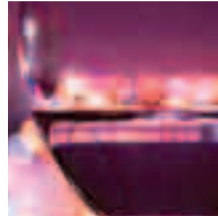


**HENRY GROUP
OLDINGS LIMITED**
鎮科集團控股有限公司



INTERIM
REPORT
2010/11

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CORPORATE INFORMATION

Board of Directors

b.

Executive directors

Mr. Ng Chun For, Henry (*Chairman*)
Mr. Ng Ian (*Deputy Chairman and Chief Executive Officer*)
Mr. Lee Kwan Yee, Herrick (Appointment effective on 1 April 2010)

Non-executive director

Mr. Mak Wah Chi

Independent non-executive directors

Mr. Li Kit Chee
Mr. Chan Kam Man
Mr. Chu Tak Sum

Committees

c.

Audit Committee

Mr. Li Kit Chee (*Committee Chairman*)
Mr. Mak Wah Chi
Mr. Chan Kam Man

Remuneration Committee

Mr. Li Kit Chee (*Committee Chairman*)
Mr. Mak Wah Chi
Mr. Chu Tak Sum

Authorised Representatives

a.

Mr. Lee Kwan Yee, Herrick
Mr. Lee Pui Lam

Company Secretary

c.

Mr. Lee Pui Lam



CORPORATE INFORMATION (CONTINUED)

Contact



Principal Place of Business

Suite 1711
Shell Tower Times Square
1 Matheson Street
Causeway Bay
Hong Kong

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Shanghai Office

Room 2101
Jin Hang Building
Jingan District
Shanghai
PRC

Principal Share Registrar and Transfer Office

Butterfield Corporate Services
(Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM08
Bermuda

Hong Kong Branch Share Registrar and Transfer Office

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

Corporate Website

www.henrygroup.hk

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2010

The board of directors (the "Board") of Henry Group Holdings Limited (the "Company") is pleased to present the condensed financial statements of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2010, together with the comparative figures for the corresponding period in last year as follows:

		Unaudited	
		Six months ended 30 September	
Notes		2010	2009
		HK\$'000	HK\$'000
Turnover	3	15,999	18,222
Other income and gains		2,641	1,198
Net gain in fair value of investment properties		21,000	90,000
Impairment loss of properties under development		—	(14,085)
Other operating expenses		(15,581)	(17,313)
Profit from operations		24,059	78,022
Finance costs	4	(37,134)	(20,674)
Share of losses on jointly-controlled entities		—	(12,115)
(Loss)/profit before taxation		(13,075)	45,233
Taxation	5	(3,579)	(12,070)
(Loss)/profit for the period	6	(16,654)	33,163

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 September 2010

		Unaudited	
		Six months ended 30 September	
Notes		2010	2009
		HK\$'000	HK\$'000
	(Loss)/profit for the period	(16,654)	33,163
	Other comprehensive income/(expenses)		
	Exchange difference arising on translating foreign operations	10,586	418
	Recognition of hedging reserve of derivative financial instruments	(6,246)	4,294
	Other comprehensive income for the period	4,340	4,712
	Total comprehensive (expenses)/income for the period	(12,314)	37,875
	(Loss)/profit for the period attributable to:		
	— Owners of the Company	8,866	50,593
	— Non-controlling interests	(25,520)	(17,430)
		(16,654)	33,163
	Total comprehensive (expenses)/income attributable to:		
	— Owners of the Company	5,802	55,012
	— Non-controlling interests	(18,116)	(17,137)
		(12,314)	37,875
	Earnings per share for profit attributable to owners of the Company		
	— Basic (HK cents)	1.39	7.95
	— Diluted (HK cents)	1.34	7.03

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2010

		Unaudited 30 September 2010 HK\$'000	Audited 31 March 2010 HK\$'000
	Notes		
ASSETS AND LIABILITIES			
NON-CURRENT ASSETS			
Property, plant and equipment		1,814	1,997
Investment properties		3,607,243	3,504,848
Amount due from a non-controlling shareholder	14(a)	23,999	22,977
Deferred tax assets		5,167	5,231
		3,638,223	3,535,053
CURRENT ASSETS			
Trade and other receivables	9	11,806	27,900
Available-for-sale financial assets		74	74
Cash and bank balances		120,788	124,990
		132,668	152,964
CURRENT LIABILITIES			
Other payables, rental deposits received and accruals		20,543	21,044
Bank borrowings, current portion (secured)	10	2,800	2,800
Amount due to a related party	14(b)	342	342
Tax payable		197	72
		23,882	24,258
NET CURRENT ASSETS		108,786	128,706
TOTAL ASSETS LESS CURRENT LIABILITIES		3,747,009	3,663,759

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 September 2010

		Unaudited 30 September 2010 HK\$'000	Audited 31 March 2010 HK\$'000
	Notes		
NON-CURRENT LIABILITIES			
Other payables and rental deposits received		76,365	73,778
Bank borrowings, non-current portion (secured)	10	951,704	900,033
Convertible notes	11	167,420	158,125
Derivative financial instruments		18,171	10,691
Loan from a related party	14(c)	44,658	41,923
Amounts due to non-controlling shareholders	14(d)	523,857	513,445
Loans from shareholders	14(e)	229,214	221,175
Deferred tax liabilities		484,454	482,298
		2,495,843	2,401,468
NET ASSETS			
		1,251,166	1,262,291
CAPITAL AND RESERVES			
Share capital	12	63,638	63,638
Reserves		641,720	634,729
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Non-controlling interests		705,358	698,367
		545,808	563,924
TOTAL EQUITY			
		1,251,166	1,262,291



