity accounting for the results of Concordia. Correspondingly, the share of loss of Concordia as an associate also reduced as compared with last period.

The recent US financial turmoil has been hammering the world-wide economy in all aspects including the stock markets. The drastic and continuing price deterioration of listed securities caused the Group to record a loss on financial instruments of HK\$44.5 million, HK\$41.9 million of which represents unrealised loss due to drop in market price at period end, as compared with a net gain of HK\$57 million earned for the six months ended 30th September, 2007. As a result, the Group recorded a loss of HK\$118.8 million for the six months ended 30th September, 2008 showing a deterioration of HK\$9.1 million or 8.3% from the comparative figure.

業務回顧

截至二零零八年九月三十日止六個月，本集團之營業總收入約為港幣100,200,000元，較比較數字港幣314,400,000元減少港幣214,200,000元，主要因為期內證券交易顯著減少。

期內貸款融資收入為港幣11,800,000元，較過往期間錄得之港幣20,400,000元為少，主要原因為於二零零七年出售澳門金都酒店股東貸款之20%實際權益。

由於聯生(定義見下文)於本期間將其借貸成本資本化以作為其物業發展之部份成本，本集團來自聯生股東貸款之利息收入(已計入其他收入)已就聯生之業績按權益會計法對銷。因此，攤分作為聯營公司之聯生之虧損亦較過往期間減少。

近日美國金融市場動盪對全球經濟造成全面衝擊，股票市場亦不能幸免。上市證券價格持續急挫令本集團錄得港幣44,500,000元之金融工具虧損，其中港幣41,900,000元為因期末市場價格下跌而帶來之未變現虧損，而截至二零零七年九月三十日止六個月則錄得港幣57,000,000元之淨收益。因此，截至二零零八年九月三十日止六個月，本集團錄得港幣118,800,000元之虧損，較比較數字惡化港幣9,100,000元或8.3%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Property Development and Investment

Macau:

Empresa De Fomento Industrial E Comercial Concórdia, S.A. (“Concordia”), in which the Group has an effective interest of 35.5%, is making good progress on the land parcels situated in Estrada de Seac Pai Van, Macau (“Concordia Land”). In November 2008, as part of the new fiscal procedure in Macau with an aim to improve the transparency of land concession, the management of Concordia attended a public hearing in Macau to present the new development plan of the Concordia Land which received a favorable response. All other preparatory works for the development are being actively taken out such that construction work can instantly be commenced once the governmental approval has been granted.

In May 2008, the Group further sold another residential unit and car parking space at Pearl on the Lough at a profit. The remaining portfolio of property inventory in Macau consists of 44 residential units at Zhu Kuan Mansion tastefully upgraded to a high standard, 15 residential units and 15 car parking spaces at Pearl on the Lough. The units will be launched for sale or lease once market conditions turn more favorable which are expected to be around the end of second quarter of 2009.

HK:

In September 2008, the Group acquired the entire interests in Keen Step Corporation Limited, a special purpose vehicle which has secured the purchase of over 90% property interests at No. 7 Moreton Terrace. Subsequent to the period end, in December 2008, the Group has further acquired the entire interest in Pine Cheer Limited, another special purpose vehicle which has secured the purchase of the whole block interests at Nos. 19 – 21 Shelter Street. The Group has been actively soliciting the purchase of neighboring property interests in Causeway Bay, one of the well off district in Hong Kong, targeting to attain land amalgamation to enhance the property value. The Group currently intends to redevelop these properties as service apartments and up-market food and beverage outlets or hotel (the “Causeway Bay Project”).

物業發展及投資

澳門：

本集團擁有35.5%實際權益之聯生發展股份有限公司(「聯生」)位於澳門石排灣馬路之地塊(「聯生土地」)取得理想進度。於二零零八年十一月，因應加強澳門土地批給透明度之措施，聯生管理層出席一個在澳門舉行之公開旁聽制度會議以提呈聯生土地之新發展計劃，並獲得正面回應。所有其他開發準備工作亦正積極進行，待獲授政府批准後即可施工。

於二零零八年五月，本集團進一步出售海明灣畔另一個住宅單位及停車位，並於該交易中獲利。於澳門之物業餘下存貨組合包括位於珠江大廈已被升級為時尚優質項目之44個住宅單位，以及海明灣畔之15個住宅單位及15個停車位。預期市況可能於二零零九年第二季末前後轉好，該等單位將於稍後推出發售或出租。

香港：

於二零零八年九月，本集團收購建毅有限公司之全部權益，其為已獲保證可收購香港摩頓臺7號逾90%物業權益之特殊目的公司。於期末後及於二零零八年十二月，本集團進一步收購展栢有限公司之全部權益，其為另一間已獲保證可收購信德街19 - 21號整項物業之物業權益之特殊目的公司。本集團正積極尋求收購於香港其中一個黃金地段銅鑼灣之鄰近物業權益，以併合所持有之土地，從而提高物業價值。本集團目前擬重新發展該等物業作為服務式公寓以及高檔餐飲食肆或酒店(「銅鑼灣項目」)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Property Development and Investment (Cont'd)

HK: (Cont'd)

The 2 adjacent blocks of building located at 703 and 705, Nathan Road (the "Nathan Road Project"), in which the Group has entire interest, have been evacuated and are ready for demolition. The Group plans to develop the site into a ginza-style retails, food and beverage complex which aggregate re-developable gross floor area is approximately 30,000 sq. ft., which has been approved and completion is expected to be in early 2010.

During the current period, 1 unit at Talon Tower on Connaught Road West was sold at a profit. As at 30th September, 2008, there were 6 residential units and 1 commercial unit remained unsold.

PRC:

The title transfer of the parcel of land at Hengqin, Zhuhai, located right on the waterfront across from Cotai, Macau is still pending upon lifting of moratorium for land transfer within the Hengqin area imposed by local government. The site area is approximately 26,000 m² with plot ratio of 1.6 which permitted uses under prevailing town planning guidelines are commercial, residential, hotel and retail.

Golf and Leisure

The gross proceeds from the golf and leisure business during the six months ended 30th September, 2008 were HK\$16.4 million (six months ended 30th September, 2007: HK\$25 million) with a segmental loss of HK\$9.2 million (six months ended 30th September, 2007: HK\$10.7 million). The first half year is normally the low season for the Sun Valley Golf Resort in Sanya which results in the current period was further affected by a new competitor in the surrounding area and frequent unfavorable weather condition.

The enlarged hotel development plan of gross floor area of approximately 66,800 m² including 28 units of deluxe villas, 3 hotel buildings, a conference building, a resort facility building and a driving range within the Sun Valley Golf Resort (the "Sanya Hotel Project") has been approved by the local government. Development works will start in due course.

After the disposal of the entire interest in the Lotus Hill Golf Resort, the Group remains as the lessee of the golf resort as well as a partner to the development of villas therein. The villas development is progressing as scheduled which completion is expected in the first half of 2009.

物業發展及投資(續)

香港：(續)

本集團擁有位於彌敦道703號及705號的兩幢毗鄰樓宇(「彌敦道項目」)之全部權益，該兩幢物業之住戶已遷走，而相關物業可隨時被拆除。本集團計劃將該地盤發展成總重建建築面積約為30,000平方呎之銀座式零售及餐飲綜合項目，此計劃已獲批准及預期於二零一零年初完成。

於本期間，干諾道西達隆名居1個單位已售出，並獲得利潤。於二零零八年九月三十日尚餘6個住宅單位及1個商業單位依然待售。

中國：

澳門路氹海濱對岸珠海橫琴一幅土地之所有權轉讓申請因當地政府暫停橫琴地區之土地轉讓而仍然待決。該項目之地盤面積約為26,000平方米，地積比率為1.6，根據現時城市規劃指引，此地盤可發展作商業用途、住宅大廈、酒店及零售商場。

高爾夫球及消閒

截至二零零八年九月三十日止六個月來自高爾夫球及消閒業務之營業總收入為港幣16,400,000元(截至二零零七年九月三十日止六個月：港幣25,000,000元)，分部虧損港幣9,200,000元(截至二零零七年九月三十日止六個月：港幣10,700,000元)。首半年一般為三亞紅峽谷高爾夫球度假俱樂部之淡季，其於本期間之業績進一步因鄰近地區出現新競爭對手及頻密惡劣天氣而受到影響。

