



**WANG ON GROUP LIMITED**

**宏安集團有限公司**

*(Incorporated in Bermuda with limited liability)*

Stock Code: 1222



The luxury strip

Interim Report 2009

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### *Executive Directors*

Mr. Tang Ching Ho, *Chairman*  
Ms. Yau Yuk Yin, *Deputy Chairman*  
Mr. Chan Chun Hong, Thomas,  
*Managing Director*

#### *Independent Non-executive Directors*

Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*  
Mr. Wong Chun, Justein, *MBE, JP*  
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*  
Mr. Siu Kam Chau

### AUDIT COMMITTEE

Mr. Siu Yim Kwan, Sidney,  
*S.B.St.J., Chairman*  
Mr. Wong Chun, Justein, *MBE, JP*  
Mr. Siu Kam Chau

### REMUNERATION COMMITTEE

Mr. Wong Chun, Justein, *MBE, JP, Chairman*  
Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*  
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*  
Mr. Siu Kam Chau  
Mr. Tang Ching Ho  
Ms. Yau Yuk Yin  
Mr. Chan Chun Hong, Thomas

### NOMINATION COMMITTEE

Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP,*  
*Chairman*  
Mr. Wong Chun, Justein, *MBE, JP*  
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*  
Mr. Siu Kam Chau  
Mr. Tang Ching Ho  
Ms. Yau Yuk Yin  
Mr. Chan Chun Hong, Thomas

### COMPANY SECRETARY

Ms. Mak Yuen Ming, Anita

### LEGAL ADVISERS

DLA Piper Hong Kong  
Freshfields Bruckhaus Deringer  
Gallant Y.T. Ho & Co.  
Morrison & Foerster

### PRINCIPAL BANKERS

China Construction Bank (Asia)  
Corporation Limited  
China Construction Bank Corporation  
DBS Bank (Hong Kong) Limited  
The Hongkong and Shanghai Banking  
Corporation Limited

### AUDITORS

Ernst & Young

### REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F., Wai Yuen Tong Medicine Building  
9 Wang Kwong Road  
Kowloon Bay  
Kowloon  
Hong Kong

### BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

### HOMEPAGE

<http://www.wangon.com>

### STOCK CODE

1222

## INTERIM DIVIDEND

The board of directors (the “**Board**”) of Wang On Group Limited (the “**Company**”) has resolved to declare an interim dividend of HK0.3 cents (2008: Nil) per share for the six months ended 30 September 2009. The interim dividend will be payable on Monday, 18 January 2010 to those shareholders whose names appear on the register of members of the Company on Tuesday, 5 January 2010.

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 4 January 2010 to Tuesday, 5 January 2010, both days inclusive. During this period, no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited of 26/F., Tesbury Centre, 28 Queen’s Road East, Hong Kong for registration no later than 4:00 p.m. on Thursday, 31 December 2009.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

For the six months ended 30 September 2009, the Company, its subsidiaries and its jointly-controlled entities (the “**Group**”) recorded a turnover of approximately HK\$280.9 million (2008: approximately HK\$181.8 million), representing an increase of approximately HK\$99.1 million or approximately 54.5% as compared to the same period last year. Profit attributable to equity holders of the parent for the period ended 30 September 2009 amounted to approximately HK\$69.7 million (2008: loss of approximately HK\$82.9 million). The turnaround in 2009 was mainly attributable to the continued sale of luxury houses located in Godi, Shatin Heights (“**Godi**”), capital appreciation of investment properties and reduction of share of loss of an associate.

### Property Development

During the first half of the current financial year, this division achieved a turnover of approximately HK\$115.8 million (2008: approximately HK\$19.2 million), representing a six-fold increase as compared to the corresponding period last year. Subsequent to the period ended 30 September 2009, two houses with total value of approximately HK\$92.1 million were sold, of which one had been delivered in early December and the other will be delivered by the end of December. As of today, the Group keeps an inventory of four Godi houses which are intended to be sold to the public.

## MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

### Property Development *(Continued)*

In July, the Group entered into a sale and purchase agreement for the acquisition of a 6-storey factory building with a site area of approximately 17,000 square feet at Yau Tong. In October, the Group further acquired a 3-storey factory building with a site area of approximately 24,000 square feet at Yau Tong which is immediately adjacent to the 6-storey factory building site and such acquisition will be completed by April 2010.

The Group currently intends to demolish both factory buildings and re-develop the combined site into a residential complex. Initial design work is being carried out.

### Property Investment

As at 30 September 2009, the Group maintained an investment property portfolio comprising retail shops and residential premises in Hong Kong with a net book value of approximately HK\$531.1 million (31 March 2009: approximately HK\$462.6 million). During the period, the Group invested approximately HK\$35.4 million in a retail shop and residential premises. Subsequent to the period ended 30 September 2009, the Group further acquired two retail shops at a total consideration of approximately HK\$45.0 million.

The Group will continue to look for potential investment properties and believes that such additional investment can further enhance the recurring income for the Group. In the long term, the Group will benefit from the capital appreciation of a well-diversified investment property portfolio.

### Management and Sub-licensing of Chinese Wet Markets

The turnover for this division for the period ended 30 September 2009 was approximately HK\$100.6 million (2008: approximately HK\$79.3 million), representing an increase of approximately HK\$21.3 million. This was mainly attributable to the additional revenue generated from the management of four new Chinese wet markets in Hong Kong.

In July and November, the Group took up the management of two more Chinese wet markets, namely Po Lam and Heng On at Tseung Kwan O and Ma On Shan, respectively. As of today, the Group manages a portfolio of approximately 1,100 stalls spreading over 16 Chinese wet markets.

The Group continued to manage a total of more than 1,100 stalls occupying a total gross floor area of over 186,000 square feet in 16 "Humin" brand Chinese wet markets in various districts in Shenzhen, the People's Republic of China (the "PRC").

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Trading of Agricultural By-products

For the period ended 30 September 2009, the turnover of this division amounted to approximately HK\$31.0 million (2008: approximately HK\$45.6 million), representing a decrease of approximately HK\$14.6 million. The business of this division had deteriorated as a result of fierce price competition from other operators in the market.

