



WANG ON GROUP LIMITED

宏安集團有限公司

(Incorporated in Bermuda with limited liability)

Stock Code: 1222

2011
Interim Report



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Independent Non-executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

COMPANY SECRETARY

Ms. Mak Yuen Ming, Anita

LEGAL ADVISERS

DLA Piper Hong Kong
Gallant Y.T. Ho & Co.
K&L Gates

PRINCIPAL BANKERS

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

AUDITORS

Ernst & Young

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

HOMEPAGE

<http://www.wangon.com>

STOCK CODE

1222

INTERIM DIVIDEND

The board of directors (the “**Board**”) of Wang On Group Limited (the “**Company**”, together with its subsidiaries and its jointly-controlled entity, collectively referred to as the “**Group**”) has resolved to declare an interim dividend of HK0.15 cent (six months ended 30 September 2010: HK1.5 cents) per share for the six months ended 30 September 2011. The interim dividend will be payable on Friday, 16 December 2011 to those shareholders whose names appear on the register of members of the Company on Wednesday, 7 December 2011.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 6 December 2011 to Wednesday, 7 December 2011, both days inclusive. During this period, no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited of 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:00 p.m. on Monday, 5 December 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The turnover of the Group for the six months ended 30 September 2011 was approximately HK\$300.4 million (2010: approximately HK\$218.4 million), representing an increase of approximately HK\$82.0 million. Profit attributable to shareholders for the six months ended 30 September 2011 was approximately HK\$73.5 million (2010: approximately HK\$82.8 million).

Property Development

Total revenue from sale of properties for the six months ended 30 September 2011 amounted to approximately HK\$134.3 million (2010: approximately HK\$48.9 million), representing an increase of approximately HK\$85.4 million when compared with the corresponding period the previous year. The substantial improvement was mainly due to the recognition of sales upon completion and delivery of the last “Godi” house to purchaser.

For the Pak Kung Street project, foundation work is under way and construction of the superstructure will begin in the second quarter of 2012. This project is scheduled to be completed by the end of 2013. The show flats located at Tsim Sha Tsui are now ready for public visit. Pre-sale of the residential flats will be launched soon.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

BUSINESS REVIEW (Continued)

Property Development (Continued)

Demolition work at our site at Nathan Road is nearly completed and foundation work will commence in December 2011. It is expected that construction of the superstructure will be finished by the first half of 2014.

In July 2011, the Group successfully completed the acquisition of a number of residential buildings with a total site area of approximately 4,800 square feet at Kwai Heung Street, Sai Ying Pun. The site is intended to be redeveloped into a residential cum commercial complex. Hoarding work is progressing well and demolition of the existing buildings will commence in December 2011.

The two-industrial buildings at Yau Tong site have been vacant. Planning and design works are under way. Hoarding work just began and demolition is expected to be finished in the first quarter of 2012. The Group is still under negotiation with Hong Kong government in respect of finalisation of land premium.

As of 30 September 2011, the Group has a development land portfolio as follows:–

Location	Approximate Site Area (Sq. ft.)	Intended Usage	Anticipated Completion
2-8 Pak Kung Street, Hung Hom	4,000	Residential/Shops	2013
1-13 Kwai Heung Street, Sai Ying Pun	4,800	Residential/Shops	2014
724, 724A and 746 Nathan Road, Mongkok	3,000	Commercial	2014
13 and 15 Sze Shan Street, Yau Tong	41,000	Residential/ Shopping Centre	2015
Total:	<u>52,800</u>		

The Group will continue to look for new potential sites to seek to expand its development land portfolio. The recent announced government housing policies reveal its determination to increase and stabilise land supply which is fundamental to the healthy development of the Hong Kong property market in the medium to long term.

Property Investment

Turnover for this division consists of sale of properties and rental income generated from leasing. The Group's gross rental income for the six months ended 30 September 2011 amounted to approximately HK\$25.2 million (2010: approximately HK\$27.2 million), representing a decrease of approximately HK\$2.0 million.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

BUSINESS REVIEW *(Continued)*

Property Investment *(Continued)*

As of 30 September 2011, the Group maintained an investment portfolio comprising retail and residential premises in Hong Kong with a total carrying value of approximately HK\$711.1 million (31 March 2011: approximately HK\$649.8 million).

The Group will continue to review and enhance its existing property portfolio and strive to maintain a well-balanced tenant composition. The Group further believes that rental income will enjoy moderate growth in anticipation of increasing visitor arrivals and visitor spending power arising from the recent appreciation of Renmibi.

Management and Sub-licensing of Chinese Wet Markets

Revenue for this division for the six months ended 30 September 2011 amounted to approximately HK\$114.4 million (2010: approximately HK\$107.1 million), representing an increase of approximately HK\$7.3 million. This was mainly contributed by the upward adjustment to licence fees upon the renewal of licensing agreements with market operators.

The Group currently manages a portfolio of approximately 1,100 stalls operated at 16 “Allmart” brand Chinese wet markets in Hong Kong with a gross floor area of over 350,000 square feet. The Group also manages a portfolio of approximately 1,100 stalls occupying a total gross floor area of over 283,000 square feet in 17 “Humin” brand Chinese wet markets in various districts in Shenzhen.