建築面積約66,800平方米之經擴大酒店發展計劃包括28個豪華別墅單位、3幢酒店樓宇及1幢會議樓宇、1幢度假設施樓宇及1個於紅峽谷高爾夫球度假俱樂部之高爾夫練球場(「三亞酒店項目」)，該項目已獲當地政府批准，發展工程將於適當時候施工。

於出售蓮花山高爾夫球度假村之全部權益後，本集團繼續為該高爾夫球度假村之承租人以及該高爾夫球度假村內之別墅之發展夥伴。別墅發展工程如期進行，並預期於二零零九年上半年完成。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Securities Investment

The dire financial tsunami and bearish sentiments overcast the global financial market and as a result, the Group's securities investment activities have inevitably been affected significantly and adversely. During the six months ended 30th September, 2008, gross proceeds and segmental loss from securities investment were HK\$50.2 million (six months ended 30th September, 2007: HK\$261.1 million) and HK\$47.9 million (six months ended 30th September, 2007: a segmental profit of HK\$54.1 million) respectively. As at 30th September, 2008, the Group had available-for-sale investments and financial assets at fair value through profit or loss in an aggregate sum of HK\$227.8 million, mainly comprised shares listed in Hong Kong, Japan and Singapore.

FINANCIAL REVIEW

To further strengthen the Group's capital base, the Company had completed the rights issue in August 2008, pursuant to which 9,286,554,078 new ordinary shares were issued at a subscription price of HK\$0.07 each on the basis of three rights shares for every share held. The net proceeds of approximately HK\$626.6 million were raised for general working capital.

The Group adopts a prudent funding and treasury policy with regard to its overall business operations. In addition to the convertible note payables, a variety of credit facilities is maintained so as to meet its working capital requirements.

As at 30th September, 2008, total borrowings from financial institutions amounted to HK\$139.5 million, of which HK\$33.6 million was repayable after one year. The net gearing ratio of the Group, calculated with reference to the bank and other borrowings of HK\$139.5 million and the fair value of the liability component of convertible note payables of HK\$1,284.6 million, offsetting with the pledged bank deposits and the bank balances and cash of HK\$580.7 million, and the Group's shareholders' funds of HK\$2,352.1 million, was 0.36 as at 30th September, 2008, showing significant improvement from 0.6 as at 31st March, 2008.

證券投資

嚴峻的金融海嘯及熊市氣氛令全球金融市場添上陰霾，因此，本集團之證券投資活動不可避免地受到顯著的不利影響。於截至二零零八年九月三十日止六個月，證券投資之營業總收入及分部虧損分別為港幣50,200,000元（截至二零零七年九月三十日止六個月：港幣261,100,000元）及港幣47,900,000元（截至二零零七年九月三十日止六個月：分部溢利港幣54,100,000元）。於二零零八年九月三十日，本集團之可供出售投資及按公平價值列賬及計入損益之金融資產合共為港幣227,800,000元，主要包括在香港、日本及新加坡上市之股份。

財務回顧

為進一步加強本集團之資本基礎，本公司已於二零零八年八月完成供股，據此，9,286,554,078股新普通股已按每持有一股股份獲發三股供股股份之基準按每股港幣0.07元之認購價發行。所籌得之所得款項淨額約港幣626,600,000元乃作一般營運資金。

本集團就其整體業務採納審慎融資及財務政策。除可換股票據應付款項外，本集團維持多項信貸融資，以應付其營運資金所需。

於二零零八年九月三十日，金融機構借貸總額為港幣139,500,000元，當中港幣33,600,000元將於一年後償還。於二零零八年九月三十日，本集團之淨資產負債比率為0.36，比較二零零八年三月三十一日為0.6顯著改善，當中已計及銀行及其他借貸港幣139,500,000元及可換股票據應付款項負債部份之公平價值港幣1,284,600,000元，並抵銷已抵押銀行存款與銀行結餘及現金港幣580,700,000元以及本集團股東資金港幣2,352,100,000元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (Cont'd)

About HK\$105.4 million of the borrowings from financial institutions were interest-bearing with variable rates while interest of the remaining loan balances was calculated on fixed rate. The management anticipates that interest rate remains stable in the capital market and therefore no hedge is to be made against any unfavourable fluctuation in interest rate. Most of the assets and liabilities of the Group were denominated in Hong Kong dollars, Renminbi and Macau Pataca, and hence the Directors considered that the Group was not subject to any material adverse exchange rate exposure.

OUTLOOK

The Group will continue its investment strategy to look for quality properties by taking a more prudent approach with primary focus on enhancing the synergistic value of its existing portfolio. Based on the prevailing plan, it will take several years to develop the Concordia Land, the Causeway Bay Project, the Nathan Road Project and the Sanya Hotel Project and by the time of completion, it is anticipated that the Group can take full benefit in the next economy cycle up-swing. The Group is considering various tactics in these properties project including but not limited to joint development with some strategic partners in order to optimise the synergistic value. For other properties held for sale, after taking into account the existing market condition, the management considers that their carrying value is reasonable which may be sold when there are suitable opportunities.

The Group's investments are mostly located in Macau, Hong Kong and the PRC. In spite of their own strong financial fundamentals and various stimulus measures implemented by the central and local governments to alleviate the crisis, the economy of the Greater China region has inevitably been struck by the global financial tsunami. It is generally anticipated that this relentless financial crisis will be battering every business and geographic segment of the economy for some time, during which period the property and security markets will remain volatile and gloomy. The Group's investments, including properties and listed securities, may inexorably sustain considerable short-term devaluation. In view that all properties in its portfolio were acquired at reasonable costs with superb intrinsic value, the Group is optimistic in capturing future capital gains from these investments when the market recovers.

財務回顧(續)

約港幣105,400,000元之金融機構借貸乃按浮動利率計息，而餘下大部份貸款結餘按固定利率計息。管理層預料資本市場之利率將維持穩定，故毋須就任何負面利率波動作出對沖。本集團大部份資產及負債均以港幣、人民幣及澳門幣列值，故董事認為，本集團並無面對任何重大匯率風險。

展望

本集團將透過採取審慎方式及集中於提升其現有組合之協同價值貫徹其物色優質物業之投資策略。根據目前之計劃，發展聯生土地、銅鑼灣項目、彌敦道項目及三亞酒店項目尚須數年時間，而於完成時，預期本集團將可受惠於下一個經濟復甦周期。本集團正考慮有關該等物業項目之各項策略，其中包括但不限於與若干策略性夥伴聯合發展以取得最佳之協同價值。就其他持作出售物業而言，經考慮現時市況後，管理層認為其賬面值處於合理水平，並將於出現合適機會時出售。

本集團之投資大部份位於澳門、香港及中國。儘管大中華區基本經濟因素穩健及中央及地方政府已推出各項刺激經濟措施以紓緩危機，惟其經濟不免會受到全球金融海嘯影響。外界一般預期此嚴峻之金融危機將於一段期間內繼續衝擊各行各業及所有地域，而屆時物業及證券市場將繼續不穩及低迷。本集團之投資(包括物業及上市證券)難免可能會遭受短暫性大幅減值。鑑於其組合內之所有物業均以合理成本購入及具備理想之內在價值，因此本集團對於在市場復甦時從該等投資取得日後之資本收益感到樂觀。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

PLEDGE OF ASSETS

As at 30th September, 2008, the Group's general credit facilities granted by banks and financial institutions were secured by pledge of the Group's properties held for sale in an aggregate value of approximately HK\$223.5 million, bank balances of HK\$44.1 million, properties, plant and equipment of HK\$0.2 million and financial assets at fair value through profit or loss of approximately HK\$1.5 million.

NUMBER OF EMPLOYEES, REMUNERATION POLICIES AND SHARE OPTION SCHEME

As at 30th September, 2008, the number of employees of the Group was 1,001 (31st March 2008: 1,003). Employees are remunerated according to their qualifications and experience, job nature and performance, under the pay scales aligned with market conditions. Other benefits to employees include medical, insurance cover, share option scheme and retirement schemes.