### Agricultural By-products Wholesale Markets

The turnover of this division for the period ended 30 September 2009 amounted to approximately HK\$11.3 million (2008: approximately HK\$24.0 million), representing a decrease of approximately HK\$12.7 million compared to the same period last year. This was mainly due to the loss of revenue arising from the disposal of the Group's entire interest in the Yulin and the Xuzhou agricultural by-products wholesale markets in March 2009.

As at 30 September 2009, the Group had a 40% interest in an agricultural by-products wholesale market in Changzhou.

Although the Group's entire interest in two wholesale markets in the PRC was disposed of last financial year, the operation of the Group's agricultural by-products wholesale market at Fanling continued to be stable and satisfactory. The Group will continue to improve the operation conditions so as to enhance the trading volume and activities of the market.

In October 2009, the Group acquired on an open market shares, representing approximately 3.8% equity interest in China Agri-Products Exchange Limited, a company listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), which is principally engaged in the property rental business in respect of agricultural produce exchanges and the food and beverage business, for an aggregate consideration of approximately HK\$19 million.

### Investment in Pharmaceutical and Health Products Related Business

For the six-month period ended 30 September 2009, the turnover of this division under Wai Yuen Tong Medicine Holdings Limited ("**WYTH**") was approximately HK\$229.2 million (2008: approximately HK\$230.7 million). The business of Chinese and western pharmaceutical products performed satisfactorily and recorded a slight growth of approximately 3.6% compared to the same period last year. With the continuous launch of new products under the division's secondary brand of "Pearl's" and increasing public awareness of the "Wai Yuen Tong" and "Madame Pearl's" brands, the Group anticipates this division will experience steady growth.

## MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

### FUND RAISING

During the period under review and up to the date of this report, the Group completed the following fund raising activities:

- (a) an open offer (the “**Open Offer**”) which was announced by the Company on 13 February 2009, under which the Company issued and allotted 1,132,861,635 offer shares and 755,241,090 bonus shares of HK\$0.01 each in the Company on 7 May 2009 and net proceeds of approximately HK\$108.2 million were raised for acquisition of investments and general working purposes; and
- (b) on 13 October 2009, the Company entered into a new placing agreement with a placing agent, to place 453 million shares in the Company under the general mandate granted to the directors by the shareholders at the last annual general meeting held on 26 August 2009. Net proceeds of approximately HK\$61.3 million were raised for the Group’s property development business.

### LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2009, the Group had cash resources and short term investments of approximately HK\$460.0 million (31 March 2009: approximately HK\$504.1 million). The aggregate borrowings as at 30 September 2009 amounted to approximately HK\$607.5 million (31 March 2009: approximately HK\$432.1 million).

During the period under review, the Group’s gearing ratio was approximately 11.5% (31 March 2009: Nil), calculated with reference to the Group’s total borrowings net of cash and cash equivalents and equity attributable to equity holders of the parent of approximately HK\$177.3 million and approximately HK\$1.5 billion, respectively.

As at 30 September 2009, the Group’s investment properties with an aggregate carrying value of approximately HK\$503.6 million (31 March 2009: approximately HK\$420.6 million) were pledged to secure the Group’s general banking facilities totalling approximately HK\$374.5 million (31 March 2009: approximately HK\$432.1 million).

The Group’s capital commitment as at 30 September 2009 amounted to HK\$243.7 million (31 March 2009: approximately HK\$27.8 million). The Group had no significant contingent liabilities as at the balance sheet date.

The Board is of the opinion that the Group has no material foreign exchange exposure. All bank borrowings are denominated in Hong Kong dollars. The revenue of the Group, being mostly denominated in Hong Kong dollars, matches the currency requirements of the Group’s operating expenses. The Group does not engage in any hedging activities.

## MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

### EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2009, the Group had 271 full time employees, around 91% of whom were located in Hong Kong.

The Group remunerates its employees mainly based on industry practices and individual performance and experience. Apart from the regular remuneration, discretionary bonus and share options may be granted to selected staff by reference to the Group's performance as well as the individual's performance. Other benefits, such as medical and retirement benefits and structured training programs, are also provided. The Group operates a Mandatory Provident Fund Scheme for those employees in Hong Kong who are eligible to participate.

### PROSPECTS

Given that the Hong Kong property market conditions have been improved since beginning of 2009, the Group will allocate more resources into the property development and property investment segments. The accumulation of sufficient land bank and enlargement of property investment portfolio form the solid foundation for future expansion.

Regarding the management and sub-licensing of Chinese wet markets, this division continues to be the market leader in Hong Kong. The Group will seek for more management contracts both in Hong Kong and the PRC and strengthen our leading position in this segment.



## DISCLOSURE OF INTERESTS

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2009, the interests and short positions of the directors and chief executive of the Company and/or any of their respective associates in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code for Securities Transactions by Director of Listed Issuers (the "Model Code") under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

(i) Long positions in the ordinary shares of the Company:

Name of director	Number of ordinary shares held, capacity and nature of interest					Total	Approximate percentage of the Company's total issued share capital (Note (f)) %
	Personal interest	Family interest	Corporate interest	Other interest			
Mr. Tang Ching Ho	3,892,548	3,892,542 (Note (a))	14,238,426 (Note (b))	552,667,748 (Note (c))	574,691,264	25.36	
Ms. Yau Yuk Yin	3,892,542	18,130,974 (Note (d))	-	552,667,748 (Note (e))	574,691,264	25.36	

(ii) Long positions in underlying shares of share options of the Company:

Name of director	Date of grant	Exercise price per share HK\$	Number of share options outstanding	Exercisable period (Note (g))	Number of underlying shares	Number of total underlying shares	Approximate percentage of the Company's total issued share capital (Note (f)) %
Mr. Chan Chun Hong, Thomas	2/1/2008	1.2243	177,324	2/1/2009 – 1/1/2013	177,324		
	8/1/2009	0.1979	354,646	8/1/2010 – 7/1/2019	354,646	531,970	0.02

## DISCLOSURE OF INTERESTS *(Continued)*

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS *(Continued)*

Notes:

- (a) Mr. Tang Ching Ho was taken to be interested in those shares in which his spouse, Ms. Yau Yuk Yin, was interested.
- (b) Mr. Tang Ching Ho was taken to be interested in those shares in which Caister Limited, a company which is wholly and beneficially owned by him, was interested.
- (c) Mr. Tang Ching Ho was taken to be interested in those shares by virtue of being the founder of a discretionary trust, namely Tang's Family Trust.
- (d) Ms. Yau Yuk Yin was taken to be interested in those shares in which her spouse, Mr. Tang Ching Ho, was interested.
- (e) Ms. Yau Yuk Yin was taken to be interested in those shares by virtue of being a beneficiary of Tang's Family Trust.
- (f) The percentage represented the number of shares over the total issued share capital of the Company as at 30 September 2009 of 2,265,723,270 shares.
- (g) The exercisable period of the above share options beneficially held by Mr. Chan Chun Hong, Thomas was vested as follows:
 

On 1st anniversary of the date of grant	:	30% vest
On 2nd anniversary of the date of grant	:	further 30% vest
On 3rd anniversary of the date of grant	:	remaining 40% vest

Save as disclosed above, as at 30 September 2009, none of the directors and chief executive of the Company and/or any of their respective associates had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code.

