



遠東發展有限公司

Far East Consortium International Limited

Stock Code : 035



Interim Report 2009-10

# Content

---

Corporate Information	<b>2</b>
Interim Results Highlights	<b>4</b>
Management Discussion and Analysis	<b>5</b>
Other Information	<b>12</b>
Condensed Consolidated Income Statement	<b>19</b>
Condensed Consolidated Statement of Comprehensive Income	<b>20</b>
Condensed Consolidated Statement of Financial Position	<b>21</b>
Condensed Consolidated Statement of Changes in Equity	<b>23</b>
Condensed Consolidated Statement of Cash Flow	<b>25</b>
Notes to the Interim Financial Information	<b>26</b>

# CORPORATE INFORMATION

## PLACE OF INCORPORATION

Cayman Islands

## EXECUTIVE DIRECTORS

Deacon Te Ken CHIU, J.P. (*Chairman*)

David CHIU, Tan Sri Dato', B.Sc.

(*Deputy Chairman and  
Chief Executive Officer*)

Dennis CHIU, B.A.

Craig Grenfell WILLIAMS,

B. ENG. (CIVIL)

## NON-EXECUTIVE DIRECTORS

Ching Lan JU CHIU, J.P.

Daniel Tat Jung CHIU

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Jian Yin JIANG

Kwok Wai CHAN

Peter Man Kong WONG

## MANAGING DIRECTOR

Chris Cheong Thard HOONG

## CHIEF OPERATING OFFICER

Denny Chi Hing CHAN

## QUALIFIED ACCOUNTANT, CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Bill Kwai Pui MOK,

B.A., M.B.A., A.I.C.P.A., C.P.A.

## AUTHORIZED REPRESENTATIVES

Deacon Te Ken CHIU

David CHIU

## SOLICITORS

### Hong Kong

Woo, Kwan, Lee & Lo

### Malaysia

Syed Alwi, Ng & Co.

## AUDITORS

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

## CORPORATE INFORMATION

### PRINCIPAL BANKERS

#### Hong Kong

Cathay United Bank Company, Limited  
Chong Hing Bank Limited  
Citic Ka Wah Bank Limited  
Dah Sing Bank, Limited  
DBS Bank (Hong Kong) Limited  
Hang Seng Bank Limited  
Nanyang Commercial Bank Limited  
Public Bank (Hong Kong) Limited  
The Hongkong and Shanghai  
Banking Corporation Limited  
Wing Hang Bank Limited

#### Malaysia

Affin Islamic Bank Berhad  
Affrin Bank Berhad  
OCBC Bank (Malaysia) Berhad  
Public Bank Berhad

#### Singapore

The Hongkong and Shanghai  
Banking Corporation Limited

#### Australia

Australia and New Zealand Banking  
Group Limited  
Commonwealth Bank of Australia

#### China

Construction Bank of China  
DBS Bank (China) Limited  
The Industrial and Commercial Bank  
of China Limited

### REGISTERED OFFICE

P.O. Box 1043, Ground Floor,  
Caledonian House, Mary Street,  
George Town,  
Grand Cayman, Cayman Islands,  
British West Indies.

### PRINCIPAL OFFICE

16/F., Far East Consortium Building,  
121 Des Voeux Road Central,  
Hong Kong.

### SHARE REGISTRAR

Tricor Standard Limited  
26th Floor, Tesbury Centre,  
28 Queen's Road East,  
Wanchai,  
Hong Kong

### LISTING INFORMATION

Ordinary Shares (Code: 035)  
Zero Coupon Convertible Bonds 2009  
(Code: 2508)  
The Stock Exchange of Hong Kong Limited

### WEBSITE

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

# INTERIM RESULTS HIGHLIGHTS

## INTERIM RESULTS

The Board of Directors of Far East Consortium International Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30th September, 2009.

## INTERIM DIVIDEND

The Board of Directors (the "Board") has declared an interim dividend of HK2 cents per share ("Interim Dividend") for the six months ended 30th September, 2009. Interim dividend will be paid to shareholders whose names appear on the Company's Register of Members on 11th January, 2010. Interim dividend will take the form of a scrip dividend with shareholders being given an option to elect to receive cash in lieu of all or part of their scrip dividend entitlements (the "Scrip Dividend Scheme").

The Scrip Dividend Scheme will be subject to The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting listing of and permission to deal in the new shares to be allotted thereunder. For the purpose of determining the number of new shares to be allotted, the market value of new shares will be calculated as the average of the closing prices of the existing shares of the Company on the Stock Exchange for the five trading days prior to and including 15th January, 2010. Full details of the Scrip Dividend Scheme will be set out in a circular to shareholders together with a form of election on or about 21st January, 2010. Dividends warrants or new share certificates will be posted on or about 25th February, 2010.

# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW

With various fiscal and monetary policies implemented by governments around the world to stabilize the global financial markets and to stimulate the economy, the Group witnessed a gradual recovery in its overall business. Despite significant impacts to its hospitality business especially in the early part of financial period caused by weakness in the economy and the outbreak of H1N1 swine flu which affected the entire tourism industry, the Group is now seeing a healthy recovery in the business. The Group believes that with the continuous economic growth in China and signs of economic recovery and stabilization in the financial markets, its business will continue to rebound from a low point in the previous financial year.

## RESULTS

Turnover for the first six months increased by 62% to HK\$1,393 million (2009: HK\$861 million). Such increase was primarily due to the increase of property sales, from HK\$459 million in 1H2009 to HK\$997 million in 1H2010. This offset a 21% drop in hotel revenue, from HK\$336 million in 1H2009 to HK\$264 million in 1H2010. The newly acquired car park operations also contributed revenue of HK\$92 million in the 1H2010 despite the fact that the acquisition was completed in late 1H2010.

For the six months ended 30th September, 2009, the gross operating profit was HK\$367 million, a 14% drop from HK\$428 million, and the gross operating profit margin was 26% as compared to 50% in the same period last year. The reduction is due to a higher proportion of property sales derived from our property development business in Australia where profit margin is generally lower due to the fact that the projects are on non-recourse financing basis. In addition, the significant drop in tourist arrivals due to the outbreak of H1N1 swine flu and general weakness in economy as well as upgrading work in a number of the Group's hotels affected the hotel performance with lower RevPAR (Revenue Per Available Room) being recorded which affected gross margin.

Our profit for the period for the 1H2010 was reported at HK\$201 million, up 429% from last year's HK\$38 million. The significant increase in our bottom line was mainly due to strong rebound in the local property prices which led to the write-back of value of our investment property portfolio a reduction in effective tax rate and our effort in streamlining our treasury investment portfolio which minimized the financial impact on the valuation of our investments.

# MANAGEMENT DISCUSSION AND ANALYSIS

## OUTLOOK

With the strong recovery of our hotel business in the second quarter of FY2010, we believe our hotel business had emerged from the bottom of the cycle. Over the last few months, we saw strong increase in our hotel occupancy rates and room rates. We expect such trend will continue in the 2H2010. The sentiment in the property markets in China has generally improved. With the steady economic growth in China and the opening of World Expo in Shanghai next May, we expect overall sentiments to the property markets will continue to be positive in the Mainland. We are targeting to sell all the remaining units in California Garden before the financial year end which will contribute to 2H2010 profitability. Full period contribution from the car park operations and the opening of 2 new hotels will also contribute positively to the bottom line in the 2H2010.

## OPERATIONS AND FINANCIAL REVIEWS

**Turnover** – Turnover for the first six months increased by 62% to HK\$1,393 million (2009: HK\$861 million). Such increase was primarily due to the increase of property sales in Australia and revenue of HK\$92 million derived from the newly acquired car park businesses. This offset the 21% drop in hotel revenue, from HK\$336 million in 1H2009 to HK\$264 million in 1H2010.

### 1. Property Development Division

During the period under review, revenue from the Group's Property Development Division was HK\$997 million, an increase of 117% compared to the same period last year. Gross profit contribution was HK\$187 million, a slight increase of 1.6% from the same period of last year.

#### China

Without the launch of new units for sales in 1H2010, namely California Garden, our China property development operation reported a sale of HK\$183 million as compared to the sale of HK\$293 million in 1H2009. We are optimistic on the sale of the remaining 121 units, mainly townhouses, with the soon open of subway stations located in front of our project. The construction work of the new phase of 762 units had commenced in July and the pre-sale is expected to take place in mid-2011.

## MANAGEMENT DISCUSSION AND ANALYSIS

Our three residential projects in Guangzhou, with a total attributable gross floor area of over 1 million square feet, are progressing steadily. The timing of launch of these three projects is currently scheduled within the next two years subject to market conditions.

We intend to grow our property development business aggressively in China and are actively reviewing a number of land acquisition opportunities in the country.

### **Australia**

In Australia, revenue and gross profit were at HK\$792 million and HK\$65 million, representing increases of 437% and 188%, respectively, from the same period of last year. Most of the revenue and profit were derived from Northbank Place, a central Melbourne development project consisting of an office building with a lettable area of over 110,000 square feet and two residential towers consisting of 384 apartments. There were 30 retail units for sale as at 30th September, 2009 and we expect the sale of these units will be completed within the next 12 months.

