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## **WANG ON GROUP LIMITED**

**(宏安集團有限公司)\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1222)**

### **ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2009**

The board of directors (the “Board”) of Wang On Group Limited (the “Company”) is pleased to announce the consolidated results of the Company, its subsidiaries and jointly-controlled entity (collectively the “Group”) for the year ended 31 March 2009, together with the comparative figures for the previous financial year, as follows:

#### **CONSOLIDATED INCOME STATEMENT**

*Year ended 31 March 2009*

|  | <i>Notes</i> | <b>2009</b><br><b>HK\$'000</b> | 2008<br>HK\$'000 |
|--|--------------|--------------------------------|------------------|
| <b>REVENUE</b>   | <b>4</b>     | <b>459,459</b>                 | 545,882          |
| Cost of sales  |              | <u>(326,391)</u>               | <u>(384,557)</u> |
| Gross profit   |              | <b>133,068</b>                 | 161,325          |
| Other income and gains   |              | <b>23,045</b>                  | 97,329           |
| Selling and distribution costs                                   |              | <b>(4,713)</b>                 | (10,548)         |
| Administrative expenses  |              | <b>(98,752)</b>                | (104,427)        |
| Other expenses   |              | <b>(72,561)</b>                | (45,222)         |
| Finance costs  | <b>5</b>     | <b>(8,692)</b>                 | (14,906)         |
| Gain on disposal of subsidiaries                                 |              | <b>170,881</b>                 | —                |
| Fair value gains on revaluation of<br>investment properties, net |              | <b>4,581</b>                   | 11,383           |
| Share of profits and losses of associates                        |              | <u><b>(55,227)</b></u>         | <u>27,643</u>    |

\* *For identification purpose only*

|   | <i>Notes</i> | <b>2009</b><br><b><i>HK\$'000</i></b> | 2008<br><i>HK\$'000</i> |
|---|--------------|---------------------------------------|-------------------------|
| <b>PROFIT BEFORE TAX</b>  | 6            | <b>91,630</b>                         | 122,577                 |
| Tax   | 7            | <u><b>(11,480)</b></u>                | <u>(25,963)</u>         |
| <b>PROFIT FOR THE YEAR</b>  |              | <u><b>80,150</b></u>                  | <u>96,614</u>           |
| Attributable to:  |              |                                       |                         |
| Equity holders of the parent  |              | <b>55,409</b>                         | 96,089                  |
| Minority interests  |              | <u><b>24,741</b></u>                  | <u>525</u>              |
|   |              | <u><b>80,150</b></u>                  | <u>96,614</u>           |
| <b>DIVIDENDS</b>  | 8            |                                       |                         |
| Interim   |              | –                                     | 10,319                  |
| Proposed final  |              | <u><b>11,329</b></u>                  | <u>7,868</u>            |
|   |              | <u><b>11,329</b></u>                  | <u>18,187</u>           |
| <b>EARNINGS PER SHARE ATTRIBUTABLE<br/>TO ORDINARY EQUITY HOLDERS OF<br/>THE PARENT</b> | 9            |                                       | (Restated)              |
| Basic   |              | <u><b>HK16.70 cents</b></u>           | <u>HK38.71 cents</u>    |
| Diluted   |              | <u><b>HK16.70 cents</b></u>           | <u>HK35.63 cents</u>    |

# CONSOLIDATED BALANCE SHEET

31 March 2009

|   | Notes | 2009<br>HK\$'000 | 2008<br>HK\$'000 |
|---|-------|------------------|------------------|
| <b>NON-CURRENT ASSETS</b>   |       |                  |                  |
| Property, plant and equipment   |       | 16,849           | 160,884          |
| Prepaid land lease payments   |       | 3,171            | 177,902          |
| Investment properties   |       | 536,136          | 555,199          |
| Goodwill  |       | 1,376            | 7,820            |
| Interests in associates   |       | 216,625          | 305,825          |
| Held-to-maturity financial assets                                       |       | 4,114            | 1,943            |
| Other intangible asset  |       | 18,180           | 24,240           |
| Loans receivable  |       | 281,241          | 12,989           |
| Rental deposits paid  |       | 11,737           | 4,595            |
| Deposits for the acquisition of investment properties<br>and associates |       | –                | 35,674           |
| Deferred tax assets   |       | 555              | 4,342            |
| Total non-current assets  |       | 1,089,984        | 1,291,413        |
| <b>CURRENT ASSETS</b>   |       |                  |                  |
| Properties held for sale  |       | 262,272          | 27,885           |
| Properties under development  |       | –                | 288,405          |
| Trade receivables   | 10    | 4,498            | 4,101            |
| Prepayments, deposits and other receivables                             |       | 46,720           | 43,190           |
| Financial assets at fair value through profit or loss                   |       | 20,424           | 45,278           |
| Tax recoverable   |       | 107              | 883              |
| Cash and cash equivalents   |       | 483,707          | 330,819          |
| Total current assets  |       | 817,728          | 740,561          |
| <b>CURRENT LIABILITIES</b>  |       |                  |                  |
| Trade payables  | 11    | 18,076           | 24,624           |
| Other payables and accruals   |       | 20,542           | 128,423          |
| Deposits received and receipts in advance                               |       | 73,359           | 50,038           |
| Derivative financial instruments  |       | –                | 2,338            |
| Interest-bearing bank loans   |       | 121,948          | 347,115          |
| Provisions for onerous contracts  |       | 1,960            | 1,690            |
| Tax payable   |       | 6,064            | 27,827           |