SECURITIES IN ISSUE

On 5th August, 2008, the Company issued a total of 9,286,554,078 new ordinary shares at a subscription price of HK\$0.070 per share pursuant to the rights issue on the basis of three rights shares (with warrants in the proportion of four warrants for every fifteen rights shares subscribed) for every share held (the "Rights Issue"). As a term and condition of the Rights Issue, the Company issued a total of 2,476,414,420 warrants to the subscribers of the rights shares conferring the rights to the holders thereof to subscribe in cash for 2,476,414,420 warrant shares at an initial exercise price of HK\$0.105 per warrant share.

Referring to the announcement of the Company dated 1st August, 2008, as a result of the Rights Issue, the conversion price of both the zero coupon convertible notes due 2010 in the aggregate outstanding principal amount of HK\$471,050,000 issued by the Company on 11th August, 2005 and the zero coupon convertible notes due 2010 in the aggregate outstanding principal amount of HK\$17,476,177 issued by the Company on 8th June, 2006 has been adjusted from HK\$0.440 per share to HK\$0.227 per share while the conversion price of the 1% convertible notes due 2011 in the aggregate outstanding principal amount of HK\$906,000,000 issued by the Company on 15th June, 2006, has been adjusted from HK\$0.700 per share to HK\$0.361 per share, all of which took effect retroactively on 12th July, 2008.

資產抵押

於二零零八年九月三十日，銀行及金融機構向本集團授出之一般信貸額度乃以本集團總值約港幣223,500,000元之待售物業、港幣44,100,000元之銀行結餘、港幣200,000元之物業、機械及設備及約港幣1,500,000元之按公平值列賬及計入損益之金融資產作抵押。

僱員人數、薪酬政策及購股權計劃

於二零零八年九月三十日，本集團之員工人數為1,001人(二零零八年三月三十一日：1,003人)。本集團按員工之資歷及經驗、工作性質及表現以及市場薪酬情況釐定薪酬待遇。其他僱員福利包括醫療、保險、購股權計劃及退休計劃。

已發行證券

於二零零八年八月五日，本公司根據供股以每持有一股股份兌換三股供股股份(連同認股權證，比例為每十五股獲認購之供股股份換取四份認股權證)(「供股」)之基準，按認購價每股港幣0.070元發行合共9,286,554,078股新普通股。根據供股之條款及條件，本公司已發行合共2,476,414,420份認股權證予供股股份認購人，以授予有關持有人權利按初步行使價每股認股權證股份港幣0.105元以現金認購2,476,414,420股認股權證股份。

茲提述本公司日期為二零零八年八月一日之公佈，由於進行供股，本公司於二零零五年八月十一日發行之二零一零年到期零息可換股票據(尚未行使之本金總額為港幣471,050,000元)及本公司於二零零六年六月八日發行之二零一零年到期零息可換股票據(尚未行使之本金總額為港幣17,476,177元)之兌換價已由每股港幣0.440元調整至每股港幣0.227元，而本公司於二零零六年六月十五日發行之二零一一年到期1%可換股票據(尚未行使之本金總額為港幣906,000,000元)之兌換價則由每股港幣0.700元調整至每股港幣0.361元，上述所有兌換價均於二零零八年七月十二日追溯生效。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

SECURITIES IN ISSUE (Cont'd)

With reference to the announcement of the Company dated 12th August, 2008, as a result of the Rights Issue, the exercise price of the outstanding share options granted by the Company pursuant to the share option scheme adopted on 26th August, 2002 (the "Options") has been adjusted from HK\$0.500 per share to HK\$0.315 per share for the Options granted on 15th August, 2006 and from HK\$0.670 per share to HK\$0.422 per share for the Options granted on 27th July, 2007. In addition, the aggregate of 25,300,000 outstanding Options granted by the Company on 15th August, 2006 exercisable during the exercisable period from 15th August, 2006 to 14th August, 2008 have been adjusted to 40,125,800 outstanding Options and the aggregate of 61,700,000 outstanding Options granted by the Company on 27th July, 2007 exercisable during the exercisable periods from 27th July, 2008 and 27th July, 2009 to 26th July, 2011, as the case may be, have been adjusted to 97,856,200 outstanding Options. On 14th August, 2008, a total of the adjusted 40,125,800 Options at the adjusted exercise price of HK\$0.315 per share were lapsed on maturity. In addition, 1,500,000 Options at the exercise price of HK\$0.500 per share (before adjustment) and 2,000,000 Options at the exercise price of HK\$0.670 per share (before adjustment) and 1,665,300 Options at the adjusted exercise price of HK\$0.422 per share were lapsed upon resignation of a director of the Company and the relevant employees during the period.

As at 30th September, 2008, there were 11,994,267,104 ordinary shares in issue, a total of 96,190,900 Options at the adjusted exercise price of HK\$0.422 per share and 2,476,414,420 warrants remain outstanding.

Save as disclosed above, there was no movement in the issued share capital of the Company during the six months ended 30th September, 2008.

已發行證券(續)

茲提述本公司日期為二零零八年八月十二日之公佈，由於進行供股，本公司根據於二零零二年八月二十六日採納之購股權計劃而於二零零六年八月十五日授出之尚未行使購股權(「購股權」)之行使價已由每股港幣0.500元調整至每股港幣0.315元，而於二零零七年七月二十七日授出之尚未行使購股權之行使價則由每股港幣0.670元調整至每股港幣0.422元。此外，本公司於二零零六年八月十五日授出之合共25,300,000份尚未行使購股權(可於二零零六年八月十五日至二零零八年八月十四日行使期間行使)已調整至40,125,800份尚未行使購股權，而本公司於二零零七年七月二十七日授出之合共61,700,000份尚未行使購股權(可於二零零八年七月二十七日及二零零九年七月二十七日至二零一一年七月二十六日(視乎情況而定)行使期間行使)已調整至97,856,200份尚未行使購股權。於二零零八年八月十四日，經調整行使價為每股港幣0.315元之合共40,125,800份經調整購股權已於到期後失效。此外，在期內本公司一名董事及相關僱員離職後，行使價為每股港幣0.500元(經調整前)之1,500,000份購股權及行使價為每股港幣0.670元(經調整前)之2,000,000份購股權以及經調整行使價為每股港幣0.422元之1,665,300份購股權已失效。

於二零零八年九月三十日，11,994,267,104股已發行普通股、經調整行使價為每股港幣0.422元之合共96,190,900份購股權以及2,476,414,420份認股權證尚未行使。

除上文所披露者外，本公司已發行股本於截至二零零八年九月三十日止六個月概無任何變動。

OTHER INFORMATION 其他資料

INTERIM DIVIDEND

The board of directors (the “Board”) does not recommend the payment of interim dividend in respect of the six months ended 30th September, 2008 (six months ended 30th September, 2007: Nil).

DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND CONVERTIBLE NOTES

As at 30th September, 2008, the interests and short positions of the directors and chief executive of the Company and/or their associates in the shares, underlying shares and convertible notes of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”), which (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (b) were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO, or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), were as follows:

Interests in the shares and underlying shares under equity derivatives (as defined in Part XV of the SFO)

Name of director 董事姓名	Long position/ Short position 好倉/淡倉	Capacity 身分	Number of issued shares held 已發行股份數目	Number of underlying shares (under equity derivatives of the Company) 本公司股本 衍生工具所涉及 相關股份數目	Aggregate interest 權益總額	Approximate percentage of the issued share capital of the Company 佔本公司已發行 股本概約百分比 (%)
Mr. Cheung Hon Kit (“Mr. Cheung”) 張漢傑先生(「張先生」)	Long position 好倉	Beneficial owner 實益擁有人	160,260,000	32,800,000 (Note 1) (附註 1)	193,060,000	1.61
Mr. Lai Tsan Tung, David (“Mr. Lai”) 賴贊東先生(「賴先生」)	Long position 好倉	Interest of controlled corporation 受控法團權益	–	76,987,563 (Note 2) (附註 2)	76,987,563	0.64

中期股息

董事會(「董事會」)不建議就截至二零零八年九月三十日止六個月派付中期股息(截至二零零七年九月三十日止六個月:無)。

董事及主要行政人員於股份、相關股份及可換股票據之權益及淡倉

於二零零八年九月三十日,本公司董事及主要行政人員及/或彼等之聯繫人士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)股份、相關股份及可換股票據中,擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益及淡倉(包括根據證券及期貨條例該等條文彼等被當作或視作擁有之權益及淡倉);或(b)根據證券及期貨條例第352條須記入本公司存置登記冊之權益及淡倉;或(c)根據聯交所證券上市規則(「上市規則」)所載上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所之權益及淡倉如下:

於股份及股本衍生工具所涉及相關股份之權益(定義見證券及期貨條例第XV部)

OTHER INFORMATION 其他資料

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND CONVERTIBLE NOTES (Cont'd)

Notes:

1. Mr. Cheung, the chairman and an executive director of the Company owned 32,800,000 warrants of the Company which were issued by the Company on 5th August, 2008 and are exercisable from 5th August, 2008 to 4th February, 2010 at the initial exercise price of HK\$0.105 per warrant share.
2. Mr. Lai, an executive director of the Company, was interested in 76,987,563 underlying shares in respect of the principal amount of HK\$17,476,177 zero coupon convertible notes due 2010 issued by the Company on 8th June, 2006 at the adjusted conversion price of HK\$0.227 per share held by Green Label Investments Limited ("Green Label") by virtue of his beneficial interest in the entire issued share capital of Green Label.