## DISCLOSURE OF INTERESTS *(Continued)*

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "Directors' interests and short positions in shares, underlying shares or debentures of the Company and its associated corporations" above, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors or chief executive of the Company to acquire such rights in any other body corporate.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2009, to the best knowledge of the directors, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that the following shareholders had notified the Company of relevant interests and short positions in the shares and underlying shares of the Company:

Long positions in the shares of the Company:

<b>Name of shareholder</b>	<i>Notes</i>	<b>Capacity</b>	<b>Number of shares</b>	<b>Approximate percentage of the Company's total issued share capital</b> <i>(Note (c))</i> %
Accord Power Limited ("Accord Power")		Beneficial owner	552,667,748	24.39
Trustcorp Limited	(a)	Interest of controlled corporation	552,667,748	24.39
Newcorp Ltd.	(b)	Interest of controlled corporation	552,667,748	24.39

Notes:

- (a) Accord Power is wholly owned by Trustcorp Limited in its capacity as the trustee of Tang's Family Trust. Accordingly, Trustcorp Limited was taken to be interested in those shares held by Accord Power.

## DISCLOSURE OF INTERESTS *(Continued)*

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES *(Continued)*

- (b) Trustcorp Limited is a wholly-owned subsidiary of Newcorp Ltd. and, accordingly, Newcorp Ltd. was taken to be interested in those shares in which Trustcorp Limited was interested.
- (c) The percentage represented the number of shares over the total issued share capital of the Company as at 30 September 2009 of 2,265,723,270 shares.

Save as disclosed above, as at 30 September 2009, no persons had an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

## SHARE OPTION SCHEME

The Company operates a share option scheme (the "**Scheme**") which was adopted on 3 May 2002, for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Under the Scheme, share options may be granted to any director or proposed director (whether executive, or non-executive, including independent non-executive director), employee or proposed employee (whether full-time or part-time), seconded, any holder of securities issued by any member of the Group, any business or joint venture partner, contractor, agent or representative, any person or entity that provides research, development or other technology support or advisory, consultancy, professional or other services to the Group, any supplier, producer or licensor of goods or services to the Group, any customer, licensee (including any sub-licensee) or distributor of goods or services of the Group, or any landlord or tenant (including any sub-tenant) of the Group or any substantial shareholder or company controlled by a substantial shareholder, or any company controlled by one or more persons belonging to any of the above classes of participants. The Scheme became effective on 3 May 2002 and, unless otherwise terminated earlier by shareholders in a general meeting, will remain in force for a period of 10 years from that date.

## SHARE OPTION SCHEME (Continued)

Details of the movements of the share options under the Scheme during the period were as follows:

Name or category	Date of grant	Outstanding as at 1 April 2009	Granted during the period	Adjustment	Exercised during the year	Lapsed or	Outstanding as at 30 September 2009	Exercise period of share options	Exercise price per share HK\$
				due to Open		Offer and Bonus Issue during the period <sup>†</sup>			
<b>Director</b>									
Mr. Chan Chun Hong, Thomas	2/1/2008	52,000	-	125,324	-	-	177,324	2/1/2009- 1/1/2013*	1.2243**
	8/1/2009	104,000	-	250,646	-	-	354,646	8/1/2010- 7/1/2019*	0.1979 <sup>##</sup>
		156,000	-	375,970	-	-	531,970		
<b>Other employees</b>									
in aggregate	1/3/2007	14,960,000	-	36,054,676	-	(5,456,115)	45,558,561	1/3/2007- 28/2/2017	1.0447 <sup>#</sup>
	2/1/2008	234,000	-	563,957	-	-	797,957	2/1/2009- 1/1/2013*	1.2243**
	8/1/2009	576,000	-	1,388,203	-	(109,122)	1,855,081	8/1/2010- 7/1/2019*	0.1979 <sup>##</sup>
		15,770,000	-	38,006,836	-	(5,565,237)	48,211,599		
<b>TOTAL</b>		<b>15,926,000</b>	<b>-</b>	<b>38,382,806</b>	<b>-</b>	<b>(5,565,237)</b>	<b>48,743,569</b>		

Notes:

\* The share options granted under the Scheme vest as follows:

On 1st anniversary of the date of grant : 30% vest  
 On 2nd anniversary of the date of grant : further 30% vest  
 On 3rd anniversary of the date of grant : remaining 40% vest

# Upon completion of the Open Offer on 7 May 2009, the Company issued and allotted 1,132,861,635 offer shares and 755,241,090 bonus shares on the basis of three offer shares for every one share held on record date with two bonus shares for every three offer shares taken up under the Open Offer.

\*\* As a result of the Open Offer, the exercise price of the share options was adjusted from HK\$4.1750 per share to HK\$1.2243 per share.

## SHARE OPTION SCHEME *(Continued)*

## As a result of the Open Offer, the exercise price of the share options was adjusted from HK\$3.5625 per share to HK\$1.0447 per share.

### As a result of the Open Offer, the exercise price of the share options was adjusted from HK\$0.6750 per share to HK\$0.1979 per share.

During the period under review, the Board had not granted any share options under the Scheme. As at 30 September 2009, the Company had 48,743,569 share options outstanding under the Scheme. Upon expiry of the vesting periods, the exercise in full of these share options would, under the present capital structure of the Company, result in the issue of 48,743,569 additional ordinary shares of the Company and additional share capital of HK\$487,435.69 and share premium of HK\$48,738,934.49.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has complied with the code provisions of the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules throughout the period for the six months ended 30 September 2009.