|  | 2009<br><i>HK\$'000</i> | 2008<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Total current liabilities                                  | <u>241,949</u>          | <u>582,055</u>          |
| <b>NET CURRENT ASSETS</b>                                  | <u>575,779</u>          | <u>158,506</u>          |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>               | <u>1,665,763</u>        | <u>1,449,919</u>        |
| <b>NON-CURRENT LIABILITIES</b>                             |                         |                         |
| Interest-bearing bank loans                                | 310,137                 | 199,118                 |
| Provisions for onerous contracts                           | 250                     | 1,960                   |
| Deferred tax liabilities                                   | <u>3,196</u>            | <u>8,626</u>            |
| Total non-current liabilities                              | <u>313,583</u>          | <u>209,704</u>          |
| Net assets   | <u><u>1,352,180</u></u> | <u><u>1,240,215</u></u> |
| <b>EQUITY</b>  |                         |                         |
| <b>Equity attributable to equity holders of the parent</b> |                         |                         |
| Issued capital   | 3,776                   | 32,051                  |
| Reserves   | 1,336,678               | 1,142,650               |
| Proposed final dividend                                    | <u>11,329</u>           | <u>7,868</u>            |
|  | <u>1,351,783</u>        | <u>1,182,569</u>        |
| <b>Minority interests</b>                                  | <u>397</u>              | <u>57,646</u>           |
| Total equity   | <u><u>1,352,180</u></u> | <u><u>1,240,215</u></u> |

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, derivative financial instruments and certain equity investments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

#### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company, its subsidiaries and jointly-controlled entity for the year ended 31 March 2009. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The assets, liabilities, income and expenses of jointly-controlled entity are proportionally consolidated from the date on which joint control is established and obtained by the Group, and continue to be proportionally consolidated until the date that such joint control ceases. All income, expenses and unrealised gains and losses resulting from intercompany transactions and intercompany balances within the Group are eliminated on consolidation in full.

The acquisition of subsidiaries during the year has been accounted for using the purchase method of accounting. This method involves allocating the cost of the business combinations to the fair value of the identifiable assets acquired, and liabilities and contingent liabilities assumed at the date of acquisition. The cost of the acquisition is measured at the aggregate of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Minority interests represent the interests of outside shareholders not held by the Group in the results and net assets of the Company’s subsidiaries.

### 2. IMPACT OF NEW AND REVISED HKFRSs

The Group has adopted the following new interpretations and amendments to HKFRSs for the first time for the current year’s financial statements. The adoption of these new interpretations and amendments has had no significant effect on these financial statements.

|                                 |   |
|---------------------------------|---|
| HKAS 39 & HKFRS 7<br>Amendments | Amendments to HKAS 39 <i>Financial Instrument: Recognition and Measurement</i> and HKFRS 7 <i>Financial Instruments: Disclosures – Reclassification of Financial Assets</i> |
| HK(IFRIC)-Int 12                | <i>Service Concession Arrangements</i>  |
| HK(IFRIC)-Int 14                | HKAS 19 – <i>The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>   |

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) *Amendments to HKAS 39 Financial Instruments: Recognition and Measurement and HKFRS 7 Financial Instruments: Disclosures – Reclassification of Financial Assets*

The amendments to HKAS 39 permit an entity to reclassify a non-derivative financial asset classified as held for trading, other than a financial asset designated by an entity as at fair value through profit or loss upon initial recognition, out of the fair value through profit or loss category if the financial asset is no longer held for the purpose of selling or repurchasing it in the near term, if specified criteria are met.

A debt instrument that would have met the definition of loans and receivables (if it had not been required to be classified as held for trading at initial recognition) may be classified out of the fair value through profit or loss category or (if it had not been designated as available for sale) may be classified out of the available-for-sale category to the loans and receivables category if the entity has the intention and ability to hold it for the foreseeable future or until maturity.

In rare circumstances, financial assets that are not eligible for classification as loans and receivables may be transferred from the held-for-trading category to the available-for-sale category or to the held-to-maturity category (in the case of a debt instrument), if the financial asset is no longer held for the purpose of selling or repurchasing in the near term.

The financial asset shall be reclassified at its fair value on the date of reclassification and the fair value of the financial asset on the date of reclassification becomes its new cost or amortised cost, as applicable. The amendments to HKFRS 7 require extensive disclosures of any financial asset reclassified in the situations described above. The amendments are effective from 1 July 2008.

As the Group has not reclassified any of its financial instruments, the amendments have had no impact on the financial position or results of operations of the Group.

(b) *HK(IFRIC)-Int 12 Service Concession Arrangements*

HK(IFRIC)-Int 12 applies to service concession operators and explains how to account for the obligations undertaken and the rights received in service concession arrangements. No member of the Group is an operator and, therefore, this interpretation has had no impact on the financial position or results of operations of the Group.

(c) *HK(IFRIC)-Int 14 HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

HK(IFRIC)-Int 14 addresses how to assess the limit under HKAS 19 *Employee Benefits*, on the amount of a refund or a reduction in future contributions in relation to a defined benefit scheme that can be recognised as an asset, including situations when a minimum funding requirement exists. As the Group has no defined benefit scheme, the interpretation has had no effect on these financial statements.