In October, the “Allmart Club” membership program was launched in our managed Chinese wet market at Kai Tin. As of today, over 2,800 members have been recruited. All members are eligible to receive welcome gift packages which include discount coupons that are valid for purchases at designated stalls at Kai Tin market. In order to encourage more regular visits, a bonus system was established for each member to become entitled to one lucky draw where he has accumulated 20 or more bonus points with one bonus point being credited for each visit per day.

The Group believes that the introduction of such “Allmart Club” membership program will not only boost the market traffic flow but also its overall image and atmosphere. Other than this “Allmart Club” membership program, promotion activities such as lucky draw and one dollar for one cabbage were occasionally organised and held in our managed Chinese wet markets in Hong Kong.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

BUSINESS REVIEW *(Continued)*

Agricultural By-products Wholesale Markets

The turnover for this division for the six months 30 September 2011 amounted to approximately HK\$9.2 million (2010: approximately HK\$9.7 million), representing a decrease of approximately HK\$0.5 million compared to the same period last year. This was mainly due to the slight decline of trading activities in the agricultural by-products wholesale market at Fanling.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2011, the Group had cash resources and short term investments of approximately HK\$703.4 million (31 March 2011: approximately HK\$1,151.5 million). The aggregate borrowings as at 30 September 2011 amounted to approximately HK\$1,003.8 million (31 March 2010: approximately HK\$871.7 million).

During the period under review, the Group's gearing ratio was approximately 14.1% (31 March 2011: Nil), calculated with reference to the Group's total borrowings net of cash and cash equivalents and equity attributable to equity holders of the parent of approximately HK\$372.9 million and approximately HK\$2.6 billion, respectively.

As at 30 September 2011, the Group's investment properties with an aggregate carrying value of approximately HK\$686.8 million (31 March 2011: approximately HK\$587.6 million) were pledged to secure the Group's general banking facilities of which approximately HK\$248.6 million (31 March 2011: approximately HK\$232.9 million) has been utilised as at 30 September 2011.

The Group's capital commitment as at 30 September 2011 amounted to approximately HK\$28.6 million (31 March 2011: approximately HK\$275.5 million). The Group had no significant contingent liabilities as at the reporting date.

FOREIGN EXCHANGE

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

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

EMPLOYEES AND REMUNERATION POLICIES

At the end of the reporting period, the Group had 247 (31 March 2011: 234) employees, of whom approximately 88.7% (31 March 2011: approximately 89.3%) were located in Hong Kong and the rest were located in the People's Republic of China (the "PRC"). The Group remunerates its employees mainly based on industry practices and individual performance and experience. On top of the regular remuneration, discretionary bonuses 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

The global market has been hard hit in the last few months by the deteriorating European sovereign debt crisis and global financial market volatility. The fundamentals of the Hong Kong economy remain fairly stable although property trading activities, particularly in the secondary market, have slowed down after the introduction of a special stamp duty last year, recent tightening of home loan mortgages by banks and restriction on flat size for newly acquired sites. These unfavorable conditions were partially mitigated by the negative real interest rates, continuing income growth, escalating inflation and domestic and Mainland Chinese demand. The prospects of the Hong Kong residential market remains positive.

As a leading manager of Chinese wet markets in Hong Kong, the Group continues to expand its portfolio and further believes that its expertise and market experience will be an advantage to secure new management contracts both in Hong Kong and the PRC.

DISCLOSURE OF INTERESTS

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

As at 30 September 2011, the interests and short positions of the directors and chief executive of the Company and/or any of their respective associates in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) under the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), were as follows:

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

Name of director	Number of ordinary shares held, capacity and nature of interest					Total	Approximate percentage of the Company's total issued share capital (Note (g)) %
	Personal interest	Family interest	Corporate interest	Other interest			
Tang Ching Ho ("Mr. Tang")	9,342,113	9,342,100 (Note (a))	34,172,220 (Note (b))	1,663,309,609 (Note (c))		1,716,166,042	26.30
Yau Yuk Yin ("Ms. Yau")	9,342,100	43,514,333 (Note (d))	–	1,663,309,609 (Note (e))		1,716,166,042	26.30

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

Name of director	Date of grant	Exercise price per share HK\$	Number of share options outstanding	Exercisable period* (Note (f))	Number of underlying shares	Number of total underlying shares	Approximate percentage of the Company's total issued share capital (Note (g)) %
Chan Chun Hong, Thomas	2.1.2008	2.4082	90,146	2.1.2009 to 1.1.2013	90,146		
	8.1.2009	0.3893	180,295	8.1.2010 to 7.1.2019	180,295	270,441	0.01

DISCLOSURE OF INTERESTS *(Continued)*

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

Notes:

- (a) Mr. Tang was taken to be interested in those shares in which his spouse, Ms. Yau, was interested.
- (b) Mr. Tang was taken to be interested in those shares in which Caister Limited, a company which is wholly and beneficially owned by him, was interested.
- (c) Mr. Tang was taken to be interested in those shares by virtue of being the founder of a discretionary trust, namely Tang's Family Trust.
- (d) Ms. Yau was taken to be interested in those shares in which her spouse, Mr. Tang, was interested.
- (e) Ms. Yau was taken to be interested in those shares by virtue of being a beneficiary of Tang's Family Trust.
- (f) These shares represented that such shares may fall to be issued upon the exercise of the share options by Mr. Chan Chun Hong, Thomas during the period from 2 January 2009 to 7 January 2019, which numbers and exercise prices thereof are subject to adjustment in accordance with the share option scheme adopted by the Company on 3 May 2002.