Save as disclosed above, as at 30th September, 2008, none of the directors or the chief executive of the Company nor their associates had any interests or short positions in any shares, underlying shares or convertible notes of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such director or chief executive is taken or deemed to have taken under such provisions of the SFO), or (b) were required pursuant to section 352 of the SFO to be entered into the register maintained by the Company, or (c) were required pursuant to the Model Code contained in the Listing Rules to be notified to the Company and the Stock Exchange.

SHARE OPTIONS

A share option scheme was adopted by the Company on 26th August, 2002 (the "Scheme"). On 15th August, 2006, the Company granted share options under the Scheme to certain directors, employees and other participant to subscribe for a total of 31,300,000 shares in the Company at the initial exercise price of HK\$0.500 per share and subsequently adjusted to HK\$0.315 per share. The closing price of the shares of the Company immediately before the date of grant was HK\$0.445 per share. The consideration of grant of the share options was HK\$1,000. On 14th August, 2008, a total of the adjusted 40,125,800 share options were lapsed on maturity.

董事及主要行政人員於股份、相關股份及可換股票據之權益及淡倉(續)

附註：

1. 本公司主席兼執行董事張先生擁有本公司於二零零八年八月五日發行之本公司32,800,000份認股權證，該等認股權證可於二零零八年八月五日至二零一零年二月四日期間按初步行使價每股認股權證股份港幣0.105元行使。
2. 由於本公司執行董事賴先生實益擁有Green Label Investments Limited (「Green Label」)已發行股本全部權益，故擁有Green Label所持本公司於二零零六年六月八日按經調整兌換價每股港幣0.227元發行於二零一零年到期的本金額為港幣17,476,177元零息率可換股票據所涉及的76,987,563股相關股份權益。

除上文披露者外，於二零零八年九月三十日，本公司董事或主要行政人員或彼等之聯繫人士概無於本公司或其任何相關法團(定義見證券及期貨條例第XV部)任何股份、相關股份或可換股票據中，擁有任何(a)須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所之權益或淡倉(包括任何該等董事或主要行政人員根據證券及期貨條例有關條文被視作或當作擁有之權益及淡倉)；或(b)根據證券及期貨條例第352條須記入本公司存置之登記冊之權益或淡倉；或(c)根據上市規則所載標準守則須知會本公司或聯交所之權益或淡倉。

購股權

於二零零二年八月二十六日，本公司採納購股權計劃(「計劃」)。於二零零六年八月十五日，本公司根據計劃向若干董事、僱員及其他參與人士授出可按每股初步行使價港幣0.500元(其後調整至每股港幣0.315元)認購本公司合共31,300,000股股份之購股權。緊接授出日期前之本公司股份收市價為每股港幣0.445元。授出購股權之代價為港幣1,000元。於二零零八年八月十四日，合共40,125,800份經調整購股權於到期日失效。

OTHER INFORMATION 其他資料

SHARE OPTIONS (Cont'd)

On 27th July, 2007, the Company granted share options under the Scheme to certain directors, employees and other participants to subscribe for a total of 63,700,000 shares in the Company at the initial exercise price of HK\$0.670 per share and subsequently adjusted to HK\$0.422 per share. The closing price of the shares of the Company immediately before the date of grant was HK\$0.660 per share. The consideration of grant of the share options was HK\$1.000.

The following table sets out the movements in the Scheme during the six months ended 30th September, 2008 (the "Period"):

購股權(續)

於二零零七年七月二十七日，本公司根據計劃向若干董事、僱員及其他參與人士授出可按每股初步行使價港幣0.670元(其後調整至每股港幣0.422元)認購本公司合共63,700,000股股份之購股權。緊接授出日期前之本公司股份收市價為每股港幣0.660元。授出購股權之代價為港幣1.000元。

下表載列截至二零零八年九月三十日止六個月(「期間」)之計劃變動：

Name or category of participants 姓名或參與人士類別	Date of grant 授出日期	Option period (Note 1) 購股權期限(附註1)	Exercise price per share 每股股份行使價	Number of share options 購股權數目				
				Outstanding as at 1.4.2008 於二零零八年四月一日尚未行使	Granted during the Period 期間授出	Exercised during the Period 期間行使	Cancelled/ Lapsed during the Period 期間註銷/失效	Outstanding as at 30.9.2008 於二零零八年九月三十日尚未行使
				HK\$ 港幣				
Directors 董事								
Mr. Cheung 張先生	15th August, 2006 二零零六年八月十五日	15th August, 2006 – 14th August, 2008 二零零六年八月十五日至二零零八年八月十四日	0.315 (Note 2) (附註2)	15,860,000 (Note 2) (附註2)	-	-	(15,860,000)	-
	27th July, 2007 二零零七年七月二十七日	27th July, 2007 – 26th July, 2011 二零零七年七月二十七日至二零零一年七月二十六日	0.422 (Note 2) (附註2)	19,032,000 (Note 2) (附註2)	-	-	-	19,032,000
Mr. Chan Fut Yan 陳佛恩先生	15th August, 2006 二零零六年八月十五日	15th August, 2006 – 14th August, 2008 二零零六年八月十五日至二零零八年八月十四日	0.315 (Note 2) (附註2)	9,516,000 (Note 2) (附註2)	-	-	(9,516,000)	-
	27th July, 2007 二零零七年七月二十七日	27th July, 2007 – 26th July, 2011 二零零七年七月二十七日至二零零一年七月二十六日	0.422 (Note 2) (附註2)	11,102,000 (Note 2) (附註2)	-	-	-	11,102,000

OTHER INFORMATION 其他資料

SHARE OPTIONS (Cont'd)

購股權(續)

Name or category of participants 姓名或參與人士類別	Date of grant 授出日期	Option period (Note 1) 購股權期限(附註 1)	Exercise price per share 每股股份 行使價	Number of share options 購股權數目				
				Outstanding as at 1.4.2008 於二零零八年 四月一日 尚未行使	Granted during the Period 期間授出	Exercised during the Period 期間行使	Cancelled/ Lapsed during the Period 期間註銷/ 失效	Outstanding as at 30.9.2008 於二零零八年 九月三十日 尚未行使
				HK\$ 港幣				
Directors (Cont'd) 董事(續)								
Mr. Cheung Chi Kit 張志傑先生	15th August, 2006 二零零六年八月十五日	15th August, 2006 – 14th August, 2008 二零零六年八月十五日至 二零零八年八月十四日	0.315 (Note 2) (附註 2)	3,172,000 (Note 2) (附註 2)	-	-	(3,172,000)	-
	27th July, 2007 二零零七年七月二十七日	27th July, 2007 – 26th July, 2011 二零零七年七月二十七日至 二零一一年七月二十六日	0.422 (Note 2) (附註 2)	7,930,000 (Note 2) (附註 2)	-	-	-	7,930,000
Mr. Lai 賴先生	27th July, 2007 二零零七年七月二十七日	27th July, 2007 – 26th July, 2011 二零零七年七月二十七日至 二零一一年七月二十六日	0.422 (Note 2) (附註 2)	4,758,000 (Note 2) (附註 2)	-	-	-	4,758,000
Mr. Ma Chi Kong, Karl 馬志剛先生	27th July, 2007 二零零七年七月二十七日	27th July, 2007 – 26th July, 2011 二零零七年七月二十七日至 二零一一年七月二十六日	0.422 (Note 2) (附註 2)	14,274,000 (Note 2) (附註 2)	-	-	-	14,274,000
Mr. Wong Chi Keung, Alvin 王志強先生	15th August, 2006 二零零六年八月十五日	15th August, 2006 – 14th August, 2008 二零零六年八月十五日至 二零零八年八月十四日	0.315 (Note 2) (附註 2)	2,379,000 (Note 2) (附註 2)	-	-	(2,379,000)	-
	27th July, 2007 二零零七年七月二十七日	27th July, 2007 – 26th July, 2011 二零零七年七月二十七日至 二零一一年七月二十六日	0.422 (Note 2) (附註 2)	2,379,000 (Note 2) (附註 2)	-	-	-	2,379,000
Mr. Kwok Ka Lap, Alva 郭嘉立先生	27th July, 2007 二零零七年七月二十七日	27th July, 2007 – 26th July, 2011 二零零七年七月二十七日至 二零一一年七月二十六日	0.422 (Note 2) (附註 2)	2,379,000 (Note 2) (附註 2)	-	-	-	2,379,000
				92,781,000	-	-	(30,927,000)	61,854,000