## IMPACT OF ISSUED BUT NOT YET EFFECTIVE HKFRSs

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

|   |   |
|---|---|
| HKFRS 1 and HKAS 27<br>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> <sup>1</sup> |
| HKFRS 1 (Revised)                         | First-time adoption of HKFRSs <sup>2</sup>  |
| HKFRS 2 Amendments                        | Amendments to HKFRS 2 <i>Share-based Payment – Vesting Conditions and Cancellations</i> <sup>1</sup>  |
| HKFRS 3 (Revised)                         | <i>Business Combinations</i> <sup>2</sup>   |
| HKFRS 7 Amendments                        | <i>Amendments to HKFRS 7 Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments</i> <sup>1</sup>  |
| HKFRS 8                                   | <i>Operating Segments</i> <sup>1</sup>  |
| HKAS 1 (Revised)                          | <i>Presentation of Financial Statements</i> <sup>1</sup>  |
| HKAS 23 (Revised)                         | <i>Borrowing Costs</i> <sup>1</sup>   |
| HKAS 27 (Revised)                         | <i>Consolidated and Separate Financial Statements</i> <sup>2</sup>  |
| HKAS 32 and HKAS 1<br>Amendments          | Amendments to HKAS 32 <i>Financial Instruments: Presentation</i> and HKAS 1 <i>Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation</i> <sup>1</sup>              |
| HKAS 39 Amendment                         | Amendment to HKAS 39 <i>Financial Instruments: Recognition and Measurement – Eligible Hedged Items</i> <sup>2</sup>   |
| HK(IFRIC)-Int 9 and<br>HKAS 39 Amendments | Amendments to HK(IFRIC)-Int 9 <i>Reassessment of Embedded Derivatives</i> and HKAS 39 <i>Financial Instruments: Recognition and Measurement – Embedded Derivatives</i> <sup>3</sup>                                       |
| HK(IFRIC)-Int 13                          | <i>Customer Loyalty Programmes</i> <sup>4</sup>   |
| HK(IFRIC)-Int 15                          | <i>Agreements for the Construction of Real Estate</i> <sup>1</sup>  |
| HK(IFRIC)-Int 16                          | <i>Hedges of a Net Investment in a Foreign Operation</i> <sup>5</sup>   |
| HK(IFRIC)-Int 17                          | <i>Distribution of Non-cash Assets to Owners</i> <sup>2</sup>   |
| HK(IFRIC)-Int 18                          | <i>Transfer of Assets from Customers</i> <sup>6</sup>   |

Apart from the above, the HKICPA has issued *Improvements to HKFRSs*\* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. Except for the amendment to HKFRS 5 which is effective for annual periods beginning on or after 1 July 2009, other amendments are effective for annual periods beginning on or after 1 January 2009 although there are separate transitional provisions for each standard.

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

<sup>2</sup> Effective for annual periods beginning on or after 1 July 2009

<sup>3</sup> Effective for annual periods ending on or after 30 June 2009

<sup>4</sup> Effective for annual periods beginning on or after 1 July 2008

<sup>5</sup> Effective for annual periods beginning on or after 1 October 2008

<sup>6</sup> Effective for transfers of assets received on or after 1 July 2009

\* *Improvements to HKFRSs* contains amendments to HKFRS 5, 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.

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 8 and HKAS 1 (Revised) may result in new or amended disclosures and 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.

### 3. SEGMENT INFORMATION

#### (a) Business segments

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's business segments for the years ended 31 March 2009 and 2008.

|  | Property development |                | Property investment |               | Chinese wet markets |                | Shopping centres and car parks |               | Agricultural by-products wholesale markets |               | Trading of agricultural by-products |               | Corporate and others |                 | Eliminations    |                 | Consolidated   |                |
|--|----------------------|----------------|---------------------|---------------|---------------------|----------------|--------------------------------|---------------|--|---------------|-------------------------------------|---------------|----------------------|-----------------|-----------------|-----------------|----------------|----------------|
|  | 2009                 | 2008           | 2009                | 2008          | 2009                | 2008           | 2009                           | 2008          | 2009                                       | 2008          | 2009                                | 2008          | 2009                 | 2008            | 2009            | 2008            | 2009           | 2008           |
|  | 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        | HK\$'000        | HK\$'000        | HK\$'000       | HK\$'000       |
| <b>Segment revenue:</b>                            |                      |                |                     |               |                     |                |                                |               |  |               |                                     |               |                      |                 |                 |                 |                |                |
| Sales to external customers                        | 129,630              | 312,846        | 13,421              | 11,019        | 168,335             | 148,136        | 13,378                         | 12,893        | 48,639                                     | 34,395        | 86,004                              | 22,606        | 52                   | 3,987           | -               | -               | 459,459        | 545,882        |
| Intersegment sales                                 | -                    | -              | -                   | -             | -                   | -              | 240                            | 440           | -  | -             | -                                   | -             | 10,745               | 19,544          | (10,985)        | (19,984)        | -              | -              |
| Gain on disposal of subsidiaries                   | 15,661               | -              | -                   | -             | -                   | -              | -                              | -             | 155,220                                    | -             | -                                   | -             | -                    | -               | -               | -               | 170,881        | -              |
| Gain on disposal of a land use right               | -                    | 62,969         | -                   | -             | -                   | -              | -                              | -             | -  | -             | -                                   | -             | -                    | -               | -               | -               | -              | 62,969         |
| Fair value gains/(losses) on investment properties | -                    | -              | (58,601)            | 9,567         | 2,040               | 1,901          | -                              | -             | 61,142                                     | (85)          | -                                   | -             | -                    | -               | -               | -               | 4,581          | 11,383         |
| Other revenue                                      | 8                    | 8              | 2,218               | 47            | 3,098               | 3,572          | 385                            | 515           | 5,607                                      | 4,825         | 1                                   | 127           | 7,746                | 17,389          | (1,213)         | (2,553)         | 17,850         | 23,930         |
| <b>Total</b>                                       | <b>145,299</b>       | <b>375,823</b> | <b>(42,962)</b>     | <b>20,633</b> | <b>173,473</b>      | <b>153,609</b> | <b>14,003</b>                  | <b>13,848</b> | <b>270,608</b>                             | <b>39,135</b> | <b>86,005</b>                       | <b>22,733</b> | <b>18,543</b>        | <b>40,920</b>   | <b>(12,198)</b> | <b>(22,537)</b> | <b>652,771</b> | <b>644,164</b> |
| <b>Segment results</b>                             | <b>27,404</b>        | <b>112,534</b> | <b>(44,969)</b>     | <b>14,783</b> | <b>29,525</b>       | <b>13,032</b>  | <b>3,650</b>                   | <b>2,283</b>  | <b>223,756</b>                             | <b>(583)</b>  | <b>(1,936)</b>                      | <b>446</b>    | <b>(81,054)</b>      | <b>(40,112)</b> | <b>(6,022)</b>  | <b>(2,973)</b>  | <b>150,354</b> | <b>99,410</b>  |
| Interest income                                    |                      |                |                     |               |                     |                |                                |               |  |               |                                     |               |                      |                 |                 |                 | 5,195          | 10,430         |
| Finance costs                                      |                      |                |                     |               |                     |                |                                |               |  |               |                                     |               |                      |                 |                 |                 | (8,692)        | (14,906)       |
| Share of profits and losses of associates          |                      |                |                     |               |                     |                |                                |               |  |               |                                     |               |                      |                 |                 |                 | (55,227)       | 27,643         |
| <b>Profit before tax</b>                           |                      |                |                     |               |                     |                |                                |               |  |               |                                     |               |                      |                 |                 |                 | <b>91,630</b>  | <b>122,577</b> |
| Tax  |                      |                |                     |               |                     |                |                                |               |  |               |                                     |               |                      |                 |                 |                 | (11,480)       | (25,963)       |
| <b>Profit for the year</b>                         |                      |                |                     |               |                     |                |                                |               |  |               |                                     |               |                      |                 |                 |                 | <b>80,150</b>  | <b>96,614</b>  |