The exercisable period of the above share options beneficially held by Mr. Chan Chun Hong, Thomas was vested as follows:-

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

- (g) The percentage represented the number of shares over the total issued share capital of the Company as at 30 September 2011 of 6,524,935,021 shares.

Save as disclosed above, as at 30 September 2011, none of the directors and chief executive of the Company and/or any of their respective associates had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code.

DISCLOSURE OF INTERESTS *(Continued)*

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

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

As at 30 September 2011, to the best knowledge of the directors, the following persons had, or were deemed or taken to have, 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:

Long positions in the shares of the Company:

Name of shareholder	<i>Notes</i>	Capacity	Number of shares	Approximate percentage of the Company's total issued share capital <i>(Note (c))</i> %
Accord Power Limited		Beneficial owner	1,663,309,609	25.49
Trustcorp Limited	<i>(a)</i>	Interest of controlled corporation	1,663,309,609	25.49
Newcorp Ltd.	<i>(b)</i>	Interest of controlled corporation	1,663,309,609	25.49

DISCLOSURE OF INTERESTS *(Continued)*

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

Notes:

- (a) Accord Power Limited is wholly owned by Trustcorp Limited in its capacity as the trustee of Tang's Family Trust. Accordingly, Trustcorp Limited was taken to be interested in those shares held by Accord Power Limited.
- (b) Trustcorp Limited is a wholly-owned subsidiary of Newcorp Ltd. and, accordingly, Newcorp Ltd. was taken to be interested in those shares in which Trustcorp Limited was interested.
- (c) The percentage represented the number of shares over the total issued share capital of the Company as at 30 September 2011 of 6,524,935,021 shares.

Save as disclosed above, as at 30 September 2011, there were no other persons who had an interest or short position 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.

SHARE OPTION SCHEME

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

SHARE OPTION SCHEME (Continued)

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

Name or category of participant	Date of grant	Number of share options				Outstanding as at 30 September 2011	Exercisable period of share options	Exercise price per share HK\$
		Outstanding as at 1 April 2011	Granted during the period	Exercised during the year	Lapsed or cancelled during the period			
Executive director								
Chan Chun Hong, Thomas	2-1-2008	90,146	-	-	-	90,146	2/1/2009 to 1/1/2013*	2.4082
	8-1-2009	180,295	-	-	-	180,295	8/1/2010 to 7/1/2019*	0.3893
		270,441	-	-	-	270,441		
Other employees								
In aggregate	1-3-2007	20,386,954	-	-	-	20,386,954	1/3/2007 to 28/2/2017	2.0549
	2-1-2008	377,920	-	-	-	377,920	2/1/2009 – 1/1/2013*	2.4082
	8-1-2009	887,594	-	-	-	887,594	8/1/2010 to 7/1/2019*	0.3893
	12-5-2010	11,021,241	-	-	-	11,021,241	12/5/2011 to 11/5/2020*	0.2234
		32,673,709	-	-	-	32,673,709		
TOTAL		32,944,150	-	-	-	32,944,150		

Notes:

* The options granted under the Scheme vest as follows:

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

During the period under review, the Board had not granted any share options under the Scheme and no share options was exercised, lapsed or cancelled under the Scheme. As at 30 September 2011, the Company had 32,944,150 share options outstanding under the Scheme. Upon expiry of the vesting periods, the exercise in full of these share options would, under the present capital structure of the Company, result in the issue of 32,944,150 additional ordinary shares of the Company and additional share capital of HK\$329,441.50 and share premium of HK\$45,568,781.24.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company had complied with the code provisions of the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules throughout the period for the six months ended 30 September 2011.

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

UPDATE ON DIRECTORS' INFORMATION

During the period under review, the change(s) in information on director(s) of the Company since the date of the 2011 Annual Report of the Company which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules is set out below:

- (a) Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP* resigned as an independent non-executive director of Sam Woo Holdings Limited, a company listed on the main board of the Stock Exchange, on 29 April 2011.
- (b) Mr. Siu Kam Chau has been appointed as an executive director of China Gogreen Assets Investment Limited, a company listed on the main board of the Stock Exchange, since 10 October 2011.

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 September 2011.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) in compliance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group’s financial reporting process and internal controls. The Audit Committee has reviewed the unaudited condensed consolidated financial statements for the six months ended 30 September 2011 of the Group. The Audit Committee comprises three independent non-executive directors of the Company, namely Messrs. Siu Yim Kwan, Sidney, Wong Chun, Justein and Siu Kam Chau. Mr. Siu Yim Kwan, Sidney was elected as the chairman of the Audit Committee.