The development plan of Upper West Side project in the centre of Melbourne consists of four towers with a total of 2,700 apartments, 1,000 parking spaces plus retail space. This project will be developed over the next six to eight years with the construction of Stage 1 starting in mid 2010.

In addition to the two property projects mentioned above, we have three other property projects in the country. Other than Northcote which we own 100%, the other two projects, namely Bundoora and Pinnacle Valley, are joint venture and we have minority stakes of 25% and 30%, respectively. These projects are in various stages of development.

### **Hong Kong**

During the period under review, we have seven residential projects under development with a total attributable gross floor area of approximately 2.4 million square feet. Other than Fung Lok Wai, our joint venture project with Cheung Kong (Holdings) Limited and Sun Hung Kai & Company Limited, we have 100% interest in all other six projects, which are in various stage of development.

Given our focus of property development is in China we will only look for selective opportunities in Hong Kong which provide attractive returns.



# MANAGEMENT DISCUSSION AND ANALYSIS

## 2. Hotel Division

During the period under review, revenue and gross profit were reported at HK\$264 million and HK\$132 million, representing a drop of 21% and 32%, respectively, from the same period of last year. This was primarily due to the impact of a slower global economy and the outbreak of H1N1 swine flu which affected both room occupancy and room rate. Rooms and facilities upgrade in a number of our hotels also caused a reduction in our hotel revenue.

The impact of H1N1 swine flu was particularly severe on the performance of our hotels in Hong Kong. Revenue and gross profit of our Hong Kong hotel portfolio dropped by 35% and 53%, respectively. This was caused partly by a reduction in travellers to Hong Kong due to worry of being quarantined following the precautionary action taken by the Hong Kong Government to seal off a hotel for 7 days after the confirmation of a H1N1 swine flu case in the hotel. The monthly tourist arrivals dropped by 15% in June, representing the highest drop in monthly arrival figures since SARS in 2003. With the improving overall sentiment, tourist arrivals started to pick up in August.

With full period contributions from Maytower Hotel & Serviced Residences and Dorsett Johor Hotel, our Malaysia hotel portfolio reported a 6% increase in gross profit despite a 3% drop in revenue. The hotel performance in Malaysia was more stable comparing to the performance of the Group's hotels in Hong Kong.

Our first China hotel, Wuhan Cosmopolitan Hotel, also made full period contribution in the 1H2010. Revenue and gross profit were up by 14% and 22%, respectively, from the same period of the previous year. We expect its performance will be further strengthened after all the renovation works are completed.

Presently, we have a total of ten hotel projects under development, including the latest Singapore hotel project which we successfully tendered in September. Cosmo Kowloon Hotel in Hong Kong and Yue Shanghai Hotel are scheduled to open within the next two months, and the remaining hotels are expected to commence operations over the next three years. When all these hotels become operational, we will double our present capacity of about 3,200 rooms to over 6,600 rooms, making us one of the largest hotel groups in the region.

All of our hotels are stated at costs in our balance sheet and we have a revaluation surplus of about HK\$3 billion which was not reflected in our accounts. To unlock this significant hidden value, the Group is evaluating various proposals which may include the adoption of a sale and leaseback model for some of our hotels and/or a spin-off of our hotel division.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 3. Car Park Division

The Group completed the acquisition of the car park business announced earlier in August 2009. The Car Park Division contributed HK\$92 million and HK\$25 million to the Group's revenue and gross profit, respectively, since completion of the acquisition. A substantial portion of the contributions came from Australian operations.

We are currently operating over 200 car parks with over 42,000 parking bays, of which we own 18 car parks with 5,200 bays. We are one of the largest car park operators in Australia with strong organic growth. It is our aim to grow the car park business across Asia to make it a leading car park operator in the region.

## 4. Investment Property Division

The Group's investment property portfolio comprises mainly commercial buildings and retail units in Hong Kong, China and Singapore with a total value of about HK\$2 billion. In order to improve the operating efficiency and to enhance the return of our portfolio, we are in the process of streamlining the portfolio to focus on larger assets.

For the first six months, our investment properties reported revenue and gross profit of HK\$31 million and HK\$18 million, up 4% and 11%, respectively, from the same period of last year.

The Group also recorded a revaluation surplus of approximately HK\$69 million during the period.

**Administrative Expenses** – Administrative expenses increased by 25% from the same period of last year to HK\$160 million. Such increase was due to the addition of the car park business and the full operating period of two new hotels in Malaysia. Furthermore, we also have some one-off expense provisions made during the 1H2010.

**Other gains and losses** – The Group adopts a cautious approach in managing its treasury positions. It made about HK\$26 million gain from disposal of available-for-sale investments and mark-to-market valuation of financial investments during the period. This was a result of streamlining of our investment portfolio and taking a more prudent strategy in our treasury management operations.

## MANAGEMENT DISCUSSION AND ANALYSIS

**Increase in fair value of investment properties** – Most of the value increase came from our investment property portfolio in Hong Kong. This was basically due to a rebound of property value since the end of last financial year. Property market has remained buoyant subsequent to the period end.

**Finance costs** – The increase of finance costs was primarily due to the drawdown of the 5-year HK\$1.9 billion syndication loan in late September 2008. Interest expense of the syndication loan was booked for a full period in 1H2010. Overall, interest rate has reduced during the period compared to the same period last year.

**Total assets** – Total assets increased by 10% to HK\$11,546 million (31st March, 2009: HK\$10,527 million). In addition to the construction costs in developing properties for sales, the increase was mainly related to the acquisition of the car park businesses in Australia, New Zealand and Malaysia.

**Total liabilities** – Total liabilities were stated at HK\$5,786 million, which was basically at the same level as of 31st March, 2009. During the first six months, the Group obtained new bank loans of approximately HK\$681 million and repaid bank loans of HK\$700 million. During the period, a HKD denominated zero coupon convertible bond with principal amount of HK\$331 million was fully converted into shares which represented 4.1% of the enlarged capital.

**Total assets/Total liabilities ratio** – The ratio of total assets to total liabilities improved from 1.8 times to 2.0 times from the last financial year-end.

**Current ratio** – As of 30th September, 2009, current assets and current liabilities were stated at HK\$3,402 million and HK\$1,771 million, respectively. The current ratio at 1.92 times was an improvement compared to 1.77 times as of 31st March, 2009. The Group has maintained sufficient liquid assets to finance its operations.

**Gearing ratio** – The gearing ratio (total bank and other borrowings and financial liabilities at fair value through profit or loss to owners' equity) as of 30th September, 2009 was 82% (31st March, 2009: 100%).

**Net Gearing ratio** – The net gearing ratio (total bank and other borrowings and financial liabilities designated at fair value through profit or loss to owners' equity net of treasury assets, cash and bank balances) as of 30th September, 2009 was 61% (31st March, 2009: 79%).

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL RESOURCES AND LIQUIDITY

### Borrowings and charge on Group assets

	<b>30.9.2009</b>	31.3.2009
	<b>HK\$'000</b>	HK\$'000
Bank and other loans	<b>4,515,439</b>	4,389,834
Convertible bond	–	228,995
Financial liabilities designated at fair value through profit or loss	<b>109,498</b>	121,845
Obligations under finances leases	<b>2,411</b>	2,251
	<b><u>4,627,348</u></b>	<u>4,742,925</u>
Analysed as:		
Secured	<b>4,517,850</b>	4,392,085
Unsecured	<b>109,498</b>	350,840
	<b><u>4,627,348</u></b>	<u>4,742,925</u>
The above borrowings are repayable as follows:		
On demand or within one year	<b>874,303</b>	1,132,079
Amount due after one year	<b>3,753,045</b>	3,610,846
	<b><u>4,627,348</u></b>	<u>4,742,925</u>

## OTHER INFORMATION

### EMPLOYEE AND REMUNERATION POLICIES

The number of employees of the Group as at 30th September, 2009 was approximately 2,200. Employees receive competitive remuneration packages that are constantly monitored in relation to the market, with incentives such as discretionary bonuses to reward employees based on individual performance. The Group provides a comprehensive benefit package and career development opportunities, including medical benefit and both internal and external training appropriate to each individual's requirements.