|  | Property development |                | Property investment |                | Chinese wet markets |               | Shopping centres and car parks |          | Agricultural by-products wholesale markets |                | Trading of agricultural by-products |            | Corporate and others |              | Eliminations |             | Consolidated     |                  |
|--|----------------------|----------------|---------------------|----------------|---------------------|---------------|--------------------------------|----------|--|----------------|-------------------------------------|------------|----------------------|--------------|--------------|-------------|------------------|------------------|
|  | 2009                 | 2008           | 2009                | 2008           | 2009                | 2008          | 2009                           | 2008     | 2009                                       | 2008           | 2009                                | 2008       | 2009                 | 2008         | 2009         | 2008        | 2009             | 2008             |
|  | 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     | HK\$'000     | HK\$'000    | HK\$'000         | HK\$'000         |
| <b>Assets and liabilities</b>                        |                      |                |                     |                |                     |               |                                |          |  |                |                                     |            |                      |              |              |             |                  |                  |
| Segment assets                                       | 720,229              | 751,325        | 750,436             | 436,214        | 223,495             | 198,402       | 43,429                         | 47,072   | 33,384                                     | 432,077        | 6,809                               | 5,690      | 3,234,582            | 2,462,613    | (3,321,832)  | (2,611,586) | 1,690,532        | 1,721,807        |
| Interests in associates                              | -                    | -              | -                   | -              | -                   | -             | -                              | -        | -  | -              | -                                   | -          | 216,625              | 305,825      | -            | -           | 216,625          | 305,825          |
| Deferred tax assets                                  | -                    | 3,062          | 190                 | 244            | 365                 | 1,036         | -                              | -        | -  | -              | -                                   | -          | -                    | -            | -            | -           | 555              | 4,342            |
| Total assets   |                      |                |                     |                |                     |               |                                |          |  |                |                                     |            |                      |              |              |             | <u>1,907,712</u> | <u>2,031,974</u> |
| Segment liabilities                                  | 718,425              | 570,813        | 652,038             | 292,567        | 203,101             | 198,666       | 7,690                          | 15,030   | 76,819                                     | 352,326        | 8,872                               | 5,254      | 1,769,074            | 1,386,003    | (3,321,832)  | (2,611,586) | 114,187          | 209,073          |
| Interest-bearing                                     |                      |                |                     |                |                     |               |                                |          |  |                |                                     |            |                      |              |              |             |                  |                  |
| bank loans   | -                    | 150,650        | 166,610             | 94,904         | -                   | -             | -                              | -        | -  | 49,429         | -                                   | -          | 265,475              | 251,250      | -            | -           | 432,085          | 546,233          |
| Tax payable  | 715                  | 9,433          | 59                  | 949            | 1,818               | 739           | 80                             | 210      | 185  | 2,079          | 79                                  | 106        | 3,128                | 14,311       | -            | -           | 6,064            | 27,827           |
| Deferred tax liabilities                             | -                    | -              | 2,472               | 8,593          | 408                 | -             | -                              | -        | -  | -              | -                                   | -          | 316                  | 33           | -            | -           | 3,196            | 8,626            |
| Total liabilities                                    |                      |                |                     |                |                     |               |                                |          |  |                |                                     |            |                      |              |              |             | <u>555,532</u>   | <u>791,759</u>   |
| <b>Other segment information:</b>                    |                      |                |                     |                |                     |               |                                |          |  |                |                                     |            |                      |              |              |             |                  |                  |
| Depreciation and amortisation                        | 1,294                | 796            | 9                   | 12             | 5,687               | 6,727         | 8                              | 11       | 7,198                                      | 6,669          | 47                                  | 7          | 773                  | 840          | -            | -           | 15,016           | 15,062           |
| Impairment losses recognised in the income statement | -                    | 14,925         | -                   | -              | 458                 | -             | -                              | 70       | -  | -              | -                                   | -          | -                    | 6,333        | -            | -           | 458              | 21,328           |
| Capital expenditure                                  | <u>589</u>           | <u>181,641</u> | <u>71,045</u>       | <u>118,357</u> | <u>1,731</u>        | <u>16,405</u> | <u>-</u>                       | <u>-</u> | <u>84,800</u>                              | <u>210,128</u> | <u>1</u>                            | <u>248</u> | <u>171</u>           | <u>1,392</u> | <u>-</u>     | <u>-</u>    | <u>158,337</u>   | <u>528,171</u>   |