By Order of the Board
Tang Ching Ho
Chairman

Hong Kong, 16 November 2011

INTERIM RESULTS

The Board is pleased to announce the unaudited interim condensed consolidated results of the Group for the six months ended 30 September 2011, together with the comparative figures for the corresponding period in 2010. These interim condensed consolidated financial statements were not audited, but have been reviewed by the Audit Committee.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2011

	Notes	For the six months ended 30 September	
		2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
REVENUE	3	300,393	218,349
Cost of sales		(177,724)	(145,017)
Gross profit		122,669	73,332
Other income and gains	4	36,051	68,745
Selling and distribution costs		(4,223)	(387)
Administrative expenses		(47,055)	(37,742)
Other expenses		(26,654)	(34,326)
Finance costs	5	(5,871)	(5,535)
Fair value losses of financial assets at fair value through profit and loss, net		(58,805)	(11,477)
Fair value gains on investment properties, net		85,395	50,605
PROFIT BEFORE TAX	6	101,507	103,215
Income tax expenses	7	(28,068)	(20,388)
PROFIT FOR THE PERIOD		73,439	82,827

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(Continued)*

For the six months ended 30 September 2011

	Note	For the six months ended 30 September 2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
OTHER COMPREHENSIVE INCOME			
Available-for-sale investments:			
Changes in fair value		(14,528)	(48,046)
Reclassification adjustment for gain/loss included in profit or loss			
– Impairment loss		14,528	25,402
		–	(22,644)
Other reserve:			
Release upon disposal of an associate		–	(4,912)
Exchange fluctuation reserve:			
Translation of foreign operations		4,910	5,653
Release upon disposal of an associate		–	(3,769)
		4,910	1,884
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		4,910	(25,672)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		78,349	57,155
Profit/(loss) attributable to:			
Owners of the parent		73,512	82,827
Non-controlling interests		(73)	–
		73,439	82,827
Total comprehensive income/(loss) attributable to:			
Owners of the parent		78,422	57,155
Non-controlling interests		(73)	–
		78,349	57,155
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic and diluted		HK1.13 cents	(Restated) HK9.08 cents

Details of dividends are disclosed in note 9 to the financial statements.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2011

	Notes	30 September 2011 (Unaudited) HK\$'000	31 March 2011 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	9,296	14,354
Investment properties		788,098	724,889
Properties under development	10	1,220,126	824,711
Goodwill		1,376	1,376
Held-to-maturity investments		11,288	19,861
Other intangible asset		3,030	6,060
Available-for-sale investment		21,793	36,321
Loans and interests receivable		321,794	316,370
Deposits paid		11,005	76,984
Deferred tax assets		178	178
Total non-current assets		2,387,984	2,021,104
CURRENT ASSETS			
Properties held for sale		342,414	400,609
Trade receivables	12	4,818	8,278
Loans and interests receivable		376,387	22,659
Prepayments, deposits and other receivables		21,827	22,428
Held-to-maturity investments		4,234	8,482
Financial assets at fair value through profit or loss		72,434	108,896
Tax recoverable		4,052	4,078
Cash and cash equivalents		630,950	1,042,600
Total current assets		1,457,116	1,618,030
CURRENT LIABILITIES			
Trade payables	13	13,367	12,951
Other payables and accruals		29,082	29,920
Deposits received and receipts in advance		71,483	75,269
Interest-bearing bank loans		247,002	239,924
Provisions for onerous contracts		240	240
Tax payable		28,389	17,048
Total current liabilities		389,563	375,352
NET CURRENT ASSETS		1,067,553	1,242,678
TOTAL ASSETS LESS CURRENT LIABILITIES		3,455,537	3,263,782

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

30 September 2011

	Note	30 September 2011 (Unaudited) HK\$'000	31 March 2011 (Audited) HK\$'000
NON-CURRENT LIABILITIES			
Interest-bearing bank loans		756,829	631,774
Provisions for onerous contracts		840	840
Deferred tax liabilities		44,304	30,201
Total non-current liabilities		801,973	662,815
Net assets		2,653,564	2,600,967
EQUITY			
Equity attributable to owners of the parent			
Issued capital	14	65,249	65,249
Reserves		2,587,794	2,535,124
Non-controlling interests		2,653,043	2,600,373
		521	594
Total equity		2,653,564	2,600,967