### DISCLOSURE OF INTERESTS

#### Directors' interests in shares

As at 30th September, 2009, the interests and short positions of the directors, chief executives and their associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance ("SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows :

(a) **Directors' interest in shares and underlying shares of the Company:**

Name of Director	Nature of Interests	Number of Ordinary Shares Held			Total	Percentage of Issued Share Capital of the Company
		Personal Interests	Corporate Interests	Family Interests		
Tan Sri Dato' David Chiu	Long Position	820,002	628,648,662 <sup>(1)</sup>	557,000	630,025,664	33.5%
Deacon Te Ken Chiu	Long Position	11,912,255	129,098,058 <sup>(2)</sup>	-	141,010,313	7.49%
Dennis Chiu	Long Position	8,633	5,180,378 <sup>(3)</sup>	-	5,189,011	0.28%
Daniel Tat Jung Chiu	Long Position	44,561	3,877,218 <sup>(4)</sup>	-	3,921,779	0.21%
Ching Lan Ju Chiu	Long Position	1,485,810	-	-	1,485,810	0.08%

## OTHER INFORMATION

*Notes:*

- (i) These Shares are held by Sumptuous Assets Limited and Modest Secretarial Services Limited, companies controlled by Tan Sri Dato' David Chiu.
- (ii) These Shares are held by various companies controlled by Mr. Deacon Te Ken Chiu.
- (iii) These Shares are held by Chiu Capital N.V., a company controlled by Mr. Dennis Chiu and First Level Holdings Limited, a company controlled by Mr. Dennis Chiu and Mr. Daniel Tat Jung Chiu.
- (iv) These Shares are held by First Level Holdings Limited, a company controlled by Mr. Dennis Chiu and Mr. Daniel Tat Jung Chiu and are entirely duplicated and included in the corporate interest of Mr. Dennis Chiu.

**(b) Director's interest in shares and underlying shares of associated corporation**

<b>Name of Director</b>	<b>Nature of interests</b>	<b>Name of associated corporation</b>	<b>Number of ordinary shares held</b>	<b>Percentage of issued share capital of the associate corporation</b>
Deacon Te Ken Chiu	Long Position	Kanic Property Management Limited	2	50%
David Chiu	Long Position	Oi Tak Enterprises Limited	250,000	25%

Save as disclosed above, none of the directors had registered an interest or a short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies at 30th September, 2008.

## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS

As at 30th September, 2009, the register of interests in shares or short positions required to be kept under Section 336 of the SFO showed that, other than the interests of directors as set out above, the following shareholders were interested in 5% or more of the issued share capital of the Company:

Name of substantial shareholders	Capacity	Nature of interests	No. of ordinary shares held	% of issued share capital
Zwaanstra John	Interests in controlled corporation	Long	508,674,466	27.01%
Penta Investment Advisers Ltd.	Investment manager	Long	508,674,466	27.01%
Mercurius GP LLC	Founder of a discretionary trust	Long	175,823,207	9.34 %
Penta Asia Fund, Ltd.	Interests in controlled corporation	Long	175,823,207	9.34%
Zwaanstra Todd	Trustee	Long	175,823,207	9.34%
UBS AG	Person having a security interest	Long	112,213,897	5.96%
	Beneficial owner	Long	20,000	0.001%

Note: "Long" refers to the long position in the shares of the Company held by such person/entity, while "Short" refers to short position in the shares of the Company held by such person/entity.

Save as disclosed herein, the Company has not been notified of any other person (other than directors or chief executives of the Company) who had an interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as at 30th September, 2009.

## OTHER INFORMATION

### SHARE OPTION SCHEME

The Company's share option scheme was adopted pursuant to a resolution passed on 28th August, 2002 (the "Share Option Scheme") for the purpose of providing incentives and rewards to employees or executives or officers of the Company or any of its subsidiaries (including executive and non-executive directors) and business consultants, agents and legal or financial advisers who will contribute or have contributed to the Company or any of its subsidiaries. Under the Share Option Scheme, the directors of the Company may grant options to eligible employees including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

During the period, share options ("Option") entitled to subscribe for 7,400,000 new shares of HK\$0.1 each in the capital of the Company upon the exercise of the Option in full under the Share Option Scheme were granted to Mr. Cheong Thard Hoong, the Managing Director of the Company.

Particulars of the Share Option Scheme are set out in note 21 to the condensed financial statements. The following table discloses movements in the Company's share options during the period:

Category of grantee	Date of grant	Exercise price HK\$	Outstanding at 1.4.2009	Number of options			Outstanding at 30.09.2009	Exercise period
				Granted during the period	Exercised during the period	Lapsed during the period		
<i>Senior management</i>								
Chi Hing Chan	21.10.2004	2.075	500,000	-	-	-	500,000	01.01.2007 - 31.12.2010
			1,800,000	-	-	-	1,800,000	01.01.2008 - 31.12.2010
			2,000,000	-	-	-	2,000,000	01.01.2009 - 31.12.2010
			<u>4,300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,300,000</u>	
Bill Kwai Pui Mok	21.10.2004	2.075	1,200,000	-	-	-	1,200,000	01.01.2007 - 31.12.2010
			1,800,000	-	-	-	1,800,000	01.01.2008 - 31.12.2010
			2,000,000	-	-	-	2,000,000	01.01.2009 - 31.12.2010
			<u>5,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000,000</u>	



## OTHER INFORMATION

Category of grantee	Date of grant	Exercise price HK\$	Outstanding at 1.4.2009	Number of options			Outstanding at 30.09.2009	Exercise period
				Granted during the period	Exercised during the period	Lapsed during the period		
Cheong Thard Hoong	08.05.2009	150	-	1,850,000	-	-	1,850,000	16.09.2009 – 15.09.2019
			-	1,850,000	-	-	1,850,000	16.09.2010 – 15.09.2019
			-	1,850,000	-	-	1,850,000	16.09.2011 – 15.09.2019
			-	1,850,000	-	-	1,850,000	16.09.2012 – 15.09.2019
			-	7,400,000	-	-	7,400,000	
Other employees in aggregate	21.10.2004	2.075	250,000	-	-	-	250,000	01.01.2004 – 31.12.2010
			425,000	-	-	-	425,000	01.01.2006 – 31.12.2010
			1,075,000	-	-	-	1,075,000	01.01.2007 – 31.12.2010
			2,275,000	-	-	-	2,275,000	01.01.2008 – 31.12.2010
			3,275,000	-	-	300,000	2,975,000	01.01.2009 – 31.12.2010
7,300,000	-	-	300,000	7,000,000				
Other employees in aggregate	25.08.2006	3.29	125,000	-	-	125,000	-	01.01.2008 – 31.12.2010
			675,000	-	-	225,000	450,000	01.01.2009 – 31.12.2010
			750,000	-	-	250,000	500,000	01.01.2010 – 31.12.2010
1,550,000	-	-	600,000	950,000				
Total			<u>18,150,000</u>	<u>7,400,000</u>	<u>-</u>	<u>900,000</u>	<u>24,650,000</u>	

At no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## OTHER INFORMATION

### **COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICE**

The Company has complied with the Code Provisions in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") throughout the six months ended 30th September, 2009, except for the deviations from code provisions A.4.1 and A.4.2 of the Code described below.

Under code provision A.4.1 of the Code, non-executive directors should be appointed for a specific term and subject to re-election. The Non-executive Directors of the Company are not appointed for a specific term of office. However, the Non-executive Directors of the Company are subject to retirement by rotation and re-election at annual general meetings in accordance with the Company's Articles of Association. In the opinion of the Board of Directors, this meets the objective of the Code.

Under the second part of code provision A.4.2 of the Code, every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. The Chairman of the Company, however, is not subject to retirement by rotation. In accordance with the second part of Article 115(B) of the Articles of Association of the Company, a Director appointed as an executive Chairman or as Managing or Joint Managing Director shall not while holding such office be subject to retirement by rotation or taken into account in determining the rotation retirement of Directors.

In order to uphold good corporate governance practices, the executive Chairman voluntarily retired from his office and offered himself for re-election at the 2009 annual general meeting of the Company notwithstanding that he is not required to do so pursuant to the Company's Article 115(B). As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

### **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS**

The Company has adopted the Model Code for Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry to all Directors by the Company, all Directors have confirmed they had complied with the required standards set out in the Model Code throughout the six months ended 30th September, 2009.

## OTHER INFORMATION

### **REPURCHASE, SALE OR REDEMPTION OF LISTING SECURITIES**

During the period under review, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares on the Stock Exchange.

### **AUDIT COMMITTEE**

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters, including a review of the unaudited interim financial information for the six months ended 30th September, 2009 approved by the Directors. The Audit Committee currently comprises three members, all of them are Independent Non-executive Directors, namely Mr. Kwok Wai CHAN, Mr. Jian Yin JIANG and Mr. Peter Man Kong Wong.

### **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members of the Company will be closed from Monday, 11th January, 2010 to Friday, 15th January, 2010, both days inclusive, during which period no transfers of shares will be effected. In order to qualify for the Interim Dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrars, Tricor Standard Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Friday, 8th January, 2010.