The Group will continue to improve its management and control level to enhance the Company's competitiveness and operating efficiency, to ensure its sustainable development and to generate greater returns for the shareholders of the Company.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 September 2009.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by directors of the Company. Having made specific enquiry of all directors of the Company, all directors confirmed that they had complied with the required standard set out in the Model Code adopted by the Company throughout the period under review.

## CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

### UPDATE ON DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Since 22 July 2009, being the date of the 2009 annual report of the Company, Mr. Siu Kam Chau, an existing independent non-executive director of the Company, retired from the post of executive director of Hong Kong Health Check and Laboratory Holdings Company Limited, a company listed on the main board of the Stock Exchange, after the conclusion of its 2009 annual general meeting held on 28 August 2009.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

### AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") in compliance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee has reviewed the unaudited condensed consolidated financial statements for the six months ended 30 September 2009 of the Group. The Audit Committee comprises three independent non-executive directors of the Company, namely Messrs. Siu Yim Kwan, Sidney, Wong Chun, Justein and Siu Kam Chau. Mr. Siu Yim Kwan, Sidney was elected as the chairman of the Audit Committee.

By Order of the Board

**Tang Ching Ho**

*Chairman*

Hong Kong, 16 December 2009

## INTERIM RESULTS

The Board is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 September 2009, together with the comparative figures for the corresponding period in 2008. These interim condensed consolidated financial statements were not audited, but have been reviewed by the Audit Committee.

## INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2009

	Notes	For the six months ended 30 September	
		2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
<b>Revenue</b>	3	<b>280,864</b>	181,789
Cost of sales		<b>(200,808)</b>	(131,028)
<b>Gross profit</b>		<b>80,056</b>	50,761
Other income and gains	4	<b>22,984</b>	22,405
Selling and distribution costs		<b>(1,267)</b>	(1,348)
Administrative expenses		<b>(30,854)</b>	(41,619)
Other expenses	5	<b>(18,453)</b>	(36,521)
Finance costs	6	<b>(3,682)</b>	(4,098)
Fair value gains/(losses) on financial assets at fair value through profit and loss		<b>10,569</b>	(23,640)
Fair value gains on revaluation of investment properties		<b>33,045</b>	15,767
Share of profits and losses of associates		<b>(6,120)</b>	(42,026)
<b>Profit/(loss) before tax</b>	7	<b>86,278</b>	(60,319)
Tax	8	<b>(16,552)</b>	(10,398)
<b>Profit/(loss) for the period</b>		<b>69,726</b>	(70,717)



## INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(Continued)*

For the six months ended 30 September 2009

	Notes	For the six months ended 30 September	
		2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
<b>Profit/(loss) for the period</b>		<b>69,726</b>	(70,717)
Exchange difference arising on translation of foreign operations		211	12,516
Change in fair value of available-for-sale investments		20,003	–
Share of other comprehensive income of associates		117	–
<b>Other comprehensive income for the period</b>		<b>20,331</b>	12,516
<b>Total comprehensive income/(loss) for the period</b>		<b>90,057</b>	(58,201)
<b>Profit/(loss) for the period attributable to:</b>			
Equity holders of the parent		69,727	(82,917)
Minority interests		(1)	12,200
		<b>69,726</b>	(70,717)
<b>Total comprehensive income/(loss) attributable to:</b>			
Equity holders of the parent		90,058	(76,526)
Minority interests		(1)	18,325
		<b>90,057</b>	(58,201)
<b>Dividends</b>			
Interim	10	8,156	–
<b>Earnings/(loss) per share</b>			
Basic	9	HK3.68 cents	(Restated) (HK26.55) cents
Diluted		N/A	N/A

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2009

	Notes	30 September 2009 (Unaudited) HK\$'000	31 March 2009 (Audited) HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	11	15,683	16,849
Prepaid land lease payments		3,171	3,171
Investment properties		605,363	536,136
Goodwill		1,376	1,376
Interests in associates	13	199,513	216,625
Available-for-sale investments		24,531	–
Held-to-maturity financial assets		10,882	4,114
Other intangible assets		15,150	18,180
Loans receivable		265,993	281,241
Rental deposits paid		12,425	11,737
Deferred tax assets		555	555
<b>Total non-current assets</b>		<b>1,154,642</b>	<b>1,089,984</b>
<b>Current assets</b>			
Properties held for sale		557,253	262,272
Trade receivables	14	3,613	4,498
Prepayments, deposits and other receivables		100,081	46,720
Financial assets at fair value through profit or loss		29,731	20,424
Tax recoverable		326	107
Cash and cash equivalents		430,282	483,707
<b>Total current assets</b>		<b>1,121,286</b>	<b>817,728</b>
<b>Current liabilities</b>			
Trade payables	15	12,998	18,076
Other payables and accruals		20,858	20,542
Deposits received and receipts in advance		68,792	73,359
Interest-bearing bank loans		107,487	121,948
Provisions for onerous contracts		1,210	1,960
Tax payable		15,999	6,064
<b>Total current liabilities</b>		<b>227,344</b>	<b>241,949</b>

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

30 September 2009

	30 September 2009 (Unaudited) HK\$'000	31 March 2009 (Audited) HK\$'000
<i>Note</i>		
<b>Net current assets</b>	<b>893,942</b>	575,779
<b>Total assets less current liabilities</b>	<b>2,048,584</b>	1,665,763
<b>Non-current liabilities</b>		
Interest-bearing bank loans	500,054	310,137
Provisions for onerous contracts	250	250
Deferred tax liabilities	8,649	3,196
Total non-current liabilities	508,953	313,583
<b>Net assets</b>	<b>1,539,631</b>	1,352,180
<b>Equity</b>		
Equity attributable to equity holders of the parent		
Share capital	16	22,657
Reserves	1,508,422	1,336,678
Proposed dividends	8,156	11,329
Minority interests	1,539,235	1,351,783
	396	397
Total equity	1,539,631	1,352,180