OTHER INFORMATION 其他資料

SHARE OPTIONS (Cont'd)

購股權(續)

Name or category of participants 姓名或參與人士類別	Date of grant 授出日期	Option period (Note 1) 購股權期限(附註 1)	Exercise price per share 每股份 行使價	Number of share options 購股權數目				
				Outstanding as at 1.4.2008 於二零零八年 四月一日 尚未行使	Granted during the Period 期間授出	Exercised during the Period 期間行使	Cancelled/ Lapsed during the Period 期間註銷/ 失效	Outstanding as at 30.9.2008 於二零零八年 九月三十日 尚未行使
				HK\$ 港幣				
Former Directors								
前任董事								
Mr. Chui Sai Cheong ("Mr. Chui") (Note 3) 崔世昌先生(「崔先生」) (附註 3)	15th August, 2006 二零零六年八月十五日	15th August, 2006 – 14th August, 2008 二零零六年八月十五日至 二零零八年八月十四日	0.500	1,500,000	-	-	(1,500,000)	-
	27th July, 2007 二零零七年七月二十七日	27th July, 2007 – 26th July, 2011 二零零七年七月二十七日至 二零一一年七月二十六日	0.670	1,500,000	-	-	(1,500,000)	-
Mr. Wong Kam Cheong, Stanley ("Mr. Wong") (Note 4) 黃錦昌先生(「黃先生」) (附註 4)	15th August, 2006 二零零六年八月十五日	15th August, 2006 – 14th August, 2008 二零零六年八月十五日至 二零零八年八月十四日	0.315 (Note 2) (附註 2)	3,172,000 (Note 2) (附註 2)	-	-	(3,172,000)	-
	27th July, 2007 二零零七年七月二十七日	27th July, 2007 – 26th July, 2011 二零零七年七月二十七日至 二零一一年七月二十六日	0.422 (Note 2) (附註 2)	4,758,000 (Note 2) (附註 2)	-	-	-	4,758,000
				10,930,000	-	-	(6,172,000)	4,758,000

OTHER INFORMATION 其他資料

SHARE OPTIONS (Cont'd)

購股權(續)

Name or category of participants 姓名或參與人士類別	Date of grant 授出日期	Option period (Note 1) 購股權期限(附註 1)	Exercise price per share 每股股份 行使價	Number of share options 購股權數目				
				Outstanding as at 1.4.2008 於二零零八年 四月一日 尚未行使	Granted during the Period 期間授出	Exercised during the Period 期間行使	Cancelled/ Lapsed during the Period 期間註銷/ 失效	Outstanding as at 30.9.2008 於二零零八年 九月三十日 尚未行使
				HK\$ 港幣				
Employees and other participants 僱員及其他參與人士								
In aggregate 總額	15th August, 2006 二零零六年八月十五日	15th August, 2006 – 14th August, 2008 二零零六年八月十五日至 二零零八年八月十四日	0.315 (Note 2) (附註 2)	6,026,800 (Note 2) (附註 2)	-	-	(6,026,800)	-
	27th July, 2007 二零零七年七月二十七日	27th July, 2007 – 26th July, 2011 二零零七年七月二十七日至 二零一一年七月二十六日	0.422 (Note 2) (附註 2)	31,744,200 (Note 2) (附註 2)	-	-	(2,165,300)	29,578,900
				37,771,000	-	-	(8,192,100)	29,578,900
Total 合計				141,482,000	-	-	(45,291,100)	96,190,900

OTHER INFORMATION 其他資料

SHARE OPTIONS (Cont'd)

Notes:

1. In relation to the grant of share options on 15th August, 2006 subject to the terms and conditions of the Scheme, the share options shall be exercisable at any time during the option period and subject further to a maximum of 50% of the share options shall be exercisable during the period commencing from 15th August, 2006 to 14th August, 2007, with the balance of the share options not yet exercised may be exercised during the period commencing from 15th August, 2007 to 14th August, 2008. In relation to the grant of share options on 27th July, 2007 subject to the terms and conditions of the Scheme, the share options shall be exercisable at any time during the option period and subject further to a maximum of 50% of the share options shall be exercisable during the period commencing from 27th July, 2008 to 26th July, 2009, with the balance of the share options not yet exercised may be exercised during the period commencing from 27th July, 2009 to 26th July, 2011.
2. Pursuant to the announcement of the Company dated 12th August, 2008 in relation to the adjustments to the exercise prices and the number of the share options, the exercise price of the share options granted on 15th August, 2006 has been adjusted from HK\$0.500 per share to HK\$0.315 per share and the aggregate outstanding number of share options has also been adjusted from 25,300,000 share options to 40,125,800 share options while the exercise price of the share options granted on 27th July, 2007 has been adjusted from HK\$0.670 per share to HK\$0.422 per share and the aggregate outstanding number of share options has also been adjusted from 61,700,000 share options to 97,856,200 share options as a result of the rights issue on the basis of three rights shares (with warrants in the proportion of four warrants for every fifteen rights shares subscribed) for every share held.
3. Following the resignation of Mr. Chui as an independent non-executive director of the Company with effect from 5th February, 2008, 1,500,000 share options granted by the Company at the initial exercise price of HK\$0.500 per share and 1,500,000 share options granted by the Company at the initial exercise price of HK\$0.670 per share both to Mr. Chui were expired on 4th August, 2008, which was six months after the date of his resignation pursuant to clause 7.2(a) of the Scheme.
4. Notwithstanding the resignation of Mr. Wong as the deputy managing director and an executive director of the Company with effect from 1st September, 2008, the adjusted 4,758,000 share options granted by the Company at the adjusted exercise price of HK\$0.422 per share to Mr. Wong continue to be valid and exercisable according to the terms and conditions of the Scheme as he remains as a consultant of the Company.