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2011

	Attributable to owners of the parent										
	Issued capital (Unaudited) HK\$'000	Share premium account (Unaudited) HK\$'000	Contributed surplus (Unaudited) HK\$'000	Available- for-sale	Share option reserve (Unaudited) HK\$'000	Exchange fluctuation reserve (Unaudited) HK\$'000	Other reserve (Unaudited) HK\$'000	Retained profits (Unaudited) HK\$'000	Total (Unaudited) HK\$'000	Non-controlling interests (Unaudited) HK\$'000	Total equity (Unaudited) HK\$'000
				investments							
				revaluation reserve							
At 1 April 2010	163,123	1,013,448	149,755	55,855	8,150	8,309	4,912	549,670	1,953,222	396	1,953,618
Profit for the period	-	-	-	-	-	-	-	82,827	82,827	-	82,827
Other comprehensive income/(loss) for the period:											
Changes in fair value of available-for-sale investments	-	-	-	(48,046)	-	-	-	-	(48,046)	-	(48,046)
Impairment loss of an available-for-sale investment	-	-	-	25,402	-	-	-	-	25,402	-	25,402
Release upon disposal of an associate	-	-	-	-	-	(3,769)	(4,912)	-	(8,681)	-	(8,681)
Exchange differences on translation of foreign operations	-	-	-	-	-	5,653	-	-	5,653	-	5,653
Total comprehensive income/(loss) for the period	-	-	-	(22,644)	-	1,884	(4,912)	82,827	57,155	-	57,155
Share issue expenses	-	(222)	-	-	-	-	-	-	(222)	-	(222)
Final 2010 dividend declared	-	-	-	-	-	-	-	(19,575)	(19,575)	-	(19,575)
Equity-settled share option arrangements	-	-	-	-	66	-	-	-	66	-	66
At 30 September 2010	163,123	1,013,226	149,755	33,211	8,216	10,193	-	612,922	1,990,646	396	1,991,042

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

For the six months ended 30 September 2011

	Attributable to owners of the parent																					
	Issued capital (Unaudited) HK\$'000	Share premium account (Unaudited) HK\$'000	Contributed surplus (Unaudited) HK\$'000	Available-for-sale investments revaluation reserve (Unaudited) HK\$'000	Share option reserve (Unaudited) HK\$'000	Exchange fluctuation reserve (Unaudited) HK\$'000	Other reserve (Unaudited) HK\$'000	Retained profits (Unaudited) HK\$'000	Total (Unaudited) HK\$'000	Non-controlling interests (Unaudited) HK\$'000	Total equity (Unaudited) HK\$'000											
												Available-for-sale										
At 1 April 2011	65,249	1,462,363*	306,353*	-*	8,057*	9,470*	1,439*	747,442*	2,600,373	594	2,600,967											
Profit for the period	-	-	-	-	-	-	-	73,512	73,512	(73)	73,439											
Other comprehensive income/(loss) for the period:																						
Change in fair value of an available-for-sale investment	-	-	-	(14,528)	-	-	-	-	(14,528)	-	(14,528)											
Impairment loss of an available-for-sale investment	-	-	-	14,528	-	-	-	-	14,528	-	14,528											
Exchange differences on translation of foreign operations	-	-	-	-	-	4,910	-	-	4,910	-	4,910											
Total comprehensive income/(loss) for the period	-	-	-	-	-	4,910	-	73,512	78,422	(73)	78,349											
Final 2011 dividend declared	-	-	-	-	-	-	-	(26,100)	(26,100)	-	(26,100)											
Equity-settled share option arrangements	-	-	-	-	348	-	-	-	348	-	348											
At 30 September 2011	65,249	1,462,363*	306,353*	-*	8,405*	14,380*	1,439*	794,854*	2,653,043	521	2,653,564											

* These reserve accounts comprise the consolidated reserve of HK\$2,587,794,000 (31 March 2011: HK\$2,535,124,000) in the interim consolidated statement of financial position.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2011

	For the six months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(211,399)	(127,402)
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	(296,448)	50,384
NET CASH FLOWS FROM FINANCING ACTIVITIES	101,823	30,055
NET DECREASE IN CASH AND CASH EQUIVALENTS	(406,024)	(46,963)
Cash and cash equivalents at beginning of period	1,042,600	484,026
Effect of foreign exchange rate changes, net	(5,626)	2,671
CASH AND CASH EQUIVALENTS AT END OF PERIOD	630,950	439,734
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	457,401	265,799
Non-pledged time deposits with original maturity of less than three months when acquired	173,549	173,935
	630,950	439,734

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2011

1. BASIS OF PREPARATION

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

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2011.

The accounting policies and the basis of preparation adopted in the preparation of these unaudited interim condensed consolidated financial statements are consistent with those adopted in the Group’s annual financial statements for the year ended 31 March 2011, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”) (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosures requirements of the Hong Kong Companies Ordinance, except for the adoption of the new and revised HKFRSs as disclosed in note 2 below.

These unaudited interim condensed consolidated financial statements have been prepared under historical cost convention, except for investment properties and certain financial assets, which have been measured at fair value. These unaudited interim condensed consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current period’s unaudited interim condensed consolidated financial statements.

HKFRS 1 Amendment	Amendment to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters</i>
HKAS 24 (Revised)	<i>Related Party Disclosures</i>
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 <i>Prepayments of a Minimum Funding Requirement</i>
HK(IFRIC)-Int 19	<i>Extinguishing Financial Liabilities with Equity Instruments</i>

Apart from the above, the Group has also adopted *Improvements to HKFRSs 2010** issued by the HKICPA which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording.

* *Improvements to HKFRSs 2010* contain amendments to HKFRS 1, HKFRS 3, HKFRS 7, HKAS 1, HKAS27, HKAS 34 and HK(IFRIC)-Int 13.