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2009

	Attributable to equity holders of the parent												
	Issued share capital	Share premium account	Contributed surplus	Share option reserve	Exchange fluctuation reserve	Available-for-sale investments revaluation reserve	Warrant reserve	Other reserve	Retained profits	Proposed dividend	Total	Minority interests	Total equity
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	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
At 1 April 2008	32,051	586,359	106,329	7,697	23,167	-	4,500	13,425	401,173	7,868	1,182,569	57,646	1,240,215
Final 2008 dividend declared	-	-	-	-	-	-	-	-	-	(7,868)	(7,868)	-	(7,868)
	32,051	586,359	106,329	7,697	23,167	-	4,500	13,425	401,173	-	1,174,701	57,646	1,232,347
Total comprehensive													
income for the period	-	-	-	-	6,391	-	-	-	(82,917)	-	(76,526)	18,325	(58,201)
Exercise of share options	488	4,249	-	-	-	-	-	-	-	-	4,737	-	4,737
Placements of shares	6,600	95,200	-	-	-	-	-	-	-	-	102,000	-	102,000
Share issue expenses	-	(2,965)	-	-	-	-	-	-	-	-	(2,965)	-	(2,965)
Disposal of a subsidiary	-	-	-	-	(11,077)	-	-	-	-	-	(11,077)	-	(11,077)
At 30 September 2008	39,339	682,843	106,329	7,697	18,481	-	4,500	13,425	318,256	-	1,190,870	75,971	1,266,841
At 1 April 2009	3,776	707,959	149,755	7,922	11,364	-	-	9,925	449,753	11,329	1,351,783	397	1,352,180
Final 2009 dividend declared	-	-	-	-	-	-	-	-	-	(11,329)	(11,329)	-	(11,329)
	3,776	707,959	149,755	7,922	11,364	-	-	9,925	449,753	-	1,340,454	397	1,340,851
Total comprehensive													
income for the period	-	-	-	-	211	20,003	-	117	69,727	-	90,058	(1)	90,057
Open offer	11,329	101,958	-	-	-	-	-	-	-	-	113,287	-	113,287
Bonus issue	7,552	(7,552)	-	-	-	-	-	-	-	-	-	-	-
Share issue expenses	-	(4,694)	-	-	-	-	-	-	-	-	(4,694)	-	(4,694)
Share option expenses	-	-	-	130	-	-	-	-	-	-	130	-	130
Interim 2009 dividend declared	-	-	-	-	-	-	-	-	(8,156)	8,156	-	-	-
At 30 September 2009	22,657	797,671	149,755	8,052	11,575	20,003	-	10,042	511,324	8,156	1,539,235	396	1,539,631

## INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2009

	Six months ended 30 September	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(316,650)</b>	14,902
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(11,095)</b>	83,275
<b>Net cash inflow from financing activities</b>	<b>271,404</b>	9,517
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>(56,341)</b>	107,694
Cash and cash equivalents at beginning of period	<b>483,707</b>	330,819
Effect of foreign exchange rate changes, net	<b>2,916</b>	4,695
<b>Cash and cash equivalents at end of period</b>	<b>430,282</b>	443,208
<b>Analysis of balances of cash and cash equivalents</b>		
Cash and bank balances	<b>89,931</b>	92,105
Non-pledged time deposits with original maturity of less than three months when acquired	<b>340,351</b>	351,103
	<b>430,282</b>	443,208

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2009

### 1. BASIS OF PRESENTATION

The unaudited interim condensed consolidated financial statements of the Group have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Listing Rules and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

These unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2009.

### 2. PRINCIPAL ACCOUNTING POLICIES

The unaudited interim condensed consolidated financial statements have been prepared under the historical cost convention, except for investment properties, certain derivative financial instruments and equity investments, which have been measured at fair value.

The accounting policies used in the unaudited interim condensed consolidated financial statements are consistent with those used in the preparation of the Group’s annual financial statements for the year ended 31 March 2009 and in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, HKASs, and Interpretations) issued by HKICPA, except that the Group has in the current period applied, for the first time, the following new HKFRSs, which are effective for the Group’s financial year beginning on 1 April 2009:

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of HKFRSs</i> and HKAS 27 <i>Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>
HKFRS 2 Amendments	Amendments to HKFRS 2 <i>Share-based Payment – Vesting Conditions and Cancellations</i>

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

### 2. *PRINCIPAL ACCOUNTING POLICIES (Continued)*

HKFRS 7 Amendments	<i>Financial Instruments: Disclosures</i>
HKFRS 8	<i>Operating Segments</i>
HKAS 1 (Revised)	<i>Presentation of Financial Statements</i>
HKAS 23 (Revised)	<i>Borrowing Costs</i>
HKAS 32 and HKAS 1 Amendments	<i>Amendments to HKAS 32 Financial Instruments: Presentation and HKAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation</i>
HK(IFRIC)-Int 9 and HKAS 39 Amendments	<i>Amendments to HK(IFRIC)-Int 9 Reassessment of Embedded Derivatives and HKAS 39 Financial Instruments: Recognition and Measurement</i>
HK(IFRIC)-Int 13	<i>Customer Loyalty Programmes</i>
HK(IFRIC)-Int 15	<i>Agreements for the Construction of Real Estate</i>
HK(IFRIC)-Int 16	<i>Hedges of a Net Investment in a Foreign Operation</i>
HK(IFRIC)-Int 18	<i>Transfer of Assets from Customers</i>

Apart from the above, the Group has also adopted *Improvements to HKFRSs\** which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording.

\* *Improvements to HKFRSs* contain amendments to HKFRS 7, HKAS 1, HKAS 8, HKAS 10, HKAS 16, HKAS 18, HKAS 19, HKAS 20, HKAS 23, HKAS 27, HKAS 28, HKAS 29, HKAS 31, HKAS 34, HKAS 36, HKAS 38, HKAS 39, HKAS 40 and HKAS 41.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

### 2. *PRINCIPAL ACCOUNTING POLICIES (Continued)*

The adoption of these new interpretations and amendments has had no significant financial effect on these unaudited interim condensed consolidated financial statements and there have been no significant changes to the accounting policies applied in these unaudited interim condensed consolidated financial statements, except for the followings:

#### (a) **HKFRS 8 Operating Segments**

HKFRS 8 requires disclosure of information about the Group's operating segments and replaces the requirement to determine primary (business) and secondary (geographical) reporting segments of the Group. The adoption of HKFRS 8 did not have any effect on the financial position or performance of the Group. The Group determined that the operating segments were the same as the business segments as previously identified under HKAS 14 *Segment Reporting*.