購股權(續)

附註：

1. 有關於二零零六年八月十五日授出的購股權在計劃之條款及條件規限下，購股權可於購股權期限內隨時行使，惟最多50%之購股權可於二零零六年八月十五日至二零零七年八月十四日起計期間行使，而餘下仍未行使的購股權可於二零零七年八月十五日至二零零八年八月十四日起計期間行使。有關於二零零七年七月二十七日授出的購股權在計劃之條款及條件規限下，購股權可於購股權期限內隨時行使，惟最多50%之購股權可於二零零八年七月二十七日至二零零九年七月二十六日起計期間行使，而餘下仍未行使的購股權可於二零零九年七月二十七日至二零一一年七月二十六日起計期間行使。
2. 根據本公司於二零零八年八月十二日刊發有關調整行使價及購股權數目之公佈，由於按每持有一股股份供三股供股股份(以及按每認購十五股供股股份派送四份認股權證)之基準供股，於二零零六年八月十五日授出之購股權之行使價已由每股港幣0.500元調整至每股港幣0.315元，未行使之購股權總數亦已由25,300,000份購股權調整至40,125,800份購股權，而於二零零七年七月二十七日授出之購股權之行使價則已由每股港幣0.670元調整至每股港幣0.422元，未行使之購股權總數亦已由61,700,000份購股權調整至97,856,200份購股權。
3. 隨著崔先生於二零零八年二月五日起辭任本公司獨立非執行董事，由本公司以每股港幣0.500元之初步行使價授出1,500,000份及由本公司以每股港幣0.670元之初步行使價授出1,500,000份予崔先生之購股權已於二零零八年八月四日(即根據計劃第7.2(a)項所述由彼之辭任日期起計六個月之後)失效。
4. 儘管黃先生於二零零八年九月一日起辭任本公司副董事總經理及執行董事，惟由於黃先生仍為本公司之顧問，由本公司以每股港幣0.422元之經調整行使價授出予彼之4,758,000份經調整購股權根據計劃之條款及條件繼續有效及可予行使。

OTHER INFORMATION 其他資料

SUBSTANTIAL SHAREHOLDERS

As at 30th September, 2008, so far as was known to the directors or chief executive of the Company based on the register maintained by the Company pursuant to Part XV of the SFO, the following persons (other than a director or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the shares and underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital:

(i) Interests in the shares

Name of shareholder 股東姓名／名稱	Long position/ Short position 好倉／淡倉	Capacity 身分	Number of issued shares 已發行股份數目	Approximate percentage of the issued share capital of the Company 佔本公司 已發行股本 概約百分比 (%)
Loyal Concept Limited ("Loyal Concept")	Long position 好倉	Beneficial owner 實益擁有人	1,910,069,088 (Note 1) (附註1)	15.92
Hanny Magnetics (B.V.I.) Limited ("Hanny Magnetics")	Long position 好倉	Interest of controlled corporation 受控法團權益	1,910,069,088 (Note 1) (附註1)	15.92
Hanny Holdings Limited ("Hanny") 錦興集團有限公司(「錦興」)	Long position 好倉	Interest of controlled corporation 受控法團權益	1,910,069,088 (Note 1) (附註1)	15.92
Famex Investment Limited ("Famex") 其威投資有限公司(「其威」)	Long position 好倉	Interest of controlled corporation 受控法團權益	1,910,069,088 (Note 1) (附註1)	15.92

主要股東

於二零零八年九月三十日，據本公司董事或主要行政人員所知，按照本公司根據證券及期貨條例第XV部所存置登記冊，以下人士(本公司董事或主要行政人員除外)於股份及相關股份中，擁有或被視作或當作擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露之權益或淡倉，或直接或間接擁有附帶權利可於任何情況下在本集團任何其他成員公司股東大會投票之任何類別股本面值10%或以上權益，或擁有涉及有關股本之任何購股權：

(i) 股份權益

OTHER INFORMATION 其他資料

SUBSTANTIAL SHAREHOLDERS (Cont'd)

(i) Interests in the shares (Cont'd)

Name of shareholder 股東姓名／名稱	Long position/ Short position 好倉／淡倉	Capacity 身分	Number of issued shares 已發行股份數目	Approximate percentage of the issued share capital of the Company 佔本公司 已發行股本 概約百分比 (%)
Mankar Assets Limited ("Mankar")	Long position 好倉	Interest of controlled corporation 受控法團權益	1,910,069,088 (Note 1) (附註 1)	15.92
Selective Choice Investments Limited ("Selective Choice")	Long position 好倉	Beneficial owner 實益擁有人	914,835,000 (Note 1) (附註 1)	7.63
ITC Investment Holdings Limited ("ITC Investment")	Long position 好倉	Interest of controlled corporations 受控法團權益	2,824,904,088 (Note 1) (附註 1)	23.55
ITC Corporation Limited ("ITC") 德祥企業集團有限公司(「德祥」)	Long position 好倉	Interest of controlled corporations 受控法團權益	2,824,904,088 (Note 1) (附註 1)	23.55
Dr. Chan Kwok Keung, Charles ("Dr. Chan") 陳國強博士(「陳博士」)	Long position 好倉	Interest of controlled corporations 受控法團權益	2,824,904,088 (Note 1) (附註 1)	23.55
	Long position 好倉	Beneficial owner 實益擁有人	151,660,000 (Note 1) (附註 1)	1.26
			2,976,564,088	24.82

主要股東(續)

(i) 股份權益(續)

OTHER INFORMATION 其他資料

SUBSTANTIAL SHAREHOLDERS (Cont'd)

(i) Interests in the shares (Cont'd)

Name of shareholder 股東姓名／名稱	Long position/ Short position 好倉／淡倉	Capacity 身分	Number of issued shares 已發行股份數目	Approximate percentage of the issued share capital of the Company 佔本公司 已發行股本 概約百分比 (%)
Ms. Ng Yuen Lan, Macy ("Ms. Ng") 伍婉蘭女士(「伍女士」)	Long position 好倉	Interest of spouse 配偶權益	2,976,564,088 (Note 1) (附註1)	24.82
Stark Master Fund, Ltd. ("Stark Master")	Long position 好倉	Beneficial owner 受控法團權益	570,055,268	4.75
Stark Investments (Hong Kong) Limited ("Stark HK")	Long position 好倉	Investment manager 投資經理	930,870,900 (Note 2) (附註2)	7.76

主要股東(續)

(i) 股份權益(續)

OTHER INFORMATION 其他資料

SUBSTANTIAL SHAREHOLDERS (Cont'd)

(ii) Interests in the underlying shares under equity derivatives (as defined in Part XV of the SFO)

主要股東(續)

(ii) 於股本衍生工具(定義見證券及期貨條例第XV部)所涉及相關股份之權益

Name of shareholder 股東姓名／名稱	Long position/ Short position 好倉／淡倉	Capacity 身分	Number of underlying shares (under equity derivatives of the Company) 本公司股本 衍生工具所涉及 相關股份數目	Approximate percentage of the issued share capital of the Company 佔本公司 已發行股本 概約百分比 (%)
Loyal Concept	Long position 好倉	Beneficial owner 實益擁有人	2,583,680,747 (Note 1) (附註1)	21.54
Hanny Magnetics	Long position 好倉	Interest of controlled corporation 受控法團權益	2,583,680,747 (Note 1) (附註1)	21.54
Hanny 錦興	Long position 好倉	Interest of controlled corporation 受控法團權益	2,583,680,747 (Note 1) (附註1)	21.54
Famex 其威	Long position 好倉	Interest of controlled corporation 受控法團權益	2,583,680,747 (Note 1) (附註1)	21.54
Mankar	Long position 好倉	Interest of controlled corporation 受控法團權益	2,583,680,747 (Note 1) (附註1)	21.54
Selective Choice	Long position 好倉	Beneficial owner 實益擁有人	244,802,493 (Note 1) (附註1)	2.04
ITC Investment	Long position 好倉	Interest of controlled corporations 受控法團權益	2,828,483,240 (Note 1) (附註1)	23.58

OTHER INFORMATION 其他資料

SUBSTANTIAL SHAREHOLDERS (Cont'd)

(ii) Interests in the underlying shares under equity derivatives (as defined in Part XV of the SFO) (Cont'd)

主要股東(續)

(ii) 於股本衍生工具(定義見證券及期貨條例第XV部)所涉及相關股份之權益(續)

Name of shareholder 股東姓名/名稱	Long position/ Short position 好倉/淡倉	Capacity 身分	Number of underlying shares (under equity derivatives of the Company) 本公司股本 衍生工具所涉及 相關股份數目	Approximate percentage of the issued share capital of the Company 佔本公司 已發行股本 概約百分比 (%)
ITC 德祥	Long position 好倉	Interest of controlled corporations 受控法團權益	2,828,483,240 (Note 1) (附註1)	23.58
Dr. Chan 陳博士	Long position 好倉	Interest of controlled corporations 受控法團權益	2,828,483,240 (Note 1) (附註1)	23.58
	Long position 好倉	Beneficial owner 實益擁有人	19,048,000 (Note 1) (附註1)	0.16
			2,847,531,240	23.74
Ms. Ng 伍女士	Long position 好倉	Interest of spouse 配偶權益	2,847,531,240 (Note 1) (附註1)	23.74
Stark Master	Long position 好倉	Beneficial owner 實益擁有人	596,888,402	4.98
Stark HK	Long position 好倉	Investment manager 投資經理	902,344,389 (Note 2) (附註2)	7.52
Gandhara Master Fund Limited	Long position 好倉	Beneficial owner 實益擁有人	648,199,447	5.40