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2010

	Attributable to owners of the Company										Non-controlling interests	Total
	Share capital	Share premium	Special reserve	Capital reserve	Convertible notes reserve	Share-based payment reserve	Hedging reserve	Contribution from shareholders	Exchange reserve	Accumulated losses		
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
At 1 April 2010 (Audited)	63,638	442,935	9,628	926	71,163	8,325	(8,928)	250,139	512	(139,971)	563,924	1,262,291
Recognition of hedging reserve of derivative financial instruments	—	—	—	—	—	—	(6,246)	—	—	—	—	(6,246)
Exchange difference on translating foreign operations	—	—	—	—	—	—	—	—	3,182	—	7,404	10,586
Other comprehensive income (expenses) for the period	—	—	—	—	—	—	(6,246)	—	3,182	—	7,404	4,340
Profit/(loss) for the period	—	—	—	—	—	—	—	—	—	8,866	(25,520)	(16,654)
Total comprehensive income/ (expenses) for the period	—	—	—	—	—	—	(6,246)	—	3,182	8,866	(18,116)	(12,314)
Recognition of share-based payment	—	—	—	—	—	1,189	—	—	—	—	—	1,189
At 30 September 2010 (Unaudited)	63,638	442,935	9,628	926	71,163	9,514	(15,174)	250,139	3,694	(131,105)	545,808	1,251,166
At 1 April 2009 (Audited)	63,638	442,935	9,628	926	72,573	3,905	(11,185)	250,139	(286)	(181,076)	664,972	1,316,169
Recognition of hedging reserve of derivative financial instruments	—	—	—	—	—	—	4,294	—	—	—	—	4,294
Exchange difference on translating foreign operations	—	—	—	—	—	—	—	—	125	—	293	418
Other comprehensive income (expenses) for the period	—	—	—	—	—	—	4,294	—	125	—	293	4,712
Profit/(loss) for the period	—	—	—	—	—	—	—	—	—	50,593	(17,430)	33,163
Total comprehensive income/ (expenses) for the period	—	—	—	—	—	—	4,294	—	125	50,593	(17,137)	37,875
Release upon maturity of convertible notes	—	—	—	—	(1,410)	—	—	—	—	1,410	—	—
At 30 September 2009 (Unaudited)	63,638	442,935	9,628	926	71,163	3,905	(6,891)	250,139	(161)	(129,073)	647,835	1,354,044

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS*For the six months ended 30 September 2010*

	Unaudited	
	Six months ended 30 September	
	2010	2009
	HK\$'000	HK\$'000
Net cash generated from/(used in) operating activities	21,394	(33,414)
Net cash (used in)/generated from investing activities	(52,175)	10,835
Net cash generated from financing activities	34,692	125,872
Net increase in cash and cash equivalents	3,911	103,293
Effect of foreign exchange rates changes	(8,113)	—
Cash and cash equivalents at beginning of the period	124,990	51,565
Cash and cash equivalents at end of the period	120,788	154,858
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	120,788	155,809
Bank overdraft	—	(951)
	120,788	154,858

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2010

1. BASIS OF PREPARATION

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

These Interim Financial Statements should be read in conjunction with the annual report for the year ended 31 March 2010.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The Interim Financial Statements have been prepared under the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values.

The accounting policies used in the Interim Financial Statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2010.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)*For the six months ended 30 September 2010*

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

HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKFRS 1 (Amendment)	Amendment to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards — Additional Exemptions for First-time Adopters
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosure For the First-time Adopters
HKFRS 2 (Amendment)	Amendment to HKFRS 2 Share-based Payment — Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 (Amendment)	Classification of Rights Issues
HKAS 39 (Amendment)	Eligible Hedged Items
HK(IFRIC) — Int 17	Distribution of Non-cash Assets to Owners

The adoption of the new and revised HKFRSs had no material effect on the results and financial position for the current or prior accounting period. Accordingly, no prior adjustment has been required.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2010

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

HKFRSs (Amendments)	Improvements to HKFRSs 2010 ¹
HKAS 24 (Revised)	Related Party Disclosures ³
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ²
HKFRS 7	Financial Instruments: Disclosures — Transfers of Financial Assets ⁴
HKFRS 9	Financial Instruments ⁵
HK(IFRIC) — Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement ³
HK(IFRIC) — Int 19	Extinguishing Financial Liabilities with Equity Instruments ²

¹ Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate

² Effective for annual periods beginning on or after 1 July 2010

³ Effective for annual periods beginning on or after 1 January 2011

⁴ Effective for annual periods beginning on or after 1 July 2011

⁵ Effective for annual periods beginning on or after 1 January 2013

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The standard requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might not affect the classification and measurement of the Group's financial assets.

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 results and the financial position of the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2010

3. SEGMENT INFORMATION

The Group has three reportable segments, (i) property leasing and development; (ii) provision of property agency and consultancy services for the retail property sale and leasing market; and (iii) securities investment. The segmentations are based on the information about the operation of the Group that management uses to make decisions.

(a) Business segments

Segment turnover and results

An analysis of the Group's turnover and results by reportable segment is presented below:

	Unaudited							
	Six months ended 30 September							
	Property leasing and development		Provision of property agency and consultancy services		Securities investment		Consolidated total	
	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000
GROSS PROCEEDS	15,999	14,714	—	3,508	—	—	15,999	18,222
TURNOVER	15,999	14,714	—	3,508	—	—	15,999	18,222
RESULTS								
Segment profit/(loss)	11,322	7,381	1	335	—	(1)	11,323	7,715
Net gain in fair value of investment properties							21,000	90,000
Unallocated corporate income							—	96
Unallocated corporate expenses							(8,264)	(19,789)
Profit from operations							24,059	78,022
Finance costs							(37,134)	(20,674)
Share of loss on jointly-controlled entities							—	(12,115)
(Loss)/profit before taxation							(13,075)	45,233