**(b) Geographical segments**

The following table presents revenue and certain asset and expenditure information for the Group's geographical segments for the years ended 31 March 2009 and 2008.

|                                   | Hong Kong      |                | Mainland China |                | Eliminations |             | Consolidated   |                |
|-----------------------------------|----------------|----------------|----------------|----------------|--------------|-------------|----------------|----------------|
|                                   | 2009           | 2008           | 2009           | 2008           | 2009         | 2008        | 2009           | 2008           |
|                                   | HK\$'000       | HK\$'000       | HK\$'000       | HK\$'000       | HK\$'000     | HK\$'000    | HK\$'000       | HK\$'000       |
| <b>Segment revenue:</b>           |                |                |                |                |              |             |                |                |
| Sales to external customers       | <u>417,753</u> | <u>518,813</u> | <u>41,706</u>  | <u>27,069</u>  | <u>-</u>     | <u>-</u>    | <u>459,459</u> | <u>545,882</u> |
| <b>Other segment information:</b> |                |                |                |                |              |             |                |                |
| Segment assets                    | 5,030,960      | 3,807,212      | 198,584        | 836,348        | (3,321,832)  | (2,611,586) | 1,907,712      | 2,031,974      |
| Capital expenditure               | <u>73,004</u>  | <u>136,341</u> | <u>85,333</u>  | <u>391,830</u> | <u>-</u>     | <u>-</u>    | <u>158,337</u> | <u>528,171</u> |

**4. REVENUE**

Revenue, which is also the Group's turnover, represents sub-licensing and management fee income received and receivable; the invoiced value of goods sold, after allowances for returns and trade discounts; the invoiced value of services rendered; the gross rental income received and receivable from investment properties and proceeds from the sale of properties during the year.

An analysis of the Group's revenue is as follows:

|                                | Group          |                |
|--------------------------------|----------------|----------------|
|                                | 2009           | 2008           |
|                                | HK\$'000       | HK\$'000       |
| Sub-licensing fee income       | 165,646        | 145,024        |
| Property management fee income | 16,591         | 16,609         |
| Sale of goods                  | 86,004         | 22,606         |
| Rendering of services          | 52             | 3,781          |
| Gross rental income            | 61,536         | 43,366         |
| Sale of properties             | <u>129,630</u> | <u>314,496</u> |
|                                | <u>459,459</u> | <u>545,882</u> |

**5. FINANCE COSTS**

|                                       | Group          |                 |
|---------------------------------------|----------------|-----------------|
|                                       | 2009           | 2008            |
|                                       | HK\$'000       | HK\$'000        |
| Interest on convertible notes         | -              | 1,144           |
| Interest on bank loans and overdrafts | <u>13,134</u>  | <u>24,490</u>   |
| Total interest                        | 13,134         | 25,634          |
| Less: Interest capitalised            | <u>(4,442)</u> | <u>(10,728)</u> |
|                                       | <u>8,692</u>   | <u>14,906</u>   |

## 6. PROFIT BEFORE TAX

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

|  | <b>Group</b>    |                 |
|--|-----------------|-----------------|
|  | <b>2009</b>     | <b>2008</b>     |
|  | <b>HK\$'000</b> | <b>HK\$'000</b> |
| Auditors' remuneration   | <b>2,200</b>    | 2,700           |
| Cost of inventories sold   | <b>86,401</b>   | 21,775          |
| Cost of services provided  | <b>151,413</b>  | 150,921         |
| Cost of properties sold  | <b>88,577</b>   | 211,861         |
| Depreciation   | <b>7,797</b>    | 8,290           |
| Less: Government grants released   | <b>(302)</b>    | (440)           |
|  | <b>7,495</b>    | 7,850           |
| Minimum lease payments under operating leases<br>in respect of land and buildings  | <b>99,008</b>   | 90,586          |
| Amortisation of prepaid land lease payments  | <b>1,159</b>    | 712             |
| Amortisation of other intangible asset   | <b>6,060</b>    | 6,060           |
| Employee benefit expense (including<br>directors' remuneration):                   |                 |                 |
| Wages and salaries   | <b>68,192</b>   | 63,398          |
| Pension scheme contributions   | <b>1,528</b>    | 2,992           |
| Equity-settled share option expense  | <b>225</b>      | 64              |
| Less: Amount capitalised   | <b>—</b>        | (1,478)         |
|  | <b>69,945</b>   | 64,976          |
| Fair value losses/(gains), net:  |                 |                 |
| Financial assets at fair value through profit or loss*                             | <b>39,208</b>   | 6,663           |
| Derivative financial instruments*  | <b>(2,338)</b>  | 2,338           |
| Compensation paid to a minority shareholder<br>of a subsidiary*                    | <b>—</b>        | 9,971           |
| Impairment of goodwill*  | <b>—</b>        | 11,558          |
| Impairment of a land use right*  | <b>—</b>        | 9,700           |
| Loss on disposal and write-off of items of property,<br>plant and equipment*       | <b>—</b>        | 67              |
| Loss on disposal of financial assets at<br>fair value through profit or loss, net* | <b>3,956</b>    | —               |
| Loss on partial/deemed disposal of an associate*                                   | <b>31,764</b>   | 4,855           |
| Amount provided/(released) for onerous contracts, net                              | <b>(1,440)</b>  | 3,281           |
| Net rental income  | <b>53,186</b>   | 33,771          |

\* *These expenses are included in "Other expenses" on the face of the consolidated income statement.*