By order of the Board

**DAVID CHIU**

*Deputy Chairman and Chief Executive Officer*

Hong Kong, 16th December, 2009

# CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30th September, 2009

	NOTES	Six months ended	
		30.9.2009 (unaudited) HK\$'000	30.9.2008 (unaudited) HK\$'000
Revenue	3	<b>1,392,958</b>	861,251
Depreciation and amortisation		<b>(34,154)</b>	(30,649)
Other cost of sales and services		<b>(991,645)</b>	(402,279)
		<b>367,159</b>	428,323
Gross profit			
Other income		<b>18,697</b>	10,371
Administrative expenses		<b>(159,648)</b>	(127,337)
Other gains and losses	4	<b>13,858</b>	(116,241)
Increase (decrease) in fair value of investment properties		<b>68,672</b>	(50,583)
Share of results of associates		<b>8,106</b>	4,895
Share of results of jointly controlled entities		<b>(1,452)</b>	(1,452)
Finance costs		<b>(55,249)</b>	(46,613)
		<b>260,143</b>	101,363
Profit before taxation			
Income tax expense	5	<b>(58,795)</b>	(63,232)
		<b>201,348</b>	38,131
Profit for the period	6		
Attributable to:			
Owners of the Company		<b>170,860</b>	34,809
Non-controlling interests		<b>30,488</b>	3,322
		<b>201,348</b>	38,131
Earnings per share	8		
Basic		<b>10.0 HK cents</b>	2.2 HK cents
Diluted		<b>9.8 HK cents</b>	0.2 HK cent

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th September, 2009

	<b>Six months ended</b>	
	<b>30.9.2009 (unaudited) HK\$'000</b>	30.9.2008 (unaudited) HK\$'000
Profit for the period	<b>201,348</b>	38,131
Other comprehensive income:		
Exchange differences arising on translation of foreign operations	<b>171,943</b>	(66,247)
Revaluation on available-for-sale investments	<b>52,107</b>	(66,949)
Reclassify to profit or loss on disposal of available-for-sale investments	<b>(22,672)</b>	41,175
Other comprehensive income for the period	<b>201,378</b>	(92,021)
Total comprehensive income for the period	<b>402,726</b>	(53,890)
Total comprehensive income attributable to:		
Owners of the Company	<b>357,098</b>	(58,565)
Non-controlling interests	<b>45,628</b>	4,675
	<b>402,726</b>	(53,890)

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30th September, 2009

	NOTES	30.9.2009 (unaudited) HK\$'000	31.3.2009 (audited) HK\$'000
<b>Non-current assets</b>			
Investment properties	9	<b>2,034,887</b>	1,943,061
Property, plant and equipment	9	<b>3,913,786</b>	3,141,956
Prepaid lease payments	9	<b>1,322,960</b>	1,493,376
Goodwill	10	<b>41,142</b>	–
Interests in associates		<b>169,597</b>	163,276
Interests in jointly controlled entities		<b>86,623</b>	84,664
Available-for-sale investments	11	<b>234,147</b>	83,282
Financial assets designated at fair value through profit or loss	12	<b>4,524</b>	6,903
Derivative financial instruments	13	<b>6,869</b>	–
Deposit for acquisition of properties		<b>104,447</b>	73,450
Amounts due from associates		<b>90,316</b>	90,318
Amount due from an investee company		<b>119,995</b>	119,995
Amount due from a non-controlling interest		<b>451</b>	451
Loans receivable		<b>1,826</b>	1,885
Pledged deposits		<b>12,027</b>	11,768
		<b>8,143,597</b>	7,214,385
<b>Current assets</b>			
Properties for sale			
Completed properties		<b>360,255</b>	488,890
Properties for/under development		<b>1,827,179</b>	1,705,278
Inventories		<b>5,897</b>	4,431
Prepaid lease payments	9	<b>27,354</b>	26,969
Loans receivable		<b>733</b>	23,802
Debtors, deposits and prepayments	14	<b>192,760</b>	124,873
Amount due from a jointly controlled entity		<b>5,623</b>	15,234
Amounts due from associates		<b>4,482</b>	4,718
Amount due from a related company		<b>6,427</b>	2,550
Tax recoverable		<b>43,281</b>	13,454
Available-for-sale investments	11	<b>22,025</b>	163,751
Financial assets designated at fair value through profit or loss	12	<b>9,356</b>	16,754
Investments held for trading		<b>2,260</b>	11,597
Derivative financial instruments	13	<b>10,135</b>	8,255
Pledged deposits		<b>47,599</b>	14,404
Restricted bank deposits		<b>283,908</b>	9,024
Deposits with investment banks		<b>118,071</b>	52,230
Bank balances and cash		<b>434,574</b>	626,678
		<b>3,401,919</b>	3,312,892

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30th September, 2009

	NOTES	30.9.2009 (unaudited) HK\$'000	31.3.2009 (audited) HK\$'000
<b>Current liabilities</b>			
Creditors and accruals	15	427,317	379,626
Obligations under finance leases		948	1,015
Amounts due to directors		1,265	933
Amounts due to related companies		45,816	41,910
Amounts due to associates		19,023	15,894
Amounts due to non-controlling interests		28,813	28,367
Customers' deposits received		70,288	81,505
Derivative financial instruments	13	377	-
Financial liabilities designated at fair value through profit or loss	16	109,498	121,845
Dividend payable		37,663	-
Tax payable		265,750	192,619
Secured bank and other borrowings	17	763,857	1,009,219
		<b>1,770,615</b>	1,872,933
<b>Net current assets</b>			
		<b>1,631,304</b>	1,439,959
<b>Total assets less current liabilities</b>			
		<b>9,774,901</b>	8,654,344
<b>Capital and reserves</b>			
Share capital	18	188,313	162,200
Share premium		2,667,130	2,041,906
Reserves		2,800,518	2,539,438
Equity attributable to owners of the Company		5,655,961	4,743,544
Non-controlling interests		103,459	30,456
<b>Total equity</b>			
		<b>5,759,420</b>	4,774,000
<b>Non-current liabilities</b>			
Convertible bond	19	-	228,995
Amount due to a non-controlling interest		-	5,175
Amount due to a jointly controlled entity		13,682	12,552
Deferred taxation		248,754	251,771
Obligations under finance leases		1,463	1,236
Secured bank and other borrowings	17	3,751,582	3,380,615
		<b>4,015,481</b>	3,880,344
		<b>9,774,901</b>	8,654,344

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th September, 2009

	Attributable to owners of the Company												
	Share capital	Share premium	Capital redemption reserve	Property revaluation reserve	Investment revaluation reserve	Exchange reserve	Share options reserve	Convertible bond equity reserve	Other reserve	Retained profits	Total	Non-controlling interests	Total
	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 1st April, 2008	161,941	2,042,873	253	7,228	(89,915)	114,790	2,326	-	1,038,709	1,584,472	4,912,677	39,467	4,952,144
Revaluation decrease	-	-	-	-	(66,949)	-	-	-	-	-	(66,949)	-	(66,949)
Exchange difference arising on translation of foreign operations	-	-	-	-	-	(67,600)	-	-	-	-	(67,600)	1,353	(66,247)
Reclassify to profit or loss on disposal on available-for-sale investments	-	-	-	-	41,175	-	-	-	-	-	41,175	-	41,175
Profit for the period	-	-	-	-	-	-	-	-	-	34,809	34,809	3,322	38,131
Total comprehensive income for the period	-	-	-	-	(25,774)	(67,600)	-	-	-	34,809	(58,565)	4,675	(53,890)
Repurchase of own shares	(1,240)	(24,790)	-	-	-	-	-	-	-	-	(26,030)	-	(26,030)
Recognition of equity-settled share based payments	-	-	-	-	-	-	266	-	-	-	266	-	266
At 30th September, 2008	160,701	2,018,083	253	7,228	(65,689)	47,190	2,592	-	1,038,709	1,619,281	4,828,348	44,142	4,872,490
Revaluation decrease	-	-	-	-	(38,934)	-	-	-	-	-	(38,934)	-	(38,934)
Exchange difference arising on translation of foreign operations	-	-	-	-	-	(107,838)	-	-	-	-	(107,838)	(8,792)	(116,630)
Reclassify to profit or loss on disposal on available-for-sale investments	-	-	-	-	36,142	-	-	-	-	-	36,142	-	36,142
Impairment loss on available-for-sale investments recognised in profit or loss	-	-	-	-	31,921	-	-	-	-	-	31,921	-	31,921
Profit for the year	-	-	-	-	-	-	-	-	-	50,731	50,731	16,238	66,969
Total comprehensive income for the year	-	-	-	-	29,129	(107,838)	-	-	-	50,731	(27,978)	7,446	(20,532)



# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th September, 2009

	Attributable to owners of the Company													
	Share capital	Share premium	Capital redemption reserve	Property revaluation reserve	Investment revaluation reserve	Exchange reserve	Share options reserve	Convertible bond equity		Other reserve	Retained profits	Total	Non-controlling interests	Total
								reserve	reserve					
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	
Share issued in lieu of cash dividend	1,499	23,823	-	-	-	-	-	-	-	-	25,322	-	25,322	
Issued of convertible bond	-	-	-	-	-	-	-	113,831	-	-	113,831	-	113,831	
Deferred tax on equity component of convertible bonds	-	-	-	-	-	-	-	(18,782)	-	-	(18,782)	-	(18,782)	
Recognition of equity-settled share based payments	-	-	-	-	-	-	192	-	-	-	192	-	192	
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(21,132)	(21,132)	
Dividends declared and paid	-	-	-	-	-	-	-	-	-	(177,389)	(177,389)	-	(177,389)	
At 31st March, 2009	162,200	2,041,906	253	7,228	(36,560)	(60,648)	2,784	95,049	1,038,709	1,492,623	4,743,544	30,456	4,774,000	
Revaluation increase	-	-	-	-	52,107	-	-	-	-	-	52,107	-	52,107	
Exchange difference arising on translation of foreign operations	-	-	-	-	-	156,803	-	-	-	-	156,803	15,140	171,943	
Reclassify to profit or loss on disposal of available-for-sale investments	-	-	-	-	(22,672)	-	-	-	-	-	(22,672)	-	(22,672)	
Profit for the period	-	-	-	-	-	-	-	-	-	170,860	170,860	30,488	201,348	
Total comprehensive income for the period	-	-	-	-	29,435	156,803	-	-	-	170,860	357,098	45,628	402,726	
Shares issued on conversion of convertible bonds	7,708	340,809	-	-	-	-	-	(113,831)	-	-	234,686	-	234,686	
Reversal of deferred tax on conversion of convertible bonds	-	-	-	-	-	-	-	18,782	-	-	18,782	-	18,782	
Acquisition of assets/business	18,405	285,303	-	-	-	-	-	-	35,101	-	338,809	62,646	401,455	
Share issue expense	-	(888)	-	-	-	-	-	-	-	-	(888)	-	(888)	
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(35,271)	(35,271)	
Dividends declared	-	-	-	-	-	-	-	-	-	(37,663)	(37,663)	-	(37,663)	
Recognition of equity-settled share based payments	-	-	-	-	-	-	1,593	-	-	-	1,593	-	1,593	
At 30th September, 2009	188,313	2,667,130	253	7,228	(7,125)	96,155	4,377	-	1,073,810	1,625,820	5,655,961	103,459	5,759,420	

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the six months ended 30th September, 2009

	Six months ended	
	30.9.2009 HK\$'000	30.9.2008 HK\$'000
Net cash from (used in) operating activities	<b>646,224</b>	(219,200)
Net cash used in investing activities	<b>(510,315)</b>	(461,537)
Net cash (used in) from financing activities	<b>(269,565)</b>	1,701,722
Net (decrease) increase in cash and cash equivalents	<b>(133,656)</b>	1,020,985
Cash and cash equivalents at beginning of the period	<b>678,908</b>	444,620
Effect of foreign exchange rate changes	<b>7,393</b>	(1,175)
Cash and cash equivalents at end of the period	<b><u>552,645</u></b>	<u>1,464,430</u>
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	<b>434,574</b>	1,305,748
Deposits with investment banks	<b>118,071</b>	158,682
	<b><u>552,645</u></b>	<u>1,464,430</u>

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30th September, 2009

## 1. BASIS OF PREPARATION

The interim financial information have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

The interim financial information has been prepared solely for the information of the directors of the Company.

## 2. PRINCIPAL ACCOUNTING POLICIES

The interim financial information have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies used in the interim financial information are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st March, 2009.

In the current interim period, the Group has applied, for the first time, a number of new and revised standards, amendments and interpretations ("new or revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Except as described below, the adoption of the new and revised HKFRSs has had no material effect on the interim financial information of the Group for the current or prior accounting periods.

### **HKAS 1 (Revised 2007) "Presentation of Financial Statements"**

HKAS 1 (Revised 2007) "Presentation of Financial Statements" has introduced a number of terminology changes, including revised titles for the interim financial information, and has resulted in a number of changes in presentation and disclosure.

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30th September, 2009

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

### **HKFRS 8 “Operating Segments”**

The Group has adopted HKFRS 8 “Operating Segments” with effect from 1st April, 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. In contrast, the predecessor Standard (HKAS 14 “Segment Reporting”) required an entity to identify two sets of segments (business and geographical), using a risks and returns approach, with the entity’s “system of internal financial reporting to key management personnel” serving only as the starting point for the identification of such segments.

In prior years, the Group’s primary reporting segment was business segments with secondary reporting segment by geographical segment. The application of HKFRS 8 has resulted in a redesignation of the Group’s reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. The adoption of HKFRS 8 has changed the basis of measurement of segment profit or loss as presented in note 3.

The Group has not early applied the new and revised standards, amendments or interpretations that have been issued but are not yet effective. The adoption of HKFRS 3 (Revised 2008) “Business Combinations” may affect the Group’s accounting for business combinations for which the acquisition dates are on or after 1st April, 2010. HKAS 27 (Revised 2008) “Consolidated and Separate Financial Statements” will affect the accounting treatment for changes in a Group’s ownership interest in a subsidiary. The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the interim financial information of the Group.

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30th September, 2009

## 3. SEGMENT INFORMATION

As stated in note 2, the Group has adopted HKFRS 8 "Operating Segments" with effect from 1st April, 2009. Information reported to the Group's chief operating decision maker who are the executive directors of the Company for the purposes of resource allocation and assessment of performance is mainly focused on the property development, property investment, hotel operation, car park operation and securities and financial product investments.

The Group determines its operating segments based on internal reporting about components of the Group that are regularly reviewed by the chief operating decision maker. Information reported to the Group's chief operating decision maker for the purpose of resource allocation and assessment of performance is as follows :

- Property development – properties development and sale in Hong Kong ("HK"), People Republic of China ("PRC"), Australia and Malaysia
- Property investment – properties investment in HK, PRC and Singapore
- Hotel operation – hotel operation in HK, PRC and Malaysia
- Car park operation – car park operation in Australia, New Zealand and Malaysia
- Securities and financial product investments – investment in and trading of equity and debts securities, structured financial products, options and derivatives
- Other operation – loan financing and engineering services

During the period, the Group has acquired certain companies which are the owners and operator of car parks. Car park operation constitutes a new segment in the current period.

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30th September, 2009

## 3. SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's revenue and results by operating segment for the period. Segment profit represents pre-tax profit earned by each segment without allocation of corporate income and expenses and finance costs.

	Segment revenue		Segment profit (loss)	
	Six months ended 30th September 2009 HK\$'000	Six months ended 30th September 2008 HK\$'000	Six months ended 30th September 2009 HK\$'000	Six months ended 30th September 2008 HK\$'000
Property development				
– Australia	<b>791,631</b>	147,530	<b>47,424</b>	20,483
– HK	<b>22,943</b>	19,283	<b>20,886</b>	9,082
– PRC	<b>182,529</b>	292,542	<b>93,278</b>	139,219
– Malaysia	<b>–</b>	–	<b>(20)</b>	(1)
Property investment				
– HK	<b>15,082</b>	14,711	<b>82,953</b>	(24,868)
– PRC	<b>5,257</b>	4,980	<b>4,530</b>	(2,269)
– Singapore	<b>10,383</b>	9,738	<b>22,147</b>	(15,569)
Hotel operation				
– HK	<b>132,912</b>	203,560	<b>24,289</b>	93,045
– Malaysia	<b>115,969</b>	119,019	<b>28,125</b>	29,418
– PRC	<b>15,199</b>	13,373	<b>(19,779)</b>	1,688
Car park operation				
– Australia and New Zealand	<b>91,175</b>	–	<b>13,097</b>	–
– Malaysia	<b>1,088</b>	–	<b>478</b>	–
Securities and financial product investments	<b>5,610</b>	33,803	<b>31,965</b>	(113,770)
Other operation	<b>3,180</b>	2,712	<b>(6,296)</b>	2,637
	<b><u>1,392,958</u></b>	<u>861,251</u>	<b>343,077</b>	139,095
Unallocated corporate expenses			<b>(28,636)</b>	(22,180)
Decrease in fair value of financial liabilities designated at fair value through profit or loss			<b>951</b>	31,061
Finance costs			<b>(55,249)</b>	(46,613)
Profit before taxation			<b>260,143</b>	101,363
Income tax expense			<b>(58,795)</b>	(63,232)
Profit for the period			<b><u>201,348</u></b>	<u>38,131</u>

## NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30th September, 2009

### 3. SEGMENT INFORMATION *(Continued)*

The following is an analysis of the Group's assets by operating segment as at reporting period end date. Segment assets represents assets held by each segment without allocation of corporate assets mainly include bank balances and cash.