Turnover reported above represents revenue generated from external customers. There were no inter-segment sales during the period (six months ended 30 September 2009: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2010

Segment assets and liabilities

An analysis of the Group's assets and liabilities by reportable segment is presented below:

	Property leasing and development		Provision of property agency and consultancy services		Securities investment		Consolidated total	
	30.9.2010	31.3.2010	30.9.2010	31.3.2010	30.9.2010	31.3.2010	30.9.2010	31.3.2010
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
ASSETS								
Segment assets	3,757,268	3,667,252	640	639	77	77	3,757,985	3,667,968
Unallocated corporate assets							12,906	20,049
Consolidated total assets							3,770,891	3,688,017
LIABILITIES								
Segment liabilities	1,870,953	1,783,695	1,228	1,228	—	—	1,872,181	1,784,923
Unallocated corporate liabilities							647,544	640,803
Consolidated total liabilities							2,519,725	2,425,726

For the purpose of monitoring segment performance and allocating resources between reportable segments:

- all assets are allocated to reportable segments other than corporate assets.
- all liabilities are allocated to reportable segments other than corporate liabilities, convertible notes and deferred tax liabilities.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)*For the six months ended 30 September 2010***(b) Geographical segments**

The Group's operations are located in Hong Kong and the People's Republic of China (the "PRC").

For the six months ended 30 September 2010, all of the Group's turnover are derived from Hong Kong. The following is an analysis of the carrying amount of non-current assets analysed by the geographical area in which the assets are located:

	Non-current assets*	
	Unaudited	Audited
	At 30 September	At 31 March
	2010	2010
	HK\$'000	HK\$'000
The PRC	2,590,796	2,518,430
Hong Kong	1,042,260	1,011,392
	3,633,056	3,529,822

* Non-current assets excluding deferred tax assets.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2010

4. FINANCE COSTS

	Unaudited	
	Six months ended 30 September	
	2010	2009
	HK\$'000	HK\$'000
Interest charge on bank borrowings		
— wholly repayable within five years	3,448	3,655
— wholly repayable after five years	13,529	10,668
Imputed interest on convertible notes (note 11)	9,295	9,306
Imputed interest on interest-free loan from a non-controlling shareholder	—	6
Interest on loans from related parties	—	2,764
Imputed interest on interest-free loan from a related party (note 14(c))	1,857	1,687
Interest on amounts due to non-controlling shareholders (note 14(d))	10,798	12,998
Interest on loans from shareholders (note 14(e))	8,039	8,554
Others	—	33
	46,966	49,671
Less: amount capitalised into investment properties under construction/properties under development	(9,832)	(28,997)
	37,134	20,674

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)*For the six months ended 30 September 2010***5. TAXATION**

	Unaudited	
	Six months ended 30 September	
	2010	2009
	HK\$'000	HK\$'000
The charge comprises:		
Hong Kong profits tax for the period	125	360
Deferred taxation		
— Change in fair value of investment properties	2,615	14,850
— Revaluation of properties under development in the PRC	—	(3,521)
— Others	839	381
	3,454	11,710
	3,579	12,070

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2009: 16.5%) on the estimated assessable profits for the period.

Pursuant to the income tax rules and regulations of the PRC, provision for PRC Enterprise Income Tax is calculated based on a statutory rate of 25% on the assessable profits of the PRC subsidiary. No provision for the PRC income tax for the period has been made as the PRC subsidiary sustained a loss during the period (six months ended 30 September 2009: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2010

6. (LOSS)/PROFIT FOR THE PERIOD

	Unaudited	
	Six months ended 30 September	
	2010	2009
	HK\$'000	HK\$'000
(Loss)/profit for the period has been arrived at after charging/(crediting) the followings:		
Directors' remuneration	3,076	1,149
Other staff costs	5,224	7,442
Total staff costs	8,300	8,591
Depreciation of property, plant and equipment	302	443
Write-off/loss on disposal of property, plant and equipment	—	6
Imputed interest income generated from amount due from a non-controlling shareholder (note 14(a))	(1,021)	(928)
Interest income on bank deposits	(53)	(56)
Property rental income under operating leases, net of direct outgoings of HK\$702,340 (six months ended 30 September 2009: HK\$806,239)	(15,297)	(13,908)

7. DIVIDENDS

The Directors do not recommend the payment of interim dividend for the six months ended 30 September 2010 (six months ended 30 September 2009: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)*For the six months ended 30 September 2010***8. EARNINGS PER SHARE**

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

	Unaudited Six months ended 30 September	
	2010 HK\$'000	2009 HK\$'000
Earnings		
Profit for the period attributable to owners of the Company for the purpose of calculating basic earnings per share	8,866	50,593
Effect of dilutive potential ordinary shares: Imputed interest on convertible notes	—	6,917
Profit for the period attributable to owners of the Company for the purpose of calculating diluted earnings per share	8,866	57,510

	Unaudited Six months ended 30 September	
	2010 Number of ordinary shares	2009 Number of ordinary shares
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	636,376,710	636,376,710
Effect of dilutive potential ordinary shares: Share options	23,325,500	—
Convertible notes	—	182,124,661
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	659,702,210	818,501,371

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2010

9. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables were trade receivables of approximately HK\$3,872,000 (net of provisions). The trade receivables mainly consist of agency fees receivable from customers and rental receivables. The agency fees receivable from customers are obliged to settle the amounts due upon the completion of the relevant agreements. The aging analysis of the Group's trade receivables (net of provisions) is as follows:

	Unaudited 30 September 2010 HK\$'000	Audited 31 March 2010 HK\$'000
Up to 30 days	3,680	3,903
31–60 days	—	261
61–90 days	9	248
More than 90 days	183	183
	3,872	4,595