#### (b) **HKAS 1 (Revised) Presentation of Financial Statements**

HKAS 1 (Revised) has introduced a number of terminology changes (including revised titles for the financial statements) and has resulted in a number of changes in presentation and disclosure. HKAS 1 (Revised) also separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income which presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present one single statement.

The Group has not applied the following new and revised HKFRSs that have been issued but are not yet effective, in the unaudited interim condensed consolidated financial statements.

HKFRS 1 (Revised)	<i>First-time Adoption of Hong Kong Financial Reporting Standards<sup>1</sup></i>
HKFRS 2 Amendments	<i>Group Cash-settled Share-based Payment Transactions<sup>2</sup></i>
HKFRS 3 (Revised)	<i>Business Combinations<sup>1</sup></i>
HKFRS 9	<i>Financial Instruments<sup>4</sup></i>
HKAS 24 (Revised)	<i>Related Party Disclosure<sup>3</sup></i>
HKAS 27 (Revised)	<i>Consolidated and Separate Financial Statements<sup>1</sup></i>



## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

### 2. *PRINCIPAL ACCOUNTING POLICIES (Continued)*

HKAS 39 Amendments	Amendments to HKAS 39 <i>Financial Instruments: Recognition and Measurement – Eligible Hedged Items</i> <sup>1</sup>
HK(IFRIC)-Int 17	<i>Distribution of Non-cash Assets to Owners</i> <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 July 2009.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2010.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2011.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2013.

In addition, *improvements to HKFRSs* were issued in May 2009 by HKICPA which contains amendments to HKFRS 2, HKFRS 5, HKFRS 8, HKAS 1, HKAS 7, HKAS 17, Appendices to HKAS 18, HKAS 36, HKAS 38, HKAS 39, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 16. Except for the amendments to HKFRS 2, HKAS 38, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 16 which are effective for annual periods beginning on or after 1 July 2009 and no transitional provisions for amendment to Appendix to HKAS 18 has been specified, other amendments are effective for annual periods beginning on or after 1 January 2010 although there are separate transitional provisions for each standard.

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that while the adoption of HKFRS 3 (Revised) and HKAS 27 (Revised) may result in changes in accounting policies, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

### 3. SEGMENT INFORMATION

The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. For management purposes, the Group operates in seven business units and has seven reportable operating segments. Each of the Group's reportable operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other reportable operating segments. Summary details of the reportable operating segments are as follows:

- (a) the property development segment engages in the development of properties;
- (b) the property investment segment invests in industrial and commercial premises and residential units for rental income;
- (c) the Chinese wet markets segment engages in the management and sub-licensing of Chinese wet markets;
- (d) the shopping centres segment engages in the management and sub-licensing of shopping centres;
- (e) the agricultural by-products wholesale markets segment engages in the operations and management of agricultural by-products wholesale markets;
- (f) the trading of agricultural by-products segment engages in the wholesale and retail of agricultural by-products; and
- (g) the corporate and others segment comprises the Group's management service business. This segment also includes corporate income and expense items.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 3. SEGMENT INFORMATION (Continued)

The following table presents revenue and result information for the Group's operating segments for the six months ended 30 September 2009 and 2008, respectively.

2009	Agricultural								Elimina- tions Consolidated (Unaudited)
	Property development (Unaudited) HK\$'000	Property investment (Unaudited) HK\$'000	Chinese wet markets (Unaudited) HK\$'000	Shopping centres (Unaudited) HK\$'000	wholesale markets (Unaudited) HK\$'000	Trading of agricultural by-products (Unaudited) HK\$'000	Corporate and others (Unaudited) HK\$'000	HK\$'000	
Segment revenue:									
Sales to external customers	115,761	15,500	100,628	6,658	11,316	31,001	-	-	280,864
Intersegment sales	-	-	-	-	-	-	1,018	(1,018)	-
Other revenue	67	402	7,335	351	12	994	4,826	(169)	13,818
<b>Total</b>	<b>115,828</b>	<b>15,902</b>	<b>107,963</b>	<b>7,009</b>	<b>11,328</b>	<b>31,995</b>	<b>5,844</b>	<b>(1,187)</b>	<b>294,682</b>
<b>Segment results</b>	<b>28,248</b>	<b>44,465</b>	<b>17,650</b>	<b>1,401</b>	<b>4,189</b>	<b>(737)</b>	<b>(8,133)</b>	<b>(169)</b>	<b>86,914</b>
Interest income									9,166
Finance costs									(3,682)
Share of profits and losses of associates									(6,120)
Profit before tax									86,278
Tax									(16,552)
<b>Profit for the period</b>									<b>69,726</b>

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 3. SEGMENT INFORMATION (Continued)

2008	Agricultural								Elimina- tions	Consolidated
	Property development (Unaudited) HK\$'000	Property investment (Unaudited) HK\$'000	Chinese wet markets (Unaudited) HK\$'000	Shopping centres (Unaudited) HK\$'000	by-products wholesale markets (Unaudited) HK\$'000	Trading of agricultural by-products (Unaudited) HK\$'000	Corporate and others (Unaudited) HK\$'000	(Unaudited) HK\$'000		
Group										
Segment revenue:										
Sales to external customers	19,246	6,972	79,303	6,663	23,993	45,612	-	-	-	181,789
Intersegment sales	-	-	-	-	-	-	1,122	(1,122)	-	-
Other revenue	-	130	1,591	87	360	-	18,310	(270)	-	20,208
Total	19,246	7,102	80,894	6,750	24,353	45,612	19,432	(1,392)	-	201,997
Segment results	1,260	(16,071)	9,625	1,287	32,507	72	(44,892)	(180)	-	(16,392)
Interest income										2,197
Finance costs										(4,098)
Share of profits and losses of associates										(42,026)
Loss before tax										(60,319)
Tax										(10,398)
Loss for the period										(70,717)

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

### 4. OTHER INCOME AND GAINS

	For the six months ended 30 September	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Bank interest income	600	1,682
Other interest income	8,566	515
Compensation received in respect of a fire accident	4,500	–
Gain on disposal of financial assets at fair value through profit or loss	615	396
Gain on disposal of a subsidiary	–	11,470
Dividend income from listed securities	131	951
Recognition of a deferred gain	403	902
Others	8,169	6,489
	<b>22,984</b>	22,405