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

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(Continued)*

Other than as further explained below regarding the impact of HKAS 24 (Revised), amendments to HKFRS 3, HKAS 1, HKAS 27 and HKAS 34 included in *Improvements to HKFRSs 2010*, the adoption of these new and revised HKFRSs has had no significant financial effect on these condensed financial statements and there has been no significant changes to the accounting policies applied in these unaudited interim condensed consolidated financial statements.

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

(a) **HKAS 24 (Revised) *Related Party Disclosures***

HKAS 24 (Revised) clarifies and simplifies the definition of related parties. It also provides for a partial exemption of related party disclosure to government-related entities for transactions with the same government or entities that are controlled, jointly controlled or significantly influenced by the same government.

While the adoption of the revised standard has resulted in changes in the accounting policy, the revised standard does not have any impact on the related party disclosures as the Group currently does not have any significant transactions with government-related entities.

(b) ***Improvements to HKFRSs 2010***

Improvements to HKFRSs 2010 issued in May 2010 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments results in changes in accounting policies, none of these amendments has had a significant financial impact on the Group. Those amendments that have had a significant impact on the Group's policies are as follows:

- **HKFRS 3 *Business Combinations***: Clarifies that the amendments to HKFRS 7, HKAS 32 and HKAS 39 that eliminate the exemption for contingent consideration do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of HKFRS 3 (as revised in 2008).

In addition, the amendments limit the measurement choice of non-controlling interests at fair value or at the proportionate share of the acquiree's identifiable net assets to components of non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another HKFRS. The amendments also added explicit guidance to clarify the accounting treatment for nonreplaced and voluntarily replaced share-based payment awards.

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

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(Continued)*

(b) *Improvements to HKFRSs 2010 (Continued)*

- *HKAS 1 Presentation of Financial Statements*: Clarifies that an analysis of other comprehensive income for each component of equity can be presented either in the statement of changes in equity or in the notes to the financial statements.
- *HKAS 27 Consolidated and Separate Financial Statements*: Clarifies that the consequential amendments from HKAS 27 (as revised in 2008) made to HKAS 21, HKAS 28 and HKAS 31 are applied prospectively for annual periods beginning on or after 1 July 2009 or earlier if HKAS 27 is applied earlier.
- *Amendment to HKAS 34 Interim Financial Reporting*: Amendment to HKAS 34 requires additional disclosures for fair values and changes in classification of financial assets, as well as changes to contingent assets and liabilities in condensed financial statements. The respective disclosures requirements have been set out in note 19.

The Group has not early applied any new and revised HKFRSs, that have been issued but are not yet effective, in these unaudited interim condensed consolidated financial statements. However, the Group is in the process of making an assessment of the impact of other new and revised HKFRSs, that have been issued but not yet effective, upon initial application. So far, the Group considers that the adoptions of these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position, except for the amendments of HKAS 12 *Income Tax-Deferred Tax-Recovery of Underlying Assets* of, which the effect is as follows:

Amendments to HKAS 12 were issued in December 2010 which introduce a rebuttable presumption that deferred tax on investment property measured using the fair value model in HKAS 40 should be determined on the basis that its carrying amount will be recovered through sale. The amendments also require that deferred tax on non-depreciable assets measured using the revaluation model in HKAS 16 should always be measured on a sale basis. As a result of the amendments, HK(SIC) – 21 *Income Taxes – Recovery of Revalued Non-depreciable Assets*, will be superseded once the amendments become effective. The Group expects to adopt the Amendments to HKAS 12 retrospectively from 1 April 2012. The Group has previously provided deferred tax on the fair value gains on its investment properties assuming that the carrying amount of these properties will be recovered through use. The Group expects the adoption of these amendments will result in changes in the accounting policy and the Group's deferred tax liabilities and income tax charges will be reduced respectively.

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

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has six reportable operating segments as follows:

- (a) the property development segment engages in the development of properties;
- (b) the property investment engages in investment and trading of industrial and commercial premises and residential units for rental or for sale;
- (c) the Chinese wet markets segment engages in the management and sub-licensing of Chinese wet markets;
- (d) the shopping centres and car parks segment engages in the management and sub-licensing of shopping centres and car parks;
- (e) the agricultural by-product wholesale markets segment engages in the operations and management of agricultural by-product wholesale markets; and
- (f) the trading of agricultural by-products segment engages in the wholesale and retail of agricultural by-products.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, head office and corporate income and expenses and share of profits and losses of associates are excluded from such measurement.

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. OPERATING SEGMENT INFORMATION (Continued)

Information regarding these reportable segments, together with their related revised comparative information is presented below.