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)*For the six months ended 30 September 2010***10. BANK BORROWINGS — SECURED**

	Unaudited 30 September 2010 HK\$'000	Audited 31 March 2010 HK\$'000
Bank loans	954,504	902,833
Less: current portion	(2,800)	(2,800)
Non-current portion	951,704	900,033

The bank borrowings are repayable as follows:

	Unaudited 30 September 2010 HK\$'000	Audited 31 March 2010 HK\$'000
On demand or within one year	2,800	2,800
After one year but within two years	2,800	2,800
After two years but within five years	146,000	100,256
After five years	802,904	796,977
	954,504	902,833

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2010

11. CONVERTIBLE NOTES

	Unaudited 30 September 2010 HK\$'000	Audited 31 March 2010 HK\$'000
Liability component at beginning of period	158,125	158,095
Imputed interest (note 4)	9,295	18,102
Repayment on maturity	167,420 —	176,197 (18,072)
Liability component at end of period	167,420	158,125

- (a) On 17 November 2008, the Company issued two batches of convertible notes in the principal amount of HK\$17,860,000 each as part of the consideration for the acquisition of Uptodate Management Limited. The convertible notes bear interest at 1.68% per annum with the respective maturity dates on 1 August 2009 and 1 February 2012 or convertible into shares of the Company one month after maturing at the initial conversion price of HK\$1.9 per share subject to adjustment to take into account of capital transactions with dilutive effect. There was no conversion during the period. Each batch of convertible notes could be converted to 9,400,000 shares of the Company at the conversion price of HK\$1.9 per share. If there is no conversion, they will be repaid on the maturity date with the interest thereof. During the year ended 31 March 2010, principal amount of approximately HK\$17,860,000 was fully repaid upon maturity on 1 August 2009.

The convertible notes were split between the liability and equity components of approximately HK\$28,424,000 and HK\$7,296,000 respectively upon initial recognition by recognising the liability component at fair value and attributing the residual amount as the equity component. The liability component is subsequently

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)*For the six months ended 30 September 2010*

carried at amortised cost and the equity component is recognised in the convertible notes reserve. The respective effective interest rates of the liability component of the two convertible notes are 14.23% and 15.13% per annum.

- (b) On 25 June 2007, the Company issued a convertible note in the principal amount of HK\$129,105,609 as part of the consideration for the acquisition of Max Act Enterprises Limited. The convertible note bears interest at 1.68% per annum with maturity date of 5 years from the date of issuance and are repayable after 5 years from the date of issuance or convertible into shares of the Company at the initial conversion price of HK\$0.98 per share and subsequently adjusted to HK\$0.937 as a result of the completion of placing in November 2007. For details of adjustment to the conversion price, please refer to the Company's announcement dated 16 November 2007. No conversion was made during the period. The whole amount of the convertible note will be converted to 137,786,135 shares of the Company at the conversion price of HK\$0.937 per share. If there is no conversion, it will be repaid on the maturity date with the interest thereof.

The convertible note was split between the liability and equity component of approximately HK\$81,318,000 and HK\$47,787,000 respectively upon initial recognition by recognising the liability component at its fair value and attributing the residual amount as the equity component. The liability component is subsequently carried at amortised cost and the equity component is recognised in the convertible note equity reserve. The effective interest rate of the liability component is 11.41% per annum.

- (c) On 14 November 2007, the Company issued a convertible note in the principal amount of HK\$42,625,000 as part of the consideration for the acquisition of Seedtime International Limited. The convertible note bears interest at 1.68% per annum with a maturity date of 5 years from the date of issuance and is repayable after 5 years from the date of issuance or convertible into shares of the Company at the initial conversion price of HK\$1.25 per share subject to adjustment to take into account for capital transactions with dilutive effect. Subsequently, it was adjusted to HK\$1.22 as a result of taking into account the dilutive effect of the share placement in November 2007. No conversion was made during the



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2010

period. The whole amount of the convertible note will be converted to 34,938,524 shares of the Company at the conversion price of HK\$1.22 per share. If there is no conversion, it will be repaid on the maturity date with the interest thereof.

The convertible note was split between the liability and equity component of approximately HK\$25,135,000 and HK\$17,490,000 respectively upon initial recognition by recognising the liability component at its fair value and attributing the residual amount as the equity component. The liability component is subsequently carried at amortised cost and the equity component is recognised in the convertible notes reserve. The effective interest rate of the liability component is 12.95% per annum.

12. SHARE CAPITAL

	Number of Shares	Amount
	Number '000	HK\$'000
Ordinary shares of HK\$0.10 each		
Authorised:		
At 1 April 2010 and at 30 September 2010	1,000,000	100,000
Issued and fully paid:		
At 1 April 2010 and at 30 September 2010	636,377	63,638

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)*For the six months ended 30 September 2010***13. OPERATING LEASE ARRANGEMENTS****The Group as lessee**

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases for premises which fall due as follows:

	Unaudited 30 September 2010 HK\$'000	Audited 31 March 2010 HK\$'000
Within one year	1,914	624
In the second to fifth year inclusive	1,571	416
	3,485	1,040

Operating lease payments represent rental payable by the Group for certain of its office premises and staff quarter.