## 7. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in Mainland China, based on existing legislation, interpretations and practices in respect thereof.

|                               | 2009<br>HK\$'000 | 2008<br>HK\$'000 |
|-------------------------------|------------------|------------------|
| Group:                        |                  |                  |
| Current – Hong Kong           |                  |                  |
| Charge for the year           | 5,658            | 24,645           |
| Overprovision in prior years  | (11,195)         | (1,297)          |
|                               | (5,537)          | 23,348           |
| Current – PRC                 |                  |                  |
| Charge for the year           | 3,375            | 1,052            |
| Deferred                      | 13,642           | 1,563            |
| Total tax charge for the year | 11,480           | 25,963           |

## 8. DIVIDENDS

|  | 2009<br>HK\$'000 | 2008<br>HK\$'000 |
|--|------------------|------------------|
| Interim – Nil (2008: HK4.00 cents)<br>per ordinary share                 | –                | 10,319           |
| Proposed final – HK0.50 cents (2008: HK2.50 cents)<br>per ordinary share | 11,329           | 7,868            |
|  | 11,329           | 18,187           |

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

The dividend per ordinary share amounts for the prior year have been adjusted to reflect the consolidation of shares during the year.

## 9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the year, as adjusted to reflect the consolidation of shares during the year.

The calculation of diluted earnings per share is based on the profit for the year attributable to ordinary equity holders of the parent adjusted to reflect the interest on the convertible bonds, where applicable. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares, as adjusted for the consolidation of shares during the year.

## 10. TRADE RECEIVABLES

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

|                     | Group           |                   |                 |                   |
|---------------------|-----------------|-------------------|-----------------|-------------------|
|                     | 2009            |                   | 2008            |                   |
|                     | <i>HK\$'000</i> | <i>Percentage</i> | <i>HK\$'000</i> | <i>Percentage</i> |
| Within 90 days      | 4,279           | 90                | 3,948           | 94                |
| 91 days to 180 days | 251             | 5                 | 165             | 4                 |
| Over 180 days       | 239             | 5                 | 76              | 2                 |
|                     | <u>4,769</u>    | <u>100</u>        | <u>4,189</u>    | <u>100</u>        |
| Less: impairment    | <u>(271)</u>    |                   | <u>(88)</u>     |                   |
|                     | <u>4,498</u>    |                   | <u>4,101</u>    |                   |

The Group generally grants a 15 to 30 days credit period to customers for its sub-leasing business. The Group generally does not grant any credit to customers of other businesses.

The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

## 11. TRADE PAYABLES

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

|                | <b>Group</b>         |                      |
|----------------|----------------------|----------------------|
|                | <b>2009</b>          | <b>2008</b>          |
|                | <b>HK\$'000</b>      | <b>HK\$'000</b>      |
| Within 90 days | <b><u>18,076</u></b> | <b><u>24,624</u></b> |

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

## RESULTS

For the financial year ended 31 March 2009, the Group's turnover and profit attributable to equity holders amounted to approximately HK\$459.5 million (2008: approximately HK\$545.9 million) and approximately HK\$55.4 million (2008: approximately HK\$96.1 million), respectively.

## DIVIDENDS

The Board has recommended the payment of a final dividend of HK0.5 cent (2008: HK2.5 cents (adjusted)) per ordinary share for the year ended 31 March 2009 to shareholders on the register of members of the Company as of Wednesday, 26 August 2009. The final dividend will be paid on or before Friday, 4 September 2009, subject to the shareholders' approval at the forthcoming annual general meeting of the Company to be held on Wednesday, 26 August 2009. As no interim dividend was distributed for the six months ended 30 September 2008 (2008: HK4.0 cents (adjusted)), the total dividend for the year ended 31 March 2009 will be HK0.5 cent (2008: HK6.5 cents (adjusted)) per ordinary share.

## CLOSURE OF REGISTER

The register of members of the Company will be closed from Monday, 24 August 2009 to Wednesday, 26 August 2009, both days inclusive, during which no transfer of shares will be registered. To qualify for the proposed final dividend, all shareholders are required to lodge their transfers with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited of 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration by no later than 4:30 p.m. on Friday, 21 August 2009.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

For the year ended 31 March 2009, the Group posted a turnover of approximately HK\$459.5 million (2008: approximately HK\$545.9 million), representing a decline of approximately HK\$86.4 million. Profit attributable to equity holders for the year amounted to approximately HK\$55.4 million (2008: approximately HK\$96.1 million). The decrease was chiefly caused by the loss on deemed disposal of the Group's equity interest in Wai Yuen Tong Medicine Holdings Limited ("WYTH") as a result of the top-up placing arranged by WYTH in May 2008, share of loss of WYTH and change in fair value of financial assets, partially offset by the gain on disposal of two agricultural by-products wholesale markets.

#### **Property Development**

For the major part of the financial year, the property market, particularly the residential market, remained stagnant. The turnover for this division amounted to approximately HK\$129.6 million (2008: approximately HK\$312.8 million).

During the year, units at our luxury "Godi" residential project at Shatin Heights were released for sale in stages. At the date of this announcement, six houses were sold, two of which were completed and delivered before 31 March 2009, three houses were completed and delivered after year end and one house will be completed and delivered by the end of 2009. Given the gradual recovery of the property market since the first quarter of 2009, the Group will consider the re-launch of the remaining "Godi" houses later this year.

The Group also aims to replenish its development land bank when suitable opportunities arise.

#### **Property Investment**

As at 31 March 2009, the Group maintained an investment property portfolio in Hong Kong comprising retail shops and residential premises with a net book value of approximately HK\$462.6 million (2008: approximately HK\$379.9 million). During the year, the Group invested approximately HK\$169.8 million in acquiring retail shops and residential premises in Hong Kong. The Group's property portfolio will generate an annual gross rental income of over HK\$25 million. The Group expects that our continuing investment in retail shops and residential premises will not only provide steady rental income for the Group but also capital value appreciation in the long run.