OTHER INFORMATION 其他資料

SUBSTANTIAL SHAREHOLDERS (Cont'd)

(ii) Interests in the underlying shares under equity derivatives (as defined in Part XV of the SFO) (Cont'd)

Notes:

1. Hanny and Hanny Magnetics were taken to have interest in 4,493,749,835 shares (of which 2,583,680,747 shares relate to their derivative interests) which were held by Loyal Concept, being a wholly-owned subsidiary of Hanny Magnetics which, in turn, was a wholly-owned subsidiary of Hanny, the issued shares of which are listed on the Stock Exchange. Famex, a wholly-owned subsidiary of Mankar, was the controlling shareholder of Hanny. Mankar was a wholly-owned subsidiary of ITC Investment which, in turn, was a wholly-owned subsidiary of ITC. Famex and Mankar were deemed to be interested in 4,493,749,835 shares (of which 2,583,680,747 shares relate to their derivative interests) which were held by Loyal Concept. Selective Choice, a wholly-owned subsidiary of ITC Investment which, in turn, was a wholly-owned subsidiary of ITC, owned 1,159,637,493 shares (of which 244,802,493 shares relate to its derivative interest). ITC Investment and ITC were deemed to be interested in 5,653,387,328 shares (of which 2,828,483,240 shares relate to their derivative interests) which were held by Loyal Concept and Selective Choice. Dr. Chan was the controlling shareholder of ITC. Ms. Ng is the spouse of Dr. Chan. Dr. Chan owned 170,708,000 shares (of which 19,048,000 shares relate to his derivative interest) and was deemed to be interested in 5,653,387,328 shares (of which 2,828,483,240 shares relate to his derivative interest) which were held by Loyal Concept and Selective Choice. Ms. Ng was deemed to be interested in 5,824,095,328 shares (of which 2,847,531,240 shares relate to her derivative interest) which were held by Dr. Chan, Loyal Concept and Selective Choice.
2. Stark HK was taken to have an interest as an investment manager in 1,833,215,289 shares (of which 902,344,389 shares relate to its derivative interest) which were held by Centar Investments (Asia) Ltd., Shepherd Investments International, Ltd., Stark Asia Master Fund, Ltd. and Stark International.

主要股東(續)

(ii) 於股本衍生工具(定義見證券及期貨條例第XV部)所涉及相關股份之權益(續)

附註：

1. 錦興及Hanny Magnetics被當作擁有Loyal Concept(為Hanny Magnetics之全資附屬公司，Hanny Magnetics則為錦興之全資附屬公司，錦興之已發行股份於聯交所上市)所持4,493,749,835股股份(其中2,583,680,747股股份與其衍生權益有關)之權益。其威(Mankar之全資附屬公司)為錦興之控股股東。Mankar為ITC Investment之全資附屬公司，ITC Investment則為德祥之全資附屬公司。其威及Mankar被視為擁有Loyal Concept所持4,493,749,835股股份(其中2,583,680,747股股份與其衍生權益有關)之權益。Selective Choice(ITC Investment之全資附屬公司，ITC Investment則為德祥之全資附屬公司)擁有1,159,637,493股股份(其中244,802,493股股份與其衍生權益有關)。ITC Investment及德祥被視為擁有Loyal Concept及Selective Choice所持5,653,387,328股股份(其中2,828,483,240股股份與其衍生權益有關)之權益。陳博士為德祥之控股股東。伍女士為陳博士之配偶。陳博士擁有170,708,000股股份(其中19,048,000股股份與其衍生權益有關)，且被視為擁有Loyal Concept及Selective Choice所持5,653,387,328股股份(其中2,828,483,240股股份與其衍生權益有關)之權益。伍女士被視為擁有陳博士、Loyal Concept及Selective Choice所持5,824,095,328股股份(其中2,847,531,240股股份與其衍生權益有關)之權益。
2. Stark HK作為投資經理被當作擁有Centar Investments (Asia) Ltd.、Shepherd Investments International, Ltd.、Stark Asia Master Fund, Ltd.及Stark International所持1,833,215,289股股份(其中902,344,389股股份與其衍生權益有關)之權益。

OTHER INFORMATION 其他資料

SUBSTANTIAL SHAREHOLDERS (Cont'd)

(ii) Interests in the underlying shares under equity derivatives (as defined in Part XV of the SFO) (Cont'd)

Save as disclosed above, as at 30th September, 2008, so far as was known to the directors or chief executive of the Company based on the register maintained by the Company pursuant to Part XV of the SFO, no other persons (not being a director or chief executive of the Company) had, or deemed to have, any interests or short positions in the shares or underlying shares which are required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, nor were there any persons, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or held any option in respect of such capital.

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

During the six months ended 30th September, 2008, the Company had repurchased a total of 387,805,000 ordinary shares on the Stock Exchange at an aggregate price of HK\$17,417,765, representing an average price of approximately HK\$0.045 paid for each share repurchased. The highest and lowest prices per share paid for such repurchases were HK\$0.054 and HK\$0.037 respectively. All these shares were cancelled upon repurchase.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30th September, 2008.

主要股東(續)

(ii) 於股本衍生工具(定義見證券及期貨條例第XV部)所涉及相關股份之權益(續)

除上文披露者外，於二零零八年九月三十日，據本公司董事或主要行政人員所知，按照本公司根據證券及期貨條例第XV部所存置登記冊，概無其他人士(本公司董事或主要行政人員除外)於股份或相關股份中，擁有或被視作擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司及聯交所披露之任何權益或淡倉；或直接或間接擁有附帶權利可於任何情況下在本集團任何其他成員公司股東大會投票之任何類別股本面值10%或以上權益，或擁有涉及有關股本之任何購股權。

購買、出售或贖回本公司之上市證券

於截至二零零八年九月三十日止六個月，本公司已於聯交所購回合共387,805,000股普通股，總價格為港幣17,417,765元，相當於就每股購回股份支付平均價約港幣0.045元。就每股購回股份支付之最高及最低價格分別為港幣0.054元及港幣0.037元。所有該等股份於購回後註銷。

除上文披露者外，本公司或其任何附屬公司於截至二零零八年九月三十日止六個月概無購買、出售或贖回本公司任何上市證券。

OTHER INFORMATION 其他資料

AUDIT COMMITTEE

The principal duties of the audit committee of the Company (the “Audit Committee”) include reviewing the Group’s interim and final results prior to recommending them to the Board for its approval, appointing external auditors and reviewing the relationship with the external auditors of the Company, reviewing the Group’s financial information and the Company’s financial reporting system and internal control procedures. The Audit Committee, with specific written terms of reference in line with the code provisions of the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 to the Listing Rules, currently comprises three independent non-executive directors, namely, Mr. Wong Chi Keung, Alvin (chairman of the Audit Committee), Mr. Qiao Xiaodong and Mr. Kwok Ka Lap, Alva.

The Audit Committee has reviewed with the management and the Company’s auditors the accounting principles and practices adopted by the Group and discussed auditing, financial reporting process and internal control matters including a review of the unaudited interim financial report for the six months ended 30th September, 2008.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance practices and procedures and to complying with statutory and regulatory requirements with an aim to maximizing the shareholders’ values and interests as well as to enhancing the stakeholders’ transparency and accountability. The Company has, throughout the period ended 30th September, 2008, complied with the code provisions of the Code.

MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors. Specific enquiry has been made with all directors of the Company and the directors have confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30th September, 2008.