	<b>30.9.2009</b>	31.3.2009
	<b>HK\$'000</b>	HK\$'000
Property development		
– Australia	<b>544,080</b>	818,867
– HK	<b>650,966</b>	644,084
– PRC	<b>1,547,795</b>	1,411,076
– Malaysia	<b>237,474</b>	236,675
Property investment		
– HK	<b>1,159,460</b>	1,075,764
– PRC	<b>2,106</b>	2,419
– Singapore	<b>381,762</b>	337,414
Hotel operation		
– HK	<b>2,595,508</b>	2,526,763
– Malaysia	<b>927,619</b>	886,263
– PRC	<b>1,256,800</b>	1,273,834
Car park operation		
– Australia and New Zealand	<b>575,298</b>	–
– Malaysia	<b>149,687</b>	–
Securities and financial product investments	<b>406,599</b>	316,352
Other operation	<b>277,184</b>	277,019
Segment assets	<b>10,712,338</b>	9,806,530
Unallocated corporate assets	<b>833,178</b>	720,747
	<b>11,545,516</b>	10,527,277

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30th September, 2009

## 4. OTHER GAINS AND LOSSES

	<b>Six months ended</b>	
	<b>30.9.2009</b>	30.9.2008
	<b>HK\$'000</b>	HK\$'000
Gain (loss) on disposal of available-for-sale investments	<b>22,672</b>	(41,175)
Increase (decrease) in fair value of financial assets designated at fair value through profit or loss	<b>3,720</b>	(97,415)
Decrease in fair value of financial liabilities designated at fair value through profit or loss	<b>951</b>	31,061
(Decrease) increase in fair value of derivative financial instruments	<b>(2,026)</b>	21,650
Increase (decrease) in fair value of investments held for trading	<b>741</b>	(30,362)
Allowance for amount due from a jointly controlled entity	<b>(12,200)</b>	-
	<b>13,858</b>	(116,241)



# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30th September, 2009

## 5. INCOME TAX EXPENSE

	Six months ended	
	30.9.2009	30.9.2008
	HK\$'000	HK\$'000
The income tax expense comprises:		
Current period:		
Hong Kong	<b>5,227</b>	11,270
PRC Enterprises Income Tax	<b>43,447</b>	67,767
Other jurisdictions	<b>4,056</b>	11
	<b>52,730</b>	79,048
(Over)underprovision in prior periods		
Hong Kong	<b>(2,089)</b>	708
Deferred taxation		
Current period	<b>8,154</b>	(4,250)
Attributable to a change in tax rate	<b>-</b>	(12,274)
	<b>8,154</b>	(16,524)
	<b>58,795</b>	63,232

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30.9.2008: 16.5%) of the estimated assessable profit for the period. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The PRC Enterprises Income Tax charge includes land appreciation tax of HK\$27,201,000 (six months ended 30.9.2008: HK\$39,066,000).

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30th September, 2009

## 6. PROFIT FOR THE PERIOD

	<b>Six months ended</b>	
	<b>30.9.2009</b>	30.9.2008
	<b>HK\$'000</b>	HK\$'000
Profit for the period has been arrived at after charging (crediting):		
Amortisation of prepaid lease payments	<b>5,733</b>	5,870
Allowance for trade and loans receivable	<b>153</b>	4,630
Depreciation on property, plant and equipment	<b>36,191</b>	28,259
Share of taxation of associates (included in share of results of associates)	<b>1,714</b>	(37)
Bank interest income	<b>(1,966)</b>	(3,634)
Interest income from investments	<b>(5,610)</b>	(33,803)
Dividend income from:		
Investments held for trading	<b>(16)</b>	(1,652)
Available-for-sale investments	<b>(1,056)</b>	(1,836)
	<b>(1,072)</b>	(3,488)

## 7. DIVIDENDS

	<b>Six months ended</b>	
	<b>30.9.2009</b>	30.9.2008
	<b>HK\$'000</b>	HK\$'000
Dividends recognised as distribution during the period:		
Final dividend for the year ended 31st March, 2009 of HK2 cents per share	<b>37,663</b>	-

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30th September, 2009

## 7. DIVIDENDS *(Continued)*

Subsequent to 30th September, 2009, the directors declared an interim dividend of HK2 cents (30th September, 2008: HK1 cent) per share payable to the shareholders of the Company whose names appear in the Register of Members on 11th January, 2010.

Shareholders have an option to receive new shares of the Company in lieu of cash for the interim dividend declared and the final dividend payable.

For final dividend in respect of 2009 of HK2 cents per share (2008: nil), HK\$7,876,000 was paid in cash and HK\$29,787,000 was settled by share issued in lieu of cash dividend on 5th October, 2009.

## 8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	<b>Six months ended</b>	
	<b>30.9.2009</b>	30.9.2008
	<b>HK\$'000</b>	HK\$'000
Earnings:		
Earnings for the purpose of basic earnings per share	<b>170,860</b>	34,809
Effect of convertible bonds		
– decrease in fair value of HK\$ Bonds and US\$ Bonds <i>(note 16)</i>	<b>(951)</b>	(31,061)
– interest expense on 2013 Convertible Bond <i>(note 19)</i>	<b>5,691</b>	–
Earnings for the purpose of diluted earnings per share	<b>175,600</b>	3,748

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30th September, 2009

## 8. EARNINGS PER SHARE *(Continued)*

	Number of Shares '000	Number of Shares '000
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>1,702,335</b>	1,613,961
Effect of dilutive potential ordinary shares – on conversion of convertible bonds	<b>88,655</b>	134,312
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<b>1,790,990</b>	1,748,273

The computation of diluted earnings per share for the six months ended 30th September, 2009 and 2008 does not assume the conversion of outstanding share options since the exercise price of the Company's share option was higher than the average market price of its shares for both periods.

## 9. MOVEMENTS IN INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT AND PREPAID LEASE PAYMENTS

In the current period, the Group acquired certain investment properties, property, plant and equipment and prepaid lease payments amounting to nil, HK\$402,333,000 and HK\$5,426,000 (six months ended 30.9.2008: HK\$3,062,000, HK\$100,377,000 and HK\$260,446,000) respectively and acquired car park building on freehold land and through business combination amounting to HK\$364,820,000 included in property, plant and equipment (six months ended 30.9.2008: nil).

## NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30th September, 2009

### 9. **MOVEMENTS IN INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT AND PREPAID LEASE PAYMENTS** *(Continued)*

The fair value of the investment properties in Hong Kong, PRC, Malaysia and Singapore at 30th September, 2009 and 31st March, 2009 are based on the valuation carries out on that date by DTZ Debenham Tie Leung Limited, Raine & Horne International Zaki + Partners Sdn. Bhd. and Jones Lang LaSalle Property Consultants Pte Limited, independent qualified professional valuers not connected with the Group, respectively.

DTZ Debenham Tie Leung Limited, is members of the Hong Kong Institute of Surveyors and other valuers are member of Royal Institution of Chartered Surveyors. The valuation was arrived at by making reference to comparable sales transactions as available in the relevant market or where appropriate by capitalising the rental income derived from the existing tenancies with due provision for the reversion any income potential of the property interests.

### 10. **GOODWILL**

Goodwill arising from acquisition of 73.75% equity interest in Care Park Group Pty Ltd. ("Care Park Group") during the six months period ended 30th September, 2009, details of which are disclosed in note 20(a). Care Park Group and its subsidiaries are principally engaged in the operation of car parks.

The management determines that there is no impairment on the carrying amount of the goodwill based on the estimated recoverable amount of the cash generated from the car park operation carried out by Care Park Group and its subsidiaries. That calculation uses cash flow projections based on financial budgets approved by the management covering a 5-year period, and at a discount rate of 10%. The management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the goodwill exceeding its recoverable amount.

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30th September, 2009

## 11. AVAILABLE-FOR-SALE INVESTMENTS

	<b>30.9.2009</b>	31.3.2009
	<b>HK\$'000</b>	HK\$'000
Listed equity securities:		
Hong Kong	<b>20,207</b>	25,136
Overseas	<b>10,669</b>	5,672
	<b>30,876</b>	30,808
Unlisted securities:		
Equity securities	<b>63,220</b>	38,970
Debt securities	<b>141,363</b>	13,504
Investment funds	<b>20,713</b>	163,751
	<b>225,296</b>	216,225
	<b>256,172</b>	247,033
Analysed for reporting purposes as:		
Non-current assets	<b>234,147</b>	83,282
Current assets	<b>22,025</b>	163,751
	<b>256,172</b>	247,033

The fair values of the listed equity securities are determined based on the quoted market bid prices available on the relevant stock exchanges. The fair values of the debt securities are determined in accordance with generally accepted pricing models based on discounted cash flow using market interest rates. The fair values of the investment funds are determined based on the net asset value per unit of the fund redeemable at the discretion of the holder.

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30th September, 2009

## 12. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

The amount represents unlisted equity-linked notes of aggregate principal amount of HK\$17,106,000 (31.3.2009 HK\$37,008,000) with fixed coupon and remaining time to maturity ranging from six months to two years. The notes contain terms enabling the issuers either to deliver the underlying equity securities on maturity if the market prices of underlying securities are lower than their respective predetermined reference prices or cash settlement of the principal and interest if market price of the underlying securities are higher than their respective predetermined reference prices. The notes are subject to the option for early termination at the discretion of holder.

The equity-linked notes, which contain a host debt contract and an embedded equity derivative, are designated as financial assets at fair value through profit or loss and are measured at fair value. They are classified into current and non-current based on the maturity date of the respective notes.