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

### 5. OTHER EXPENSES

	For the six months ended 30 September	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Loss on deemed disposal of interest in an associate	18,445	31,764
Loss on disposal of an investment property	–	4,520
Others	8	237
	<b>18,453</b>	36,521

### 6. FINANCE COSTS

	For the six months ended 30 September	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Interest on bank loans and overdrafts	3,682	4,098

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 7. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	For the six months ended 30 September	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Cost of inventories sold	32,348	42,914
Cost of services provided	88,208	74,380
Cost of properties sold	80,252	13,734
Depreciation	3,134	3,008
Amortisation of prepaid land lease payments	–	1,878
Amortisation of other intangible assets	3,030	3,030
Amount released from onerous contracts, net	(750)	(600)

### 8. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rate of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

	For the six months ended 30 September	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Group:		
Current tax charge for the period:		
Hong Kong	10,928	3,636
Mainland China	172	284
Deferred	5,452	6,478
Tax charge for the period	16,552	10,398

Share of tax attributable to associates amounting to HK\$322,000 (2008: HK\$284,000) is included in "Share of profits and losses of associates" on the face of the unaudited consolidated statement of comprehensive income.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

### 9. EARNINGS/(LOSS) PER SHARE

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

	For the six months ended 30 September	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
<b>Earnings/(loss)</b>		
Earnings/(loss) for the purpose of basic earnings/(loss) per share	<b>69,727</b>	(82,917)

	Number of Shares For the six months ended 30 September	
	2009 (Unaudited)	2008 (Unaudited) (Restated)
<b>Shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	<b>1,894,327,239</b>	312,373,855*

\* *The weighted average number of ordinary shares in 2008 has been retrospectively adjusted for the twenty five-to-one share consolidation taken place on 31 March 2009.*

The diluted earnings/(loss) per share amounts for the period ended 30 September 2009 and 30 September 2008 have not been disclosed as no diluting events existed during these periods.



## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

### 10. DIVIDENDS PAID AND DECLARED

	For the six months ended 30 September	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Dividend declared and paid during the six month period:		
Final dividend for 2009 of HK0.5 cents per share (2008: HK2.5 cents per share)	<b>11,329</b>	7,868
Dividend proposed for approval:		
Interim dividend for 2009: HK0.3 cents per share (2008: Nil)	<b>8,156</b>	-

### 11. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT AND PROPERTIES UNDER DEVELOPMENT

During the six months ended 30 September 2009, the Groups incurred HK\$ 1,576,000 (2008: HK\$54,522,000) on the addition of items of property, plant and equipment.

During the six months ended 30 September 2009, the Group did not incur any expenditure (2008: HK\$29,400,000) on properties under development.

### 12. PLEDGE OF ASSETS

As at 30 September 2009, the Group's properties held for sale with an aggregate carrying value of HK\$534,064,000 (As at 31 March 2009: HK\$240,908,000), and investment properties with an aggregate carrying value of HK\$503,621,000 (As at 31 March 2009: HK\$420,572,000) and certain rental income generated therefrom were pledged to secure certain of the Group's general banking facilities.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 13. INTERESTS IN ASSOCIATES

	<b>30 September 2009 (Unaudited) HK\$'000</b>	31 March 2009 (Audited) HK\$'000
Share of net assets	<b>202,111</b>	219,685
Deferred gains	<b>(2,015)</b>	(2,418)
	<b>200,096</b>	217,267
Due from associates – <i>Note</i>	<b>307</b>	248
Due to associates – <i>Note</i>	<b>(887)</b>	(887)
	<b>199,516</b>	216,628
Provisions for impairment	<b>(3)</b>	(3)
	<b>199,513</b>	216,625

*Note:* The balances with associates are unsecured, interest-free and have no fixed terms of repayment. The carrying amounts of these balances approximate to their fair values.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 13. INTERESTS IN ASSOCIATES (Continued)

Particulars of the principal associates at the balance sheet date are as follows:

Name	Particulars of issued share/ registered capital	Place of incorporation/ operation	Percentage of ownership interest attributable to the Group		Principal activities
			30 September 2009	31 March 2009	
WYTH*	Ordinary shares of HK\$0.01 each	Bermuda/ Hong Kong	21.85 (Notes)	26.21	Manufacturing, processing and sale of traditional Chinese and Western pharmaceutical, health food products and property holding
Changzhou Ling Jia Tang Hong-Jin Logistic Development Company Limited	Paid-up capital of US\$20,000,000	PRC	40	40	Agricultural by-products wholesale market

\* Listed on the Stock Exchange.

Notes:

- (a) On 7 May 2009, Rich Time Strategy Limited ("**Rich Time**"), an indirect wholly-owned subsidiary of the Company, entered into a Top-up Placing and Subscription Agreement with Kingston Securities Limited (the "**Placing Agent**") and WYTH and pursuant to which, Rich Time agreed to place, through the Placing Agent, an aggregate of 165,000,000 existing ordinary shares of WYTH to certain independent investors at a price of HK\$0.088 each (the "**WYTH Top-up Placing**") and subscribe conditionally for an aggregate of 165,000,000 new ordinary shares of WYTH at a price of HK\$0.088 each (the "**WYTH Top-up Subscription**").

The WYTH Top-up Placing and the WYTH Top-up Subscription were completed on 15 May 2009 and 21 May 2009, respectively. Upon completion of the WYTH Top-up Placing and the WYTH Top-up Subscription, the Group's interests in WYTH were diluted from 26.21% to 21.85%.

- (b) On 14 August 2009, WYTH approached the board of directors of LeRoi Holdings Limited ("**LeRoi**"), an associate of WYTH, for a partial share exchange offer (the "**Partial Share Exchange Offer**"). Pursuant to the Partial Share Exchange Offer, WYTH would acquire conditionally from certain independent shareholders of LeRoi (the "**LeRoi Independent Shareholders**") 1,463,835,000 ordinary shares of LeRoi ("**LeRoi Shares**"), and in return WYTH would allot 3,659,587,500 new ordinary shares of WYTH ("**WYTH Shares**") to the LeRoi Independent Shareholders on the basis of five new WYTH Shares for every two LeRoi Shares acquired.