The Group as lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease receivables:

	Unaudited 30 September 2010 HK\$'000	Audited 31 March 2010 HK\$'000
Within one year	31,891	26,873
In the second to fifth year inclusive	19,302	18,143
	51,193	45,016

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2010

14. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the Interim Financial Statements, the Group has the following material related party transaction:

- (a) Amount due from a non-controlling shareholder, Premium Assets Development Limited, is unsecured, interest free and not repayable within the next twelve months. The amount was stated at fair value as at the end of the reporting period which is estimated by discounting the nominal value of the loan at current market interest rate of similar financial instruments. The imputed interest on the loan for the period amounted to approximately HK\$1,021,000 (six months ended 30 September 2009: HK\$928,000).
- (b) Mr. Chan Kwok Hung is a director of a non wholly-owned subsidiary. The amount is unsecured, interest free and has no fixed repayment term.
- (c) Loan from a related party represents the following:

Note	Unaudited 30 September 2010 HK\$'000	Audited 31 March 2010 HK\$'000
北京栢宇興業房地產開發有限公司 (Beijing Grand-Pac Ventures Limited) ("BGPV")	(i) 44,658	41,923

- (i) BGPV is a company incorporated in the PRC, in which a director of a non wholly-owned subsidiary has equity interest. The amount due is unsecured, interest free and not repayable before 14 November 2015. The amount was stated at fair value as at the balance sheet date which is estimated by discounting the nominal value of the loan of approximately RMB60,180,000 at current market interest rate of similar financial instruments over the repayment period. Imputed interest on the nominal value of the loan for the period amounted to approximately HK\$1,857,000 (six months ended 30 September 2009: HK\$1,687,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)*For the six months ended 30 September 2010*

- (d) Amounts due to non-controlling shareholders comprise the following:

		Unaudited 30 September 2010 HK\$'000	Audited 31 March 2010 HK\$'000
	Notes		
Uni-Land Property Group Limited	(i)	851	1,237
Best Task Limited	(ii)	523,006	512,208
		523,857	513,445

- (i) The amount is unsecured, interest free and repayable on 31 October 2012. The amount was stated at fair value as at the end of the reporting period which is estimated by discounting the nominal value of the loan at current market interest rate of similar financial instruments.
- (ii) The amount includes a shareholder's loan of approximately HK\$239,316,000, which carries fixed interest at 9% per annum and interest payable thereon of approximately HK\$54,976,000. The loan and interest payable are unsecured and are not expected to be repayable within the next twelve months. The interest on the loan for the period amounted to approximately HK\$10,798,000 (six months ended 30 September 2009: HK\$12,998,000). The remaining balance of approximately HK\$228,714,000 (six months ended 30 September 2009: HK\$228,714,000) is unsecured, interest free and in substance represents equity investment in the subsidiary from the non-controlling shareholder of a non-wholly owned subsidiary.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 September 2010

- (e) Loans from shareholders represent the following:

	Unaudited 30 September 2010 HK\$'000	Audited 31 March 2010 HK\$'000
Mr. Ng Chun For, Henry	211,407	203,998
Mr. Ng Ian	8,631	8,316
Mr. Ng Eric	8,631	8,316
Mr. Chan Kwai Ping, Albert	545	545
	229,214	221,175

The loans from shareholders are unsecured, bearing fixed interest rate at 9% per annum and are not repayable within the next twelve months. Interest on these loans for the period amounted to approximately HK\$8,039,000 (six months ended 30 September 2009: HK\$8,554,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)*For the six months ended 30 September 2010*

- (f) High Fly Investments Limited (“High Fly”), being a lender, arranged for financing of the development project in Shanghai in form of shareholder’s loan to its subsidiary, Grandyear Estate Limited (“Grandyear”) as borrower, with annual caps (“Annual Caps”) for 7 financial years ending 31 March 2015 of HK\$600 million (the “HF Loan”). The HF loan is secured by a share charge given by High Luck International Limited (being an immediate holding company of Grandyear) to High Fly over all of its interest in Grandyear. On 6 May 2009, High Fly entered into a supplementary agreement with Grandyear pursuant to which High Fly will provide additional shareholder’s loan to Grandyear by HK\$44.15 million from HK\$600 million to HK\$644.15 million. As a result, the Company revised the Annual Caps from HK\$600 million to HK\$644.15 million (“Revised Annual Caps”) which constitutes a continuing connected transaction of the Company required reporting, announcement, independent shareholders’ approval and annual review pursuant to the Listing Rules. The Revised Annual Caps was approved by the independent shareholders of the Company at the special general meeting held on 10 June 2009.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

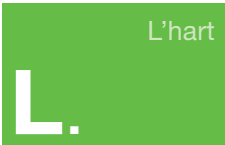


Jardine Center is a premium dining and lifestyle Ginza building prominently located in the heart of Causeway Bay. Capitalising on its premier location in this pre-eminent shopping district, Jardine Center has recorded rental revenue of approximately HK\$10,315,000. The committed occupancy was maintained at 100%. During the period, Jardine Center's tenant mix has been enriched and refined after recruitment of a unique blend of Japanese style restaurants and lifestyle boutiques which should appeal to both locals and tourists.

We will continue to put our best efforts to fortify Jardine Center's competitive edge by refurbishment and upgrade works to enable it to continue to stand out in the marketplace.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)



L'hart is the Group's new signature Ginza-style building and is among the first to introduce duplex retail floors designed to create a unique lifestyle and dining ambience. Taking advantage of its prestigious location, L'hart has attracted a number of new tenants boasting a diverse portfolio of lifestyle and leisure tenants. It has accrued rental revenue of approximately HK\$5,684,000, representing an increase of 24.1% as compared to six months ended 30 September 2009. As at 30 September 2010, 90% has been let.

During the reporting period, the Group has embarked on novel marketing and promotion campaigns with the theme of "Taste, Refresh, Entertain" aimed at boosting the profile of L'hart as the ideal destination offering shoppers a truly singular dining and lifestyle experience.





MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

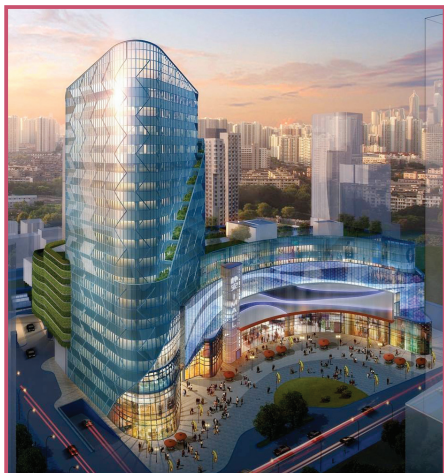
Shanghai

S.

The Group's joint venture development project at 68 Yuyuan Road, Jingan district, Shanghai has marked the beginning of our expansion into Mainland China. The Group has a 30% indirect effective beneficial interest in the project with the balance in the hands of a reputable US-based real estate fund (25%) together with a seasoned property investor in the PRC market (45%). The Group leads its development and is its project manager.

On a site area of approximately 11,400 square metres, the investment properties under construction has a total planned gross floor area of approximately 79,000 square metres and will be developed into a 19-storey shopping complex plus 3 basement levels (with car parks) and a public transport interchange ("PTI") which is part of the transportation facilities for Shanghai World Expo 2010. Through the support of the Shanghai Municipal Bureau, the PTI as well as the underground tunnel directly linked to the exit of the metro has been completed on schedule. The Group has transferred rights of use of the PTI to the Government commencing from April 2010 for the advent of the 2010 Shanghai World Expo.

The construction of the podium and the superstructure works are already underway. The entire development project will be completed and is currently scheduled for roll-out by early 2012. Benefiting from its remarkable facade designed by Benoy Architects and prime location, the project promises to be a multi-dimensional 'must visit' shopping destination catering for the enhanced lifestyle of Shanghai's increasingly affluent residents. Prestigious retail brands have already expressed interest in renting space within the shopping complex. Pre-leasing has seen an active and overwhelming response from the market.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

PROSPECTS

We maintain a cautiously optimistic outlook for the local Hong Kong economy taking into account the resilient consumer confidence as well as the contribution from in-bound visitors from China riding on the Mainland's rapid growth and strong economic fundamentals. However, uncertainties of the potential global financial turbulence may linger after implementation of the quantitative easing policy adopted by many central banks and the tension between China and the United States over the issues of trade and currency valuation. Going forward, the Group intends to persist with its prudent strategic management approach and evaluate and optimise lucrative opportunities that will sustain our growth.

FINANCIAL REVIEW

LIQUIDITY AND FINANCIAL RESOURCES

During the period, the Group's operation was financed by internal financial resources, loans from shareholders, amounts due to non-controlling shareholders, convertible notes and banking facilities. The Group also has aggregate committed undrawn revolving loan facilities available of approximately HK\$70,000,000. The Board is of the view that, after taking into account these available resources, the Group has sufficient financial resources to satisfy its commitments, capital expenditure and working capital requirements.

As at the interim period end date, the Group's bank borrowings of approximately HK\$954,504,000 (31 March 2010: HK\$902,833,000) and the Group's gearing ratio, expressed as total liabilities over total assets was approximately 66.8% (31 March 2010: 65.8%). Cash and bank balances of approximately HK\$120,788,000 (31 March 2010: HK\$124,990,000). The increase in bank borrowings was primarily for financing of investment properties under construction in Mainland China. Whilst the Group's bank borrowings bear interest at prevailing market floating rates, the Group entered into interest rate swap arrangements denominated in Hong Kong dollars with a bank for an aggregate notional amount of HK\$240 million to mitigate the risk of interest rate upward trends.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The Group's bank borrowings as at the interim period end date were summarised as follows:

Currency of bank loans	Total HK\$ million	Due within one year HK\$ million	Due more	Due more	Due after five years HK\$ million
			than one year but not exceeding two years HK\$ million	than two years but not exceeding five years HK\$ million	
RMB	376.6	—	—	98.8	277.8
HK\$	577.9	2.8	2.8	47.2	525.1
	954.5	2.8	2.8	146.0	802.9

As at the interim period end date, the net assets attributable to owners of the Company of approximately HK\$705,358,000 (31 March 2010: HK\$698,367,000). With the total number of ordinary shares in issue of 636,376,710 as at 30 September 2010, the unaudited net assets value per share was approximately HK\$1.11 (31 March 2010: HK\$1.10).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

CHARGE ON ASSETS

At the interim period end date, the Group has pledged:

- a. Investment properties in Hong Kong as part of securities for securing general banking facilities (including undrawn revolving credit of HK\$70 million) amounted to approximately HK\$650 million granted from several banks to its subsidiaries; and
- b. Investment properties under construction in the PRC as security for securing general banking facilities amounted to approximately RMB710 million from a bank in the PRC to its subsidiary for meeting their local capital expenditures needs. As of 30 September 2010, the subsidiary utilised approximately RMB324 million (31 March 2010: RMB284 million).

DIVIDEND

The Board does not recommend the payment of an interim dividend for the period (six months ended 30 September 2009: Nil).

CONTINGENT LIABILITIES

At the interim period end date, the Group has provided corporate guarantees for securing banking facilities granted to certain subsidiaries amounted to HK\$700 million (31 March 2010: HK\$700 million).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

COMMITMENTS

Capital commitments outstanding at the interim period end date not provided for in the Interim Financial Statements were as follows:

	Unaudited 30 September 2010 HK\$'000	Audited 31 March 2010 HK\$'000
Construction cost of investment properties under construction		
Contracted for	176,574	201,575

EMPLOYEES AND REMUNERATION POLICY

As at the interim period end date, the Group had about 24 employees based in Hong Kong and the PRC. The Group offers its employees competitive remuneration packages which commensurate with their performance, experience and job nature. The Group also provides other benefits including medical insurance and contribution to Mandatory Provident Fund Schemes. A share option scheme was adopted by the Company on 3 September 2003 to enable the Directors to grant share options to staff and Directors as incentive.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITION AND DISPOSALS

The Group did not have any significant investments, material acquisitions or disposals during the reporting period.