During the six months period ended 30th September, 2008, the Group took delivery of the listed equity securities on maturity of certain notes. The Group also requested for early termination of certain notes by net cash settlement based on the fair values of the respective notes at the date of termination. The loss arising on maturity and early termination of the notes amounting to HK\$48,028,000 and were recognised in the profit or loss.

The fair values of the equity-linked notes which are outstanding at 30th September, 2009 and 31st March, 2009 are determined based on valuation using generally accepted pricing models based on discounted cashflow using prices or rates from observable current market transactions. Key assumptions include prices of underlying shares and market interest rate.

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30th September, 2009

## 13. DERIVATIVE FINANCIAL INSTRUMENTS

	<b>30.9.2009</b>	31.3.2009
	<b>HK\$'000</b>	HK\$'000
Assets		
– Interest rate swaps ( <i>note i</i> )	<b>16,955</b>	8,255
– Call options in listed equity securities ( <i>note ii</i> )	<b>49</b>	–
Liabilities		
– Put options in listed equity securities ( <i>note ii</i> )	<b>(377)</b>	–
	<b>16,627</b>	8,255
Analysed for reporting of purpose as:		
Non-current assets	<b>6,869</b>	–
Current assets	<b>10,135</b>	8,255
Current liabilities	<b>(377)</b>	–
	<b>16,627</b>	8,255



# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30th September, 2009

## 13. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Notes:

- (i) Major terms of the interest rate swap contracts entered into by the Group to minimise its exposure to interest rate fluctuation risk of the bank borrowings outstanding at the reporting date are set out below. These derivatives are not accounted for under hedge accounting.

Notional amount	Maturity	Term
HK\$1,900,000,000	September 2013	From 3 months HIBOR to fixed rate of 2.395% per annum.
Aggregate total of HK\$1,900,000,000	September 2013	Pay 3 months HIBOR with a maximum of 7.5% per annum and receive 3 months HIBOR with an option of early termination by the Company
S\$14,169,000 and S\$4,369,000	October 2009	From SGD-SOR to the fixed rate of 2.9%

The interest rate swap contracts are measured at fair value which are determined based on the discounted cash flow analysis using the applicable yield curve and the remaining duration of the instruments.

- (ii) Call/put options represents forward contracts to purchase or sale listed equity securities with predetermined prices. The contracts with maturity date ranging from three months to one year.

## 14. DEBTORS, DEPOSITS AND PREPAYMENTS

The debtors, deposits and prepayments include trade debtors of approximately HK\$59,121,000 (31.3.2009: HK\$54,107,000). The following is an aged analysis of the trade debtors, based on the invoice date, at the reporting dates:

	30.9.2009 HK\$'000	31.3.2009 HK\$'000
0 – 60 days	47,710	42,942
61 – 90 days	5,519	5,541
Over 90 days	5,892	5,624
	<b>59,121</b>	<b>54,107</b>

## NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30th September, 2009

### 15. CREDITORS AND ACCRUALS

The creditors and accruals included trade creditors of HK\$90,680,000 (31.3.2009: HK\$107,465,000). The following is an aged analysis of the trade creditors:

	<b>30.9.2009</b>	31.3.2009
	<b>HK\$'000</b>	HK\$'000
0 – 60 days	<b>20,579</b>	27,247
61 – 90 days	<b>11,848</b>	1,860
Over 90 days	<b>58,253</b>	78,358
	<b>90,680</b>	107,465

### 16. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>30.9.2009</b>	31.3.2009
	<b>HK\$'000</b>	HK\$'000
Convertible bonds listed in Hong Kong denominated in:		
– Hong Kong dollars (“HK\$ Bonds”) (note i)	<b>109,498</b>	119,950
– United States dollars (“US\$ Bonds”) (note ii)	–	1,895
	<b>109,498</b>	121,845

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30th September, 2009

## 16. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Notes:

- (i) The HK\$ Bonds represents the fair value of the outstanding principal amount of HK\$105,540,000 (31.3.2009: HK\$115,540,000) zero coupon convertible bonds maturing on 10th December, 2009. The holders of the HK\$ Bonds are entitled to convert the HK\$ Bonds into ordinary shares of the Company at an adjusted conversion price of HK\$2.775 (subsequently adjusted to HK\$2.750) per share during the period from 11th January, 2007 to 10th November, 2009, or to require the Company to redeem all or part of the HK\$ Bonds on 10th December, 2008 at 104.58% of their principal amount. The Company may redeem in full the remaining HK\$ Bonds on or at any time after 10th June, 2007 and prior to maturity, subject to certain conditions. The outstanding HK\$ Bonds will be redeemed at 111.84% of their principal amount on maturity.

During the period, the Company repurchased certain HK\$ Bonds with a principal amount of HK\$10,000,000 (31.3.2009: HK\$279,140,000) at a price of HK\$9,500,000 (31.3.2009: HK\$252,377,000).

- (ii) The US\$ Bonds as at 31st March, 2009 represents the fair value of the outstanding principal amounting of US\$250,000 zero coupon convertible bonds which was matured on 13th April, 2009. The holders of the US\$ Bonds were entitled to convert the US\$ Bonds into ordinary shares of the Company at an adjusted conversion price of HK\$1.876 per share during the period from 13th May, 2004 to 14th March, 2009, or to require the Company to redeem in full the US\$ Bonds on maturity at 102.01% of their principal amount. The Company might redeem in full the remaining US\$ Bonds, on or at any time after 13th April, 2007 and prior to maturity, subject to certain conditions.

During the current period, the Company redeemed in full the remaining US\$ Bond on maturity.

The fair value of the convertible bonds which contain a liability component, an embedded conversion option and early redemption option are determined based on the respective fair value of the components. The fair value of the liability component is determined based on discounted cash flow using the Company's current borrowing rate on each period/year end and the fair value of conversion options is based on the Black-Scholes model with key inputs such as weighted average share price, expected volatility, risk-free rate and expected dividend yield. The change in the fair value of convertible bonds includes the effects of the decrease in fair value of the liability component which is affected by the market interest rate, credit spread of the Group and the time to maturity and decrease in the fair value of the conversion option.

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30th September, 2009

## 17. SECURED BANK AND OTHER BORROWINGS

	<b>30.9.2009</b> <b>HK\$'000</b>	31.3.2009 HK\$'000
The borrowings comprise:		
Bank loans	<b>4,562,449</b>	4,448,158
Other loans	<b>9,936</b>	4,857
	<b>4,572,385</b>	4,453,015
Less: front-end fee	<b>(56,946)</b>	(63,181)
	<b>4,515,439</b>	4,389,834
Analysed for reporting purposes as:		
Non-current liabilities	<b>3,751,582</b>	3,380,615
Current liabilities	<b>763,857</b>	1,009,219
	<b>4,515,439</b>	4,389,834

During the period, the Group obtained new bank loans and other loans of HK\$545,084,000 (six months ended 30.9.2008: HK\$3,108,946,000) and HK\$9,931,000 (six months ended 30.9.2008: HK\$128,930,000) respectively and repaid bank loans and other loans of HK\$694,814,000 (six months ended 30.9.2008: HK\$1,403,199,000) and HK\$4,852,000 (six months ended 30.9.2008: HK\$4,651,000) respectively.

Bank loans with carrying amount of HK\$2,565,000 (31.3.2009: HK\$160,655,000) bear interest at fixed rates at 5.75% (31.3.2009: ranging from 4.95% to 5.75%) per annum. The remaining bank loans carry interest at floating rates ranging from 0.76% to 7.13% (31.3.2009: 2% to 5.25%) and repayable within a period ranging from one to twelve years. Other loans are secured, repayable on demand and bearing floating interest rates ranging from 0.1% to 6% (31.3.2009: 1.07% to 8.25%) per annum.

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30th September, 2009

## 18. SHARE CAPITAL

	Number of ordinary shares of HK\$0.1 each	Nominal value HK\$'000
Authorised	<u>2,000,000,000</u>	<u>200,000</u>
Issued and fully paid:		
At 1st April, 2008	1,619,411,952	161,941
Repurchase of shares	<u>(12,397,000)</u>	<u>(1,240)</u>
At 30th September, 2008	1,607,014,952	160,701
Issue of shares in lieu of cash dividend at HK\$1.73/0.98 per share	<u>14,986,988</u>	<u>1,499</u>
At 31st March, 2009	1,622,001,940	162,200
Issue of shares for acquisition of business	102,328,571	10,233
Issue of shares for acquisition of assets	81,714,285	8,172
Issue of shares on conversion of 2013 Convertible Bond at HK\$4.30 per share	<u>77,080,232</u>	<u>7,708</u>
At 30th September, 2009	<u>1,883,125,028</u>	<u>188,313</u>

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30th September, 2009

## 18. SHARE CAPITAL *(Continued)*

- (a) On 17th July, 2009 and 27th August, 2009, the Company allotted 102,328,571 and 81,714,285 ordinary shares of HK\$0.1 each at issue price of HK\$1.85 and HK\$1.40 for the acquisition of business and assets as set out in note 20.
- (b) On 27th July, 2009, the Company allotted 77,080,232 ordinary shares of HK\$0.1 each on conversion of the 2013 Convertible bond at the conversion price of HK\$4.30 with a principal amount of HK\$331,445,000 as detailed in note 19.
- (c) During the six months ended 30th September, 2008, the Company, through its subsidiary, repurchased certain of its own shares as follows:

Month of repurchase	No. of ordinary share purchased	Price per share		Aggregate consideration paid HK\$
		Highest HK\$	Lowest HK\$	
April 2008	1,825,000	3.00	2.72	5,178,000
May 2008	904,000	2.80	2.62	2,468,000
June 2008	600,000	2.58	2.55	1,536,000
July 2008	4,320,000	2.00	1.82	8,460,000
August 2008	3,748,000	1.90	1.70	6,906,000
September 2008	1,000,000	1.51	1.43	1,482,000

The shares were cancelled upon repurchase and, accordingly the issued share capital and the share premium was reduced by the nominal value of these shares and the premium paid on repurchase respectively.