Reportable segment information

For the six months ended 30 September

	Property development		Property investment		Chinese wet markets		Shopping centres and car parks		Agricultural by-products wholesale markets		Trading of agricultural by-products		Consolidated	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Segment revenue:														
Sales to external customers	134,308	48,884	25,205	34,947	114,392	107,125	6,400	6,415	9,164	9,665	10,924	11,133	300,393	218,169
Intersegment sales	-	-	-	-	-	-	200	180	-	-	-	-	200	180
Other revenue	275	55	93,856	50,665	2,572	5,027	722	638	5	-	1	7,201	97,431	63,586
Total	134,583	48,939	119,061	85,612	116,964	112,152	7,322	7,233	9,169	9,665	10,925	18,334	398,024	281,935
Elimination of intersegment sales													(1,395)	(3,848)
Corporate and unallocated revenue													4,281	1,493
Total													400,920	279,580
Segment results	45,549	3,874	113,842	68,650	16,001	15,064	861	842	2,860	3,436	(227)	6,710	178,906	98,576
Interest income													20,919	11,751
Finance costs													(5,671)	(5,535)
Corporate and unallocated income and expenses, net													(92,447)	(1,577)
Profit before tax													101,507	103,215
Income tax expense													(28,068)	(20,388)
Profit for the period													73,439	82,827

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. OTHER INCOME AND GAINS

An analysis of the Group's other income and gains is as follows:

	For the six months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Bank interest income	662	2,160
Interest income from held-to-maturity investments	1,799	–
Interest income from loans receivable	18,458	9,591
Management fee income	363	1,556
Dividend income from listed securities	2,312	814
Gain on disposal of financial assets at fair value through profit or loss, net	–	737
Gain on disposal of an associate	–	39,790
Gain on disposal of a subsidiary	–	6,704
Gain on disposal of an investment property	7,725	–
Exchange gains, net	–	2,350
Others	4,732	5,043
	36,051	68,745

5. FINANCE COSTS

	For the six months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Interest on bank loans:		
Wholly repayable within five years	3,711	2,574
Not wholly repayable within five years (Note)	4,994	2,961
	8,705	5,535
Less: Interest capitalised	(2,834)	–
	5,871	5,535

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. FINANCE COSTS (Continued)

The analysis shows the finance costs of bank borrowings, including term loans which contain a repayment on demand clause, in accordance with the agreed scheduled repayments dates set out in the loan agreements.

Note: For the six months ended 30 September 2011 and 2010, the interest on bank borrowings which contain a repayment on demand clause amounted to HK\$1,393,000 and HK\$2,147,000, respectively.

6. PROFIT BEFORE TAX

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

	For the six months ended 30 September	
	2011	2010
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Cost of inventories sold	8,385	8,870
Cost of services provided	108,112	100,486
Cost of properties sold	61,227	35,661
Depreciation	3,157	3,298
Amortisation of other intangible asset	3,030	3,030
Amount released from onerous contracts, net	–	(200)
Impairment of an available-for-sale investment*	14,528	25,402
Loss on disposal of financial assets at fair value through profit and loss, net*	5,151	–
Write-down of properties under development to net realisable value, net*	6,823	8,921
Gain on disposal of items of properties, plant and equipment	(2,951)	–

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

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

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2010: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rate of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

	For the six months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Group:		
Current – Hong Kong	13,200	11,084
Current – Mainland China	784	1,026
Deferred	14,084	8,278
Total tax charge for the period	28,068	20,388

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

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

	For the six months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	73,512	82,827

	Number of Shares For the six months ended 30 September	
	2011 (Unaudited)	2010 (Unaudited) (Restated)
Shares		
Weighted average number of ordinary shares in issue during the period used in basic earnings per share calculation*	6,524,935,021	912,087,691

* The weighted average numbers of ordinary shares in 2011 and 2010 have been retrospectively adjusted for the five-to-one share consolidation taken place on 27 January 2011 and the rights issue and its associated bonus issue taken place on 22 February 2011.

No adjustment has been made to the basic earnings per share amount presented for six months ended 30 September 2011 and 2010 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings per share amount presented.

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

9. DIVIDENDS

	For the six months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Final dividend for 2011 of HK0.4 cents (2010: HK3.0 cents) per ordinary share declared and paid during the six month period	26,100	19,575
Interim dividend for 2011 of HK0.15 cent (2010: HK1.5 cents) per ordinary share declared	9,787	9,787

The interim dividend was declared after the end of the reporting period and hence was not accrued on that date.

The dividends per ordinary share amounts for the prior year have been adjusted to reflect the five-to-one share consolidation taken place on 27 January 2011.

10. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT AND PROPERTIES UNDER DEVELOPMENT

During the six months ended 30 September 2011, the Group incurred HK\$1,134,000 (six months ended 30 September 2010: HK\$3,338,000) on the additions of items of property, plant and equipment.

During the six months ended 30 September 2011, the Group incurred approximately HK\$402,238,000 on the additions of properties under development (six months ended September 2010: HK\$181,843,000).

11. PLEDGE OF ASSETS

As at 30 September 2011, the Group's properties held for sale with an aggregate carrying value of approximately HK\$341,294,000 (31 March 2011: HK\$392,502,000), properties under development with an aggregate carrying amount of approximately HK\$ 1,112,626,000 (31 March 2011: HK\$824,711,000) and investment properties with an aggregate carrying value of approximately HK\$686,820,000 (31 March 2011: HK\$587,572,000) and certain rental income generated therefrom were pledged to secure certain of the Group's general banking facilities.