審核委員會

本公司審核委員會(「審核委員會」)之主要職責包括於建議董事會批准前審閱本集團之中期及末期業績、委聘外聘核數師及檢討與本公司外聘核數師之關係、審核本集團之財務資料及本公司之財務申報制度與內部監控程序。審核委員會已遵照上市規則附錄十四所載企業管治常規守則(「守則」)守則條文設定具體書面職權範圍，現時由三名獨立非執行董事王志強先生(審核委員會主席)、喬小東先生及郭嘉立先生組成。

審核委員會已與管理層及本公司核數師審閱本集團採納之會計原則及慣例，並討論核數、財務申報程序及內部監控事宜，包括審閱截至二零零八年九月三十日止六個月之未經審核中期財務報告。

企業管治常規守則

本公司致力維持高水平企業管治常規及程序，以符合法定及監管規定，務求為股東帶來最大回報及利益，並提高對股東之透明及問責性。本公司已於截至二零零八年九月三十日止期間內一直遵守守則之守則條文。

標準守則

本公司已採納上市規則附錄十所載標準守則，作為本公司董事進行證券交易之操守準則。經向本公司全體董事作出具體查詢後，董事確認彼等於截至二零零八年九月三十日止六個月一直遵守標準守則所載規定標準。

OTHER INFORMATION 其他資料

CONTINUING OBLIGATIONS UNDER CHAPTER 13 OF THE LISTING RULES

The following disclosure is made by the Company pursuant to Rules 13.20 and 13.22 of the Listing Rules:

1. ADVANCES TO AN ENTITY

In accordance with Rule 13.20 of the Listing Rules, details of the advances to an entity made by the Group as at 30th September, 2008, which individually exceeds 8% of the assets ratio as set out in Rule 14.07 of the Listing Rules are as follows:

Entity 實體	Attributable interest held by the Group 本集團持有 之應佔權益	Interest		Total 合計	Percentage of total assets 佔總資產 百分比 (Note 2) (附註2)
		Advances 墊款 HK\$'000 港幣千元	receivable 應收利息 HK\$'000 港幣千元		
Orient Town Limited ("Orient Town") and its subsidiary (Notes 1 and 3) 華鎮有限公司(「華鎮」)及其附屬公司(附註1及3)	45%	1,076,113	56,182	1,132,295	28.8%

上市規則第13章項下之持續 責任

下文為本公司根據上市規則第13.20及13.22條作出之披露：

1. 向實體墊款

根據上市規則第13.20條，本集團於二零零八年九月三十日向實體墊款(個別計算超過上市規則第14.07條所載列之資產比率之8%)之詳情如下：

OTHER INFORMATION 其他資料

CONTINUING OBLIGATIONS UNDER CHAPTER 13 OF THE LISTING RULES (Cont'd)

1. ADVANCES TO AN ENTITY (Cont'd)

Notes:

- (1) The advance is unsecured and non-interest bearing since 1st April, 2007 of which no demand for repayment will be made by the Group for an amount of HK\$908,000,000 unless approved by the board of directors of Orient Town and there is no fixed terms of repayment for the remaining amount of HK\$224,295,000.
- (2) "Total assets" means the total assets value of the Group of HK\$3,938 million as at 30th September, 2008 according to the Group's condensed consolidated balance sheet as at 30th September, 2008.
- (3) Pursuant to an acquisition agreement dated 29th March, 2006 for the Group to acquire 40% issued share capital of Orient Town, the Group undertook to advance to Orient Town by way of shareholder's loan in the amount of HK\$885 million (the "First Shareholder's Loan"). On 30th March, 2007, the Group has exercised the right to acquire further 5% issued share capital of Orient Town, as a condition of which an additional loan of HK\$93 million (the "Second Shareholder's Loan") was advanced to Orient Town. Loan to Orient Town amounted to HK\$70 million was repaid in 2007. The shareholder loans were principally used for financing acquisition of indirect interest in 14 parcels of leased land situated in Estrada de Seac Pai Van, Macau ("Concordia Land") and for repayment of shareholder's loan due by Orient Town to the vendor. Pursuant to another acquisition agreement dated 25th January, 2007 for the Group to acquire 8.7% issued share capital of, a shareholder's loan and interest accrued thereon of HK\$39.6 million and HK\$71.4 million respectively due by (the "Acquired Loan") Empresa De Fomento Industrial E Comercial Concórdia, S.A. ("Concordia"), an effective 59.5%-owned subsidiary of Orient Town, the Group undertook to further advance to Concordia by way of an additional shareholder's loan up to HK\$70 million (the "Concordia Loan"), of which HK\$55 million was advanced to Concordia in prior year. The First Shareholder's Loan, the Second Shareholder's Loan, the Acquired Loan and the Concordia Loan have been approved in special general meetings of the Company held on 15th June, 2006 and 23rd March, 2007, respectively.

上市規則第13章項下之持續 責任(續)

1. 向實體墊款(續)

附註：

- (1) 該等墊款乃無抵押及不計息(自二零零七年四月一日起)，其中港幣908,000,000元墊款除獲華鎮之董事會批准，否則本集團將不會提出償還要求。餘下金額港幣224,295,000元墊款沒有固定還款期。
- (2) 「總資產」指根據本集團於二零零八年九月三十日之簡明綜合資產負債表所示本集團於二零零八年九月三十日港幣3,938,000,000元之總資產。
- (3) 根據日期為二零零六年三月二十九日本集團收購華鎮之40%已發行股本之一項收購協議，本集團承諾透過股東貸款之形式向華鎮墊款港幣885,000,000元(「第一次股東貸款」)。於二零零七年三月三十日，本集團已行使權利進一步收購華鎮之5%已發行股本，並已向華鎮額外提供港幣93,000,000元之貸款(「第二次股東貸款」)作為收購條件。授予華鎮之貸款中港幣70,000,000元已於二零零七年償還。股東貸款主要用作收購於澳門石排灣馬路之十四幅土地(「聯生土地」)之間接權益之融資及償還華鎮結欠賣方之股東貸款。根據日期為二零零七年一月二十五日本集團就購入華鎮擁有59.5%實際權益附屬公司聯生發展股份有限公司(「聯生」)8.7%已發行股本以及股東貸款及累計利息金額分別為港幣39,600,000元及港幣71,400,000元(「購入貸款」)的另一項收購協議，本集團承諾透過提供額外股東貸款(金額不超過港幣70,000,000元)(「聯生貸款」)之形式再向聯生提供墊款，其中港幣55,000,000元已於過往年度墊支予聯生。第一次股東貸款、第二次股東貸款、購入貸款及聯生貸款已分別於二零零六年六月十五日及二零零七年三月二十三日舉行之本公司股東特別大會獲批准。

OTHER INFORMATION 其他資料

CONTINUING OBLIGATIONS UNDER CHAPTER 13 OF THE LISTING RULES (Cont'd)

上市規則第13章項下之持續 責任(續)

2. FINANCIAL ASSISTANCE TO AFFILIATED COMPANIES

Details as set out in the previous paragraph headed “ADVANCES TO AN ENTITY”, the Group had provided financial assistance to an affiliated company in the aggregate amount of HK\$1,132,295,000 which represented 28.8% of the Group’s total asset value as at 30th September, 2008. In accordance with the requirement under Rule 13.22 of the Listing Rules, the consolidated balance sheet of Orient Town, being an affiliated company of the Company, and the Group’s attributable interests in Orient Town based on its latest financial statements available are presented below:

2. 向聯屬公司提供之財務 援助

詳情載列於上段標題為「向實體墊款」，本集團已向聯屬公司提供總額為港幣1,132,295,000元之財務援助，於二零零八年九月三十日佔本集團資產總值約28.8%。根據上市規則第13.22條，以本公司之聯屬公司華鎮可供參閱之最新財務報表為基準，華鎮之綜合資產負債表及本集團於華鎮之應佔權益呈列如下：

		Consolidated balance sheet	Group’s attributable interests
		綜合資產負債表	本集團應佔權益
		<i>HK\$’000</i>	<i>HK\$’000</i>
		港幣千元	港幣千元
Non-current assets	非流動資產	2,085,008	938,444
Current assets	流動資產	653,383	349,645
Current liabilities	流動負債	(625,021)	(507,649)
Non-current liabilities	非流動負債	(2,041,459)	(918,656)
Minority interests	少數股東權益	(62,534)	(28,140)
		<u>9,377</u>	<u>(166,356)</u>

On behalf of the Board

代表董事會

Cheung Hon Kit
Chairman

主席
張漢傑

Hong Kong, 19th December, 2008

香港，二零零八年十二月十九日



德祥地產集團有限公司

ITC PROPERTIES GROUP LIMITED

Unit 3102, 31/F., Bank of America Tower, 12 Harcourt Road, Central, Hong Kong
香港中環夏愨道12號美國銀行中心31樓3102室