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30th September, 2009

## 19. CONVERTIBLE BOND

The carrying amount at 31st March, 2009 represented the unamortized cost of the liability component of a HKD denominated zero coupon convertible bond with principal amount of HK\$331,445,000 due in 2013 (the "2013 Convertible Bond") issued on 1st October, 2008 in connection with the acquisition of assets.

The bond was convertible, at the option of the holder, into ordinary shares of HK\$0.10 each of the Company at a conversion price of HK\$4.30 per share, subject to adjustments. The outstanding 2013 Convertible Bond was redeemable by the Company at nominal value on maturity.

During the period ended 30th September, 2009, all of the 2013 Convertible Bond was converted into shares which represented 4.1% of the enlarged capital of the Company.

The 2013 Convertible Bond contained two components, equity elements of HK\$113,831,000 and liability element of HK\$217,614,000 which were determined based on the valuation carried out by Vigers Appraisal & Consulting Limited at an effective interest rate of 8.8% at initial recognition. The equity element was presented as convertible bond equity reserve in equity, whereas the liability component was classified under non-current liability prior to conversion.

## 20. ACQUISITION OF ASSETS/BUSINESS

### (a) Acquisition of business

On 17th July, 2009, the Group acquired 73.75% issued share capital of Care Park Group, a company incorporated in Australia. Of the total acquisition, 84% of the acquisition was acquired from a director of the Company and to be settled by the issuance of 102,328,571 shares of the Company. The remaining 7% and 9% of the acquisition which were acquired from another director of the Company and independent third parties respectively were settled in cash. The principal activity of Care Park Group and its subsidiaries is car park operation. The acquisition was accounted for using the purchase method.

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30th September, 2009

## 20. ACQUISITION OF ASSETS/BUSINESS (Continued)

### (a) Acquisition of business (Continued)

	Carrying amount in the acquiree's financial record HK\$'000	Fair value adjustment HK\$'000	Fair value of net assets HK\$'000
Net assets acquired:			
Property, plant and equipment	351,350	13,470	364,820
Debtors, deposits and prepayments	21,901	–	21,901
Inventories	251	–	251
Bank balances and cash	31,771	–	31,771
Creditors and accruals	(44,313)	–	(44,313)
Tax payable	(2,551)	–	(2,551)
Bank borrowings	(126,467)	–	(126,467)
Deferred tax liability	(2,719)	(4,041)	(6,760)
	<u>229,223</u>	<u>9,429</u>	<u>238,652</u>
Fair value of 73.75% interest acquired			176,006
Goodwill on acquisition recognised			41,142
			<u>217,148</u>
Total consideration satisfied by:			
Cash			27,840
Issue of shares (note)			189,308
			<u>217,148</u>
Net cash inflow arising on acquisition:			
Cash consideration			(27,840)
Bank balances and cash acquired			31,771
			<u>3,931</u>

Note: The share price is determined based on the fair value of the share at the completion date.



# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30th September, 2009

## 20. ACQUISITION OF ASSETS/BUSINESS *(Continued)*

### (b) Acquisition of assets

On 27th August, 2009, the Group acquired from a director, the entire issued share capital of Best Impact Limited, which is the owner of certain car parks in Malaysia with a fair value of HK\$149,501,000, together with the assignment of the shareholders' loan of HK\$35,101,000. The consideration was satisfied by the issue of 81,714,285 ordinary shares of the Company at a price of HK\$1.40 per share. The difference between the consideration and the assets acquired and liabilities assumed of HK\$35,101,000 was credited to other reserve.

## 21. SHARE OPTIONS

The Company has a share option scheme, with share options granted on 21st October, 2004, 25th August, 2006 and 8th May, 2009 at an initial exercise price at HK\$2.075, HK\$3.290 and HK\$1.50 per share, subject to vesting periods ranging from 21st October, 2004 to 31st December, 2008, 25th August, 2006 to 31st December, 2009 and 8th May, 2009 to 15th September, 2012 respectively. The movement of the number of share options under the share option scheme for eligible employees of the Group during the current period are as follows:

	<b>1.4.2009 to 30.9.2009 '000</b>	1.4.2008 to 31.3.2009 '000
At beginning of the period	<b>18,150</b>	18,550
Granted during the period	<b>7,400</b>	–
Lapsed during the period	<b>(900)</b>	(400)
At end of the period	<b>24,650</b>	18,150

The estimated fair value of the options granted was determined at the date of grant using the Binominal model was approximately HK\$3,822,000. The Group recognised a total share option expense of approximately HK\$1,593,000 (six months ended 30.9.2008: HK\$266,000) during the period.

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30th September, 2009

## 22. PLEDGE OF ASSETS

At 30th September, 2009, all of the bank loans of HK\$4,562,449,000 (31.3.2009: HK\$4,448,158,000) are secured by a charge over the Group's properties (presented as completed properties for sale, investment properties, property, plant and equipment and prepaid lease payments) with an aggregate carrying amount of HK\$5,679,034,000 (31.3.2009: HK\$5,858,000,000) together with a pledge of the bank deposits of HK\$59,626,000 (31.3.2009: HK\$26,172,000) and available-for-sale investments of HK\$14,926,000 (31.3.2009: HK\$23,934,000) and a floating charge over certain assets of certain subsidiaries.

At 30th September, 2009, other loans facilities to the extent of approximately HK\$591,514,000 (31.3.2009: HK\$623,763,000), of which HK\$9,936,000 (31.3.2009: HK\$4,857,000) were utilised, are secured by a pledge of the Group's investments classified as held for trading and available for-sale investments with an aggregate carrying amount of HK\$290,590,000 (31.3.2009: HK\$276,724,000).

## 23. CONTINGENT LIABILITIES

The Group has given guarantees in respect of mortgage loans provided to the home buyers of the Group's properties in the PRC. At 30th September, 2009, the total amount of mortgage loans outstanding which are under the guarantee was HK\$136,110,000 (31.3.2009: HK\$150,443,000). The directors considered that the fair values of these financial guarantee contracts at their initial recognition are insignificant on the basis of short maturity periods and low default rate of mortgage loans.

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30th September, 2009

## 24. COMMITMENTS

	<b>30.9.2009</b>	31.3.2009
	<b>HK\$'000</b>	HK\$'000
Capital expenditure contracted but not provided for in the interim financial information in respect of:		
Acquisition, development and refurbishment of properties and hotel properties	<b>333,513</b>	260,698
Others	<b>2,161</b>	3,025
	<b>335,674</b>	263,723
Capital expenditure authorised but not contracted for in respect of development and refurbishment of properties and hotel properties	<b>338,986</b>	126,801
	<b>674,660</b>	390,524

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30th September, 2009

## 25. RELATED PARTIES TRANSACTIONS

- (a) During the period, the Group entered into the following significant transactions with related parties:

Related party	Nature of transaction	Six months ended	
		30.9.2009 HK\$'000	30.9.2008 HK\$'000
Directors	Interest expenses	–	99
Associates	Building management fee expenses	<b>2,701</b>	2,616
Jointly controlled entities	Rental income	<b>1,200</b>	1,200
Company controlled by a director	Management fee for operation of carpark	<b>26</b>	–

Details of the balances with related parties as at reporting period end date are set out in the condensed consolidated statement of financial position and relevant notes.

Apart from the above, the Group acquired certain business and assets from a director as disclose in note 20.

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30th September, 2009

## 25. RELATED PARTIES TRANSACTIONS *(Continued)*

- (b) The remuneration of directors and other members of key management during the period was as follows:

	<b>Six months ended</b>	
	<b>30.9.2009</b>	30.9.2008
	<b>HK\$'000</b>	HK\$'000
Short-term benefits	<b>9,553</b>	5,884
Post-employment benefits	<b>90</b>	36
	<b>9,643</b>	5,920

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

## 26. SUBSEQUENT EVENT

Subsequent to the period end, the Company redeemed the remaining principal amount of HK\$105,540,000 of the HK\$ Convertible Bond on maturity at HK\$118,036,000.