The Partial Share Exchange Offer was completed on 18 November 2009 and WYTH allotted and issued a total of 3,659,587,500 new shares to the LeRoi Independent Shareholders. As a result, the Group's interests in WYTH were diluted from 21.85% to 8.68%.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

### 14. TRADE RECEIVABLES

An aged analysis of the trade receivables as at the reporting date, based on invoice date, is as follows:

	<b>30 September 2009 (Unaudited) HK\$'000</b>	31 March 2009 (Audited) HK\$'000
Within 90 days	<b>1,867</b>	4,279
91 days to 180 days	<b>1,194</b>	251
Over 180 days	<b>791</b>	239
Less: Impairment	<b>3,852 (239)</b>	4,769 (271)
	<b>3,613</b>	4,498

The Group generally grants 14 to 45 days credit period to customers for its sub-leasing business and no credit is granted to customers of other businesses.

### 15. TRADE PAYABLES

An aged analysis of the trade payables as at the reporting date, based on invoice date, is as follows:

	<b>30 September 2009 (Unaudited) HK\$'000</b>	31 March 2009 (Audited) HK\$'000
Within 90 days	<b>12,998</b>	18,076

The trade payable are non-interest bearing and have an average terms of 30 days. The carrying amounts of the trade payables approximate to their fair values.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 16. SHARE CAPITAL

#### Shares

	30 September 2009 (Unaudited) HK\$'000	31 March 2009 (Audited) HK\$'000
Authorised:		
20,000,000,000 (31 March 2009: 20,000,000,000) ordinary shares of HK\$0.01 each	<b>200,000</b>	200,000
Issued and fully paid:		
2,265,723,270 (31 March 2009: 377,620,545) ordinary shares of HK\$0.01 each	<b>22,657</b>	3,776

- (a) Pursuant to the ordinary resolutions passed on 30 March 2009, the Company made an open offer (the “**Open Offer**”) of 1,132,861,635 offer shares at a subscription price of HK\$0.10 per offer share on the basis of three offer shares for every existing share of the Company, together with a bonus issue (the “**Bonus Issue**”) of 755,241,090 bonus shares on the basis of two bonus shares for every three offer shares taken up under the Open Offer.

The Open Offer and the Bonus Issue became unconditional on 30 April 2009 and the Company raised a total of HK\$113,300,000 (before expenses).

- (b) On 13 October 2009, the Company entered into a placing agreement with the Placing Agent to place an aggregate of 453,000,000 new ordinary shares of the Company to no fewer than six placees at a price of HK\$0.14 per share (the “**Placing**”). Upon completion of the Placing on 3 November 2009, the Company raised a total of HK\$63,420,000 (before expenses).

#### Share options

Details of the Company's share option scheme are set out in the section “Share Option Scheme” of the interim report 2009.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

### 17. CONTINGENT LIABILITIES

At the reporting date, the Group had a contingent liability in respect of possible future long service payments to employees under the Hong Kong Employee Ordinance, with a maximum possible amount of HK\$1,057,000 (31 March 2009: HK\$978,000). The contingent liability has arisen because, at the reporting date, a number of current employees have achieved the required number of years of service of the Group in order to be eligible for long service payments under the Employment Ordinance if their employment was to be terminated under certain circumstances. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

### 18. OPERATING LEASE ARRANGEMENTS

#### (a) As lessor

The Group leases its investment properties, and sub-leases Chinese wet markets, shopping centres and car parks and agricultural by-products wholesale markets under operating lease arrangements, with leases negotiated for terms ranging from three months to four years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At the reporting date, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	<b>30 September 2009 (Unaudited) HK\$'000</b>	31 March 2009 (Audited) HK\$'000
Within one year	<b>216,646</b>	151,003
In the second to fifth years, inclusive	<b>129,749</b>	146,983
	<b>346,395</b>	297,986

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

### 18. OPERATING LEASE ARRANGEMENTS *(Continued)*

#### (b) As lessee

The Group leases certain Chinese wet markets, shopping centres, car parks and certain of its office properties under operating lease arrangements. Leases are negotiated for terms ranging from three months to six years.

At the reporting date, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	<b>30 September 2009 (Unaudited) HK\$'000</b>	31 March 2009 (Audited) HK\$'000
Within one year	<b>81,457</b>	67,875
In the second to fifth years, inclusive	<b>139,880</b>	71,554
	<b>221,337</b>	139,429

### 19. COMMITMENTS

In addition to the operating lease commitments detailed in note 18(b) above, the Group had the following capital commitments at the reporting date:

	<b>30 September 2009 (Unaudited) HK\$'000</b>	31 March 2009 (Audited) HK\$'000
Contracted, but not provided for:		
Capital expenditure for investment properties	<b>49,828</b>	–
Capital expenditure for property under development	<b>107,000</b>	–
Capital expenditure for property held for sale	<b>86,859</b>	27,818
	<b>243,687</b>	27,818

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

### 20. RELATED PARTY TRANSACTIONS

In addition to the transactions set out elsewhere in these unaudited interim condensed consolidated financial statements, the Group had the following transactions with related parties during the period:

#### (a) Transactions with related parties

		<b>For the six months ended 30 September</b>	
		<b>2009</b>	2008
		<b>(Unaudited)</b>	(Unaudited)
<i>Notes</i>		<b>HK\$'000</b>	HK\$'000
	Rental income received from a director <i>(i)</i>	<b>492</b>	492
	Income from associates: <i>(ii)</i>		
	Management fee	<b>48</b>	349
	Rental	<b>1,500</b>	4,022
	Loan interest income	<b>490</b>	–
	Rental expenses paid to an associate <i>(ii)</i>	<b>840</b>	960

- (i) An investment property of the Group was leased to a director of the Company, Mr. Tang Ching Ho, at an agreed monthly rental of HK\$82,000. The rentals were determined with reference to the prevailing market rates.
- (ii) The transactions were based on terms mutually agreed between both parties.



## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

### 20. RELATED PARTY TRANSACTIONS *(Continued)*

#### (b) Compensation of key management personnel of the Group

	For the six months ended 30 September	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Short term employment benefits	1,294	1,927
Post-employment benefits	34	40
	<b>1,328</b>	1,967

### 21. APPROVAL OF THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements were approved and authorised for issue by the Board on 16 December 2009.