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

12. TRADE RECEIVABLES

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

	30 September 2011 (Unaudited) HK\$'000	31 March 2011 (Audited) HK\$'000
Within 90 days	3,592	7,097
91 days to 180 days	770	847
Over 180 days	796	523
	5,158	8,467
Less: Impairment	(340)	(189)
	4,818	8,278

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.

13. TRADE PAYABLES

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

	30 September 2011 (Unaudited) HK\$'000	31 March 2011 (Audited) HK\$'000
Within 90 days	13,367	12,951

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

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

14. SHARE CAPITAL

Shares	30 September 2011 (Unaudited) HK\$'000	31 March 2011 (Audited) HK\$'000
Authorised:		
40,000,000,000 (31 March 2011: 40,000,000,000) ordinary shares of HK\$0.01 each	400,000	400,000
Issued and fully paid:		
6,524,935,021 (31 March 2011: 6,524,935,021) ordinary shares of HK\$0.01 each	65,249	65,249

Share options

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

15. CONTINGENT LIABILITIES

The Group had a contingent liability in respect of possible future long service payments to employees under the Hong Kong Employee Ordinance, with a maximum possible amount payable of HK\$2,465,000 (31 March 2011: HK\$786,000) as at 30 September 2011. The contingent liability has arisen because, at the end of the reporting date, a number of current employees had achieved the required number of years of service to the Group in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated under certain circumstances. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

16. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties, sub-leases Chinese wet markets, shopping centres and car parks under operating lease arrangements, with leases negotiated for terms ranging from one month to six years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rental adjustments according to the then prevailing market conditions.

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

16. OPERATING LEASE ARRANGEMENTS *(Continued)*

(a) As lessor *(Continued)*

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

	30 September 2011 (Unaudited) HK\$'000	31 March 2011 (Audited) HK\$'000
Within one year	188,763	200,791
In the second to fifth years, inclusive	141,705	165,917
	330,468	366,708

(b) As lessee

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

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

	30 September 2011 (Unaudited) HK\$'000	31 March 2011 (Audited) HK\$'000
Within one year	76,852	99,206
In the second to fifth years, inclusive	162,225	201,325
	239,077	300,531

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

17. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	30 September 2011 (Unaudited) HK\$'000	31 March 2011 (Audited) HK\$'000
Contracted, but not provided for:		
Properties held for sale	–	2,880
Properties under development	28,591	254,331
Investment properties	–	18,252
	28,591	275,463

18. RELATED PARTY TRANSACTIONS

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

(a) Transactions with related parties

		For the six months ended 30 September	
	<i>Notes</i>	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Rental income received from a director	<i>(i)</i>	498	492
Income from Wai Yuen Tong Medicine Holdings Limited (“ WYTH ”):			
Management fee	<i>(ii)</i>	60	48
Rental income	<i>(ii)</i>	928	2,460
Rental expenses paid to WYTH	<i>(ii)</i>	840	954
Interest income from PNG Resources Holdings Limited (“ PNG Resources ”)	<i>(iii)</i>	7,648	3,710
Interest income from Super Treasure Holdings Limited (“ Super Treasure ”)	<i>(iii)</i>	9,793	6,001
Purchase of products from WYTH	<i>(iv)</i>	3,562	–

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

Notes:

- (i) Certain investment properties of the Group were leased to a director at an agreed monthly rental of HK\$83,000 (2010: HK\$82,000). The rental was determined with reference to the prevailing market rates.
- (ii) The transactions were based on terms mutually agreed between the Group and the related parties.
- (iii) Interest was charged by the Group on loans advanced to PNG Resources and Super Treasure at rates ranging from 6% to 8%.

PNG Resources has an executive director in common with the Company.

Super Treasure is a wholly-owned subsidiary of China Agri-Products Exchange Limited, which is a material investment of PNG Resources and has an executive director in common with the Company.

- (iv) The purchases from WYTH, a Hong Kong listed company with certain directors in common with the Company, were made according to the published prices and conditions WYTH offered to customers.

(b) Compensation of key management personnel of the Group

	For the six months ended 30 September	
	2011	2010
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Short term employment benefits	2,051	1,346
Post-employment benefits	25	36
Total compensation paid to key management personnel	2,076	1,382

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

19. FAIR VALUE HIERARCHY

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

- Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

Assets measured at fair value:

Group

As at 30 September 2011

	Level 1 (Unaudited)	Level 2 (Unaudited)	Level 3 (Unaudited)	Total (Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Available-for-sale investment	21,793	–	–	21,793
Financial assets at fair value through profit or loss	72,434	–	–	72,434
	94,227	–	–	94,227

As at 31 March 2011

	Level 1 (Audited)	Level 2 (Audited)	Level 3 (Audited)	Total (Audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Available-for-sale investment	36,321	–	–	36,321
Financial assets at fair value through profit or loss	108,896	–	–	108,896
	145,217	–	–	145,217

During the period ended 30 September 2011, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (six months ended 30 September 2010: Nil).

20. APPROVAL OF THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements were approved by the Board on 16 November 2011.