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

The turnover for this division for the year ended 31 March 2009 amounted to approximately HK\$168.3 million (2008: approximately HK\$148.1 million), representing an increase of approximately HK\$20.2 million. This division, with steady income, continues to be one of the major business segments of the Group. During the year, the Group was awarded new contracts to manage Choi Ming and Tsui Lam Chinese wet markets at Tseung Kwan O, Hong Kong. In May and July 2009 after the year end, the Group was awarded further contracts to manage two more Chinese wet markets, namely King Lam and Po Lam, also located at Tseung Kwan O, Hong Kong. As of today, the Group is the single largest operator of Chinese wet markets in Hong Kong and manages a portfolio of approximately 1,200 stalls with a total gross floor area of over 400,000 square feet spread over 17 Chinese wet markets.

The Group also manages a total of more than 1,100 stalls occupying a total gross floor area of over 270,000 square feet in 16 “Huimin” brand Chinese wet markets in various districts in Shenzhen, the People’s Republic of China (the “PRC”).

With more than 15 years of market leading experience in the management and operation of Chinese wet markets, the Group will strive to pursue more business opportunities in Chinese wet market management in both Hong Kong and the PRC.

## **Trading of Agricultural By-products**

Revenue from trading of agricultural by-products for the year was approximately HK\$86.0 million (2008: approximately HK\$22.6 million), representing an increase of HK\$63.4 million. This substantial increase was mainly due to the full year contribution of this new business as only three-month results were reflected in the Group’s results for the previous year. The operation of the wholesale and retail of agricultural by-products not only provides directly relevant information for our management of Chinese wet markets but also contributes a steady income stream to the Group.

## **Agricultural By-products Wholesale Markets**

For the year ended 31 March 2009, the turnover of this division increased to approximately HK\$48.6 million (2008: approximately HK\$34.4 million), representing an increase of HK\$14.2 million compared to last year. The improvement in turnover was mainly attributable to the remarkable growth and full year contribution from the operation of the Xuzhou market.

In March 2009, the Group disposed of its entire interest in Yulin and Xuzhou agricultural by-products wholesale markets at a total consideration of HK\$150 million.

As at 31 March 2009, the Group had 40% interest in the Changzhou agricultural by-products wholesale market. Construction work is currently in progress and the first stage of the project is expected to be completed by the first quarter of 2010.



The operation of the agricultural produce wholesale market in Fanling, Hong Kong during the year was satisfactory. As this market is one of the three major principal wholesale markets for the trading of agricultural produce in Hong Kong, this division will continue to provide steady income to the Group. In addition, the Group is also actively taking steps to improve the efficiency and utilisation of the Fanling market.

### **Investment in Pharmaceutical and Health Products Related Business**

The turnover of this division for the year ended 31 March 2009, which was operated by a 26.21% owned associate during the financial year, WYTH, increased to approximately HK\$496.2 million (2008: approximately HK\$477.0 million).

As a result of the revaluation of the embedded value of a convertible note held by WYTH and the share of loss from WYTH's associate, LeRoi Holdings Limited, WYTH incurred a loss of approximately HK\$345.9 million (2008: profit of approximately HK\$83.8 million) which resulted in the Group having to report a share of loss of WYTH of approximately HK\$85.9 million.

In light of growing public awareness of health issues worldwide, the Group expects that the core businesses of WYTH should enjoy stable growth in the years to come.

### **CAPITAL STRUCTURE**

Effectively from 31 March 2009, the Company underwent a capital reorganisation (the "Capital Reorganisation") comprising, among others, (i) the consolidation of every 25 issued shares of HK\$0.005 each into one issued consolidated share of HK\$0.125 and the consolidation of every two authorised but unissued shares of HK\$0.005 each into one authorised but unissued adjusted share of HK\$0.01; and (ii) the capital reduction of the nominal value of each issued consolidated share from HK\$0.125 to HK\$0.01, details of which were disclosed in the Company's announcement dated 13 February 2009 and circular dated 3 March 2009.

### **FUND RAISING ACTIVITIES, LIQUIDITY AND FINANCIAL RESOURCES**

For the purpose of strengthening the capital base and raising funds for future development of the core businesses of the Group and for taking advantage any other potential investment opportunities, the Group completed the following fund raising activities during the year under review and after the balance sheet date:

- (a) on 26 November 2008, the Company entered into (i) a top-up placing agreement with Accord Power Limited and Kingston Securities Limited (the "Placing Agent"); and (ii) a new placing agreement with the Placing Agent, to place an aggregate of 1,572,600,000 shares of HK\$0.005 each to independent investors at a price of HK\$0.022 per share under the general mandate granted to the directors by the shareholders at the last annual general meeting held on 27 August 2008. Net proceeds of approximately HK\$33.2 million were raised for repayment of bank loans and general working capital purposes; and

- (b) immediately following the Capital Reorganisation becoming effectively on 31 March 2009 and as announced by the Company on 13 February 2009, the Company issued and allotted 1,132,861,635 offer shares and 755,241,090 bonus shares of HK\$0.01 each on 7 May 2009 pursuant to an open offer on the basis of three offer shares for every one share adjusted by Capital Reorganisation held by the shareholders, with a bonus issue on the basis of two bonus shares for every three offer shares taken up under the open offer, at the subscription price of HK\$0.1 per offer share. Net proceeds of approximately HK\$108.2 million were raised for potential investments as and when appropriate and for general working capital purposes.