EVENT AFTER THE REPORTING PERIOD

Subsequent to the interim period end date, there has been no significant material event occurred.

ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING RULES

SHARE OPTION SCHEME

A share option scheme, which will expire on 2 September 2013, was adopted by the Company at the Annual General Meeting held on 3 September 2003. The primary purpose of the share option scheme is to provide incentives or reward the employees and other persons who may have contribution to the Group, and/or to enable the Group to recruit and retain high caliber employees and attract human resources that are valuable to the Group.

Under the share option scheme, the board of directors of the Company may offer to full time employees, including full time executive directors and non-executive directors, of the Company and/or its subsidiaries, and other eligible persons as specified under the terms of the share option scheme, to subscribe for shares in the Company in accordance with the terms of the share option scheme for the consideration of HK\$1 for each lot of share options granted. The total number of shares in respect of which options may be granted under the share option scheme is not permitted to exceed 63,637,671 shares, being 10% of the issued share capital of the Company at the date of approval of the refreshment of the 10% general limit at the Annual General Meeting held on 2 September 2010. The Company may seek approval from shareholders of the Company in general meeting to refresh the 10% limit.

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the share option scheme and any other share option schemes of the Company shall not exceed 30% (or such higher percentage as may be allowed under the Listing Rules) of the total number of the Company's shares in issue from time to time. The number of shares in respect of which options may be granted to any employee in any 12-month period is not permitted to exceed 1% of the total number of the Company's shares in issue, subject to approval from shareholders of the Company.

Options granted must be taken within 28 days of the date of grant or such longer or shorter period as the board of directors of the Company may think fit. An option may be exercised at any time, during a period determined and notified by the board of directors by each grantee, to the 10th anniversary of the date of grant. The exercise price is determined by the board of directors of the Company and will be at least the highest of the following:

- (a) the closing price of shares at the date of grant of a share option;
- (b) the average closing price of the shares for the five business days immediately preceding the date of grant; and

ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING RULES (CONTINUED)

(c) the nominal value of a share.

Details of the share options granted by the Company pursuant to the share option scheme and the options outstanding as at the interim period end date were as follows:

	Option grant date	Exercise period*	Exercise price HK\$	Number of share options outstanding	Approximate percentage of interest in issued share capital
Executive directors	28 October 2005	28 October 2005 to 27 October 2015	0.676	4,000,000	0.63%
	2 April 2007	2 April 2007 to 1 April 2017	0.686	4,000,000	0.63%
	31 August 2007	31 August 2007 to 30 August 2017	1.156	2,000,000	0.31%
	24 March 2010	24 March 2010 to 23 March 2020	0.45	12,600,000	1.98%
	13 April 2010	13 April 2010 to 12 April 2020	0.48	4,770,000	0.75%
Non-executive director	2 April 2007	2 April 2007 to 1 April 2017	0.686	2,000,000	0.31%
Employee	2 April 2007	2 April 2007 to 1 April 2017	0.686	500,000	0.08%
Eligible persons	28 October 2005	28 October 2005 to 27 October 2015	0.676	640,000	0.10%
	2 April 2007	2 April 2007 to 1 April 2017	0.686	2,000,000	0.31%
	31 August 2007	31 August 2007 to 30 August 2017	1.156	1,000,000	0.16%
	24 March 2010	24 March 2010 to 23 March 2020	0.45	6,300,000	0.99%
				39,810,000	6.26%

* Both dates inclusive

ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING RULES (CONTINUED)

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

As at the interim period end date, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") as adopted by the Company, to be notified to the Company and the Stock Exchange, were as follows:

(I) Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company

(a) Long positions in ordinary shares of HK\$0.1 each of the Company

Number of Director	Capacity and nature of interest	Number of issued ordinary shares held	Approximate percentage of issued share capital of the Company
Mr. Ng Chun For, Henry ("Mr. Ng")	Interest of controlled corporations	304,552,533 (Notes 1 and 2)	47.86%
Mr. Ng	Personal	33,274,587	5.23%
Mr. Ng Ian	Personal	4,601,227	0.72%

Note 1: Henry Jewellery Holdings Limited ("HJHL"), a company incorporated in the British Virgin Islands, owned 137,356,200 shares of the Company. Mr. Ng is entitled to exercise or control the exercise of 80%, more than one-third, of the voting rights of HJHL so he is deemed to be interested in all shares held by HJHL by virtue of the SFO.

ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING RULES (CONTINUED)

Note 2: Jumbo Step International Limited (“Jumbo Step”), a company incorporated in the British Virgin Islands owned 167,196,333 shares of the Company, is wholly-owned by Mr. Ng. Mr. Ng is entitled to exercise or control the exercise of 100% of the voting rights of Jumbo Step.

(b) Long positions in underlying shares of the Company

(i) Share options

As at the interim end date, the Directors had personal interests in share options of the Company granted under the share option scheme adopted on 3 September 2003 as follows:

Name of Director	Option grant date	Exercise period	Exercise price HK\$	Number of share option outstanding	Approximate percentage of interest in issued share capital
Mr. Ng	28 October 2005	28 October 2005 to 27 October 2015	0.676	2,000,000	0.31%
	2 April 2007	2 April 2007 to 1 April 2017	0.686	2,000,000	0.31%
	31 August 2007	31 August 2007 to 30 August 2017	1.156	1,000,000	0.16%
	24 March 2010	24 March 2010 to 23 March 2020	0.45	6,300,000	0.99%
Mr. Ng Ian	28 October 2005	28 October 2005 to 27 October 2015	0.676	2,000,000	0.31%
	2 April 2007	2 April 2007 to 1 April 2017	0.686	2,000,000	0.31%
	31 August 2007	31 August 2007 to 30 August 2017	1.156	1,000,000	0.16%
	24 March 2010	24 March 2010 to 23 March 2020	0.45	6,300,000	0.99%
Mr. Lee Kwan Yee, Herrick	13 April 2010	13 April 2010 to 12 April 2011	0.48	4,770,000	0.75%
Mr. Mak Wah Chi	2 April 2007	2 April 2007 to 1 April 2017	0.686	2,000,000	0.31%
				29,370,000	4.62%

ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING RULES (CONTINUED)

(ii) Convertible notes

Name of Director	Capacity and nature of interest	Number of issued ordinary shares held	Approximate percentage of issued share capital of the Company
Mr. Ng	Interest of a controlled corporation	172,724,659 (Note 3)	27.14%

Note 3: Jumbo Step is interested in 172,724,659 Shares by virtue of the convertible notes in the respective principal amount of HK\$129,105,609.21 and HK\$42,625,000 issued by the Company in June and November 2007 respectively (subject to conversion price adjustment) ("Convertible Notes"). Mr. Ng is entitled to exercise or control the exercise of 100% of the voting rights of Jumbo Step.

(II) Interests and Short Positions in the Shares, Underlying Shares and Debentures of Associated Corporations of the Company

Long positions in the shares of associated corporations of the Company:

Name of Director	Name of associated corporation	Capacity and nature of interest	Number of issued ordinary shares held	Approximate percentage of issued share capital of the associated corporation
Mr. Ng	HJHL (Note 1)	Personal beneficial owner	80	80%
Mr. Ng Ian	HJHL (Note 1)	Personal beneficial owner	10	10%
Mr. Ng	Jumbo Step (Note 2)	Personal beneficial owner	1	100%

Save as disclosed above, as at the interim period end date none of the Directors or chief executives of the Company and their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING RULES (CONTINUED)

SUBSTANTIAL SHAREHOLDERS

So far as is known to any Directors or chief executives of the Company, as at the interim period end date, shareholders who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO or had otherwise been notified to the Company were as follows:

Name of shareholder	Capacity and nature of interest	Number of issued ordinary shares held	Approximate percentage of issued share capital of the Company
Mr. Ng	Interest of controlled corporations (Notes 1 and 5)	477,277,192	75%
Mr. Ng	Personal (Note 4)	44,574,587	7%
HJHL	Beneficial owner (Note 1)	137,356,200	21.58%
Jumbo Step	Beneficial owner (Notes 2 and 3)	339,920,992	53.42%
Well Garden Limited	Interest of controlled corporation	61,895,826	9.73%
Mr. Chung Toi Chiu, Steven	Beneficial owner (Note 6)	97,056,441	15.25%
Premium Assets Development Limited ("Premium Assets")	Interest of controlled corporation (Note 6)	97,056,441	15.25%
Euphoria Limited	Beneficial owner	51,600,000	8.11%
Asset Managers (Asia) Company Limited	Interest of controlled corporation	51,600,000	8.11%
Asset Managers Holdings Co., Ltd.	Interest of controlled corporation	51,600,000	8.11%
Inchigo Asset Management International, Pte. Ltd.	Interest of controlled corporation	51,600,000	8.11%

Note 4: Please refer to section regarding interest and short positions in shares, underlying shares and debentures of the Company on pages 39 and 41.

ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING RULES (CONTINUED)

Note 5: Mr. Ng owns 167,196,333 shares and 172,724,659 shares by virtue of Convertible Notes of the Company through HJHL and Jumbo Step. Mr. Ng is entitled to exercise or control the exercise of 80%, more than one-third, of the voting rights of HJHL so he is deemed to be interested in all shares held by HJHL by virtue of the SFO. Mr. Ng, a Director, is also a director of Jumbo Step and HJHL. Mr. Ng Ian is also a director of HJHL.

Note 6: Mr. Chung Toi Chiu, Steven (“Mr. Chung”) owns 87,656,441 shares and 9,400,000 shares by virtue of the convertible notes through Premium Assets. Mr. Chung is entitled to exercise or control of the exercise of 73.83%, more than one-third, of the voting rights of Premium Assets so he is deemed to be interested in all shares held by Premium Assets by virtue of the SFO.

Save as disclosed above, as at the interim period end date, the Company has not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

CORPORATE GOVERNANCE

Compliance with the Code on Corporate Governance Practices

The Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules throughout the interim period.

Review by Audit Committee

The audit committee comprises an non-executive director and two independent non-executive directors, namely, Mr. Mak Wah Chi, Mr. Li Kit Chee (Chairman of the Audit Committee) and Mr. Chan Kam Man. The audit committee had reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited Interim Financial Statements for the period.

ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING RULES (CONTINUED)

Compliance with the Model Code for Securities Transactions

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 its own code of conduct regarding securities transactions by directors of the Company (the “Directors”). All Directors have confirmed, following specific enquiry by the Company, that they have fully complied with the required standard as set out in the Model Code throughout the interim period.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the period.

By Order of the Board

Ng Ian

Chief Executive Officer

Hong Kong, 24 November 2010

The Directors of the Company as at the date of this report are:

Executive Directors

Mr. Ng Chun For, Henry (*Chairman*)

Mr. Ng Ian (*Deputy Chairman and Chief Executive Officer*)

Mr. Lee Kwan Yee, Herrick

Non-executive Director

Mr. Mak Wah Chi

Independent non-executive Directors

Mr. Li Kit Chee

Mr. Chan Kam Man

Mr. Chu Tak Sum