As at 31 March 2009, the Group's total assets less current liabilities were approximately HK\$1.7 billion (2008: approximately HK\$1.4 billion) and the current ratio increased from 1.27 times as at 31 March 2008 to 3.38 times as at 31 March 2009.

As at 31 March 2009, the Group had cash resources and short-term investments of approximately HK\$504.1 million (2008: approximately HK\$376.1 million). The aggregate borrowings as at 31 March 2009 amounted to approximately HK\$432.1 million (2008: approximately HK\$546.2 million). The gearing ratio was nil (2008: approximately 18.2%), calculated with reference to the Group's total borrowings net of cash and cash equivalents and equity attributable to equity holders of the Company.

As at 31 March 2009, the Group's investment properties, with a total carrying value of HK\$420.6 million (2008: HK\$348.9 million), were pledged to secure the Group's general banking facilities totaling approximately HK\$432.1 million (2008: approximately HK\$201.5 million).

The Group's capital commitment as at 31 March 2009 amounted to approximately HK\$27.8 million (2008: approximately HK\$197.4 million). The Group had no significant contingent liabilities as at the balance sheet date.

Management is of the opinion that the Group's existing financial resources will be sufficient for the Group's needs in the foreseeable future.

## **Foreign Exchange**

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

## **EMPLOYEES AND REMUNERATION POLICIES**

At the balance sheet date, the Group had 250 employees, of whom approximately 81.6% were located in Hong Kong and the rest is located in the PRC. The Group remunerates its employees mainly based on industry practices and individual performance and experience. On top of 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.

## **PROSPECTS**

In 2009, the property market in Hong Kong is seen to be gradually picking up. It is expected that luxury and high-end homes prices will further go up in the short term. This situation will continue under relatively low mortgage interest environment, limited supply of high-end properties in Hong Kong and prevailing flooding of capital in the economy. The Group is actively locating potential property sites for development. Besides, the Group is also prepared to allocate more resources in the properties held for rental income with a view to enhancing its portfolio for regular and stable income.

The management of Chinese wet markets has been one of the core businesses of the Group. We foresee this business will continue to provide steady income in the future. Our solid management expertise and experience, forms a favourable platform for us to move forward and secure more management contracts both in Hong Kong and the PRC. The successful award of four new management contracts since November 2008 represents our strong capability and commitment to further enlarge our existing portfolio.

As a whole, we have confidence in the territory's ability to overcome the current financial crises and rebound in good shape to face the future. We will benefit from the recovery of the local economy.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year under review.

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

In the opinion of the Board, the Company had complied with the code provisions of the Code on Corporate Governance Practices contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the financial year ended 31 March 2009, except for the following deviations:

### *Code provision E.1.2*

Under code provision E.1.2, the chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transactions that is subject to independent shareholders' approval.

At the general meeting held on 30 March 2009 to approve, inter alia, the open offer and bonus issue, as detailed in the Company's announcement dated 13 February 2009, circular dated 3 March 2009 and prospectus dated 9 April 2009, the chairman of the independent board committee did not attend because he was engaged in another urgent appointment. The directors will endeavour to rearrange their appointment and will attend all necessary general meetings in the future.

### *Code provision E.1.3*

Under code provision E.1.3, the Company should arrange for the notice of other general meetings to be sent to shareholders of the Company at least 10 clear business days before the meetings.

In order to match with the directors' schedule, the notice convening the special general meeting held on 5 January 2009 was sent to shareholders of the Company with 14 clear days' notice but less than 10 clear business days, because there were several public holidays in end December 2008 and early January 2009. Save as disclosed herein, sufficient notices convening all subsequent general meetings were given to all shareholders of the Company.

Further details of the Company's corporate governance practices are set out in the corporate governance report to be contained in the Company's 2009 Annual Report.

### **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the Company's code of conduct for dealings in securities of the Company by the directors. Having made specific enquiries of all directors, the Company confirmed that all directors had complied with the required standard set out in the Model Code throughout the financial year under review.

### **AUDIT COMMITTEE**

The Company has established an audit committee (the "Audit Committee") in accordance with the requirements of the Listing Rules for the purposes of reviewing and supervising over the Group's financial reporting processes and internal controls. The Audit Committee, comprising three independent non-executive directors, namely Mr. Siu Yim Kwan, Sidney, Mr. Wong Chun, Justein and Mr. Siu Kam Chau, has reviewed with the management and the external auditors the consolidated financial statements for the year ended 31 March 2009. Mr. Siu Yim Kwan, Sidney was elected as the chairman of the Audit Committee.

### **ANNUAL GENERAL MEETING**

The 2009 annual general meeting of the shareholders of the Company will be held at Garden Rooms A & B, 2/F., Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui, Kowloon, Hong Kong on Wednesday, 26 August 2009 at 12:00 noon and the notice convening such meeting will be published and despatched to the shareholders of the Company in the manner as required by the Listing Rules in due course.

## **PUBLICATION OF FINAL RESULTS AND DESPATCH OF ANNUAL REPORT**

This final results announcement is published on the websites of The Stock Exchange of Hong Kong Limited at (<http://www.hkex.com.hk>) and the Company at (<http://www.wangon.com>). The 2009 Annual Report containing all the information required by the Listing Rules will be despatched to the Company's shareholders and available on the above websites in due course.

By Order of the Board  
**WANG ON GROUP LIMITED**  
(宏安集團有限公司)\*  
**Tang Ching Ho**  
Chairman

Hong Kong, 22 July 2009

*As at the date of this announcement, the Board comprises three executive directors of the Company, namely Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong, Thomas, and four independent non-executive directors of the Company, namely Dr. Lee Peng Fei, Allen, Mr. Wong Chun, Justein, Mr. Siu Yim Kwan, Sidney and Mr. Siu Kam Chau.*

\* *For identification purpose only*