



2012/13
Interim
Report



Gin-za-i-za-tion

[noun] UK  'gɛn-zä .aɪ'zeɪ.ʃən

Definition

The rising trend of retail businesses to operate from above the ground-floor level of buildings to maintain an effective presence in the CBD of a city



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CORPORATE INFORMATION

Board of Directors

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

Committees

Audit Committee

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

Nomination Committee

Mr. Chan Kam Man (*Committee Chairman*)
Mr. Mak Wah Chi
Mr. Chu Tak Sum

Remuneration Committee

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

Authorised Representatives

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

Company Secretary

Mr. Lee Pui Lam



Contact

Principal Place of Business

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Causeway Bay
Hong Kong

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Shanghai Office

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Jin Hang Building
Jingan District
Shanghai
PRC

Principal Share Registrar and Transfer Office

Butterfield Fulcrum Group
(Bermuda) Limited
26 Burnaby Street
Hamilton HM11
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 2012

The board of directors (the “Board”) of Henry Group Holdings Limited (the “Company”) is pleased to present the unaudited condensed financial statements of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2012, together with the comparative figures for the corresponding period in last year as follows:

		Unaudited	
		Six months ended 30 September	
	Notes	2012 HK\$'000	2011 HK\$'000
Turnover	3	23,572	18,456
Other income and gains		1,769	3,904
Net gain/(loss) in fair value of investment properties		130,875	(70,490)
Other operating expenses		(21,737)	(11,728)
Profit/(loss) from operations		134,479	(59,858)
Finance costs	4	(13,414)	(20,742)
Profit/(loss) before taxation		121,065	(80,600)
Taxation	5	(32,720)	17,623
Profit/(loss) for the period	6	88,345	(62,977)



		Unaudited	
		Six months ended 30 September	
		2012	2011
Notes		HK\$'000	HK\$'000
	Profit/(loss) for the period	88,345	(62,977)
	Other comprehensive income/(loss)		
	Exchange difference arising on translating foreign operations	833	11,895
	Recognition of hedging reserve of derivative financial instruments	1,571	(4,316)
	Other comprehensive income for the period, net of tax	2,404	7,579
	Total comprehensive income/(loss) for the period	90,749	(55,398)
	Profit/(loss) for the period attributable to:		
	— Owners of the Company	34,596	(17,334)
	— Non-controlling interests	53,749	(45,643)
		88,345	(62,977)
	Total comprehensive income/(loss) attributable to:		
	— Owners of the Company	36,399	(18,081)
	— Non-controlling interests	54,350	(37,317)
		90,749	(55,398)
	Earnings/(loss) per share attributable to owners of the Company		
8	— Basic (HK cents)	4.83	(2.72)
	— Diluted (HK cents)	4.81	N/A



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2012

	Unaudited 30 September 2012 HK\$'000	Audited 31 March 2012 HK\$'000 (Restated)	Audited 31 March 2011 HK\$'000 (Restated)
Notes			
ASSETS AND LIABILITIES			
NON-CURRENT ASSETS			
Property, plant and equipment	952	1,282	1,617
Investment properties	4,771,172	4,472,329	3,848,060
Amount due from a non-controlling shareholder	14(a) 30,999	29,664	25,094
Deferred tax assets	4,659	4,969	5,397
	4,807,782	4,508,244	3,880,168
CURRENT ASSETS			
Trade and other receivables	9 8,253	10,182	8,556
Available-for-sale financial assets	74	74	74
Tax recoverable	181	181	—
Pledged bank deposits	15,000	10,000	—
Cash and bank balances	235,019	143,337	143,069
	258,527	163,774	151,699
Assets classified as held for sale	80,000	80,000	79,000
	338,527	243,774	230,699
CURRENT LIABILITIES			
Other payables, rental deposits received and accruals	24,076	20,744	26,301
Bank borrowings, current portion (secured)	10 28,442	51,896	73,600
Derivative financial instruments	3,274	—	—
Convertible notes	11 —	—	16,759
Amount due to a related party	—	—	342
Tax payable	—	—	464
	55,792	72,640	117,466
Liabilities directly associated with assets classified as held for sale	276	276	323
	56,068	72,916	117,789



	Notes	Unaudited 30 September 2012 HK\$'000	Audited 31 March 2012 HK\$'000 (Restated)	Audited 31 March 2011 HK\$'000 (Restated)
NET CURRENT ASSETS		282,459	170,858	112,910
TOTAL ASSETS LESS CURRENT LIABILITIES		5,090,241	4,679,102	3,993,078
NON-CURRENT LIABILITIES				
Other payables and rental deposits received		13,485	10,077	5,656
Bank borrowings, non-current portion (secured)	10	1,743,007	1,512,072	1,182,558
Convertible notes, non-current portion	11	—	—	160,533
Derivative financial instruments		10,128	15,284	12,784
Loan from related parties	14(b)	154,592	150,709	47,625
Amounts due to non-controlling shareholders	14(c)	600,284	555,343	534,597
Loans from shareholders	14(d)	164,708	161,885	192,446
Deferred tax liabilities		389,781	357,061	362,374
		3,075,985	2,762,431	2,498,573
NET ASSETS		2,014,256	1,916,671	1,494,505
CAPITAL AND RESERVES				
Share capital	12	71,642	71,642	63,638
Reserves		1,423,114	1,379,879	926,597
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		1,494,756	1,451,521	990,235
Non-controlling interests		519,500	465,150	504,270
TOTAL EQUITY		2,014,256	1,916,671	1,494,505



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2012

	Attributable to owners of the Company											Total HK\$'000	
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Capital reserve HK\$'000	Convertible notes reserve HK\$'000	Share- based payment reserve HK\$'000	Hedging reserve HK\$'000	Contribution from shareholders HK\$'000	Exchange reserve HK\$'000	Other reserve HK\$'000	Retained profits/ (Accumulated losses) HK\$'000		Non- controlling interests HK\$'000
At 1 April 2012 (Audited)	71,642	537,866	9,628	926	—	16,209	(12,761)	250,139	13,100	1,119	371,173	465,150	1,724,191
Change in accounting policy, adoption of HKAS 12 amendment (Note 2)	—	—	—	—	—	—	—	—	—	—	192,480	—	192,480
At 1 April 2012 (as restated)	71,642	537,866	9,628	926	—	16,209	(12,761)	250,139	13,100	1,119	563,653	465,150	1,916,671
Recognition of hedging reserve of derivative financial instruments	—	—	—	—	—	—	1,571	—	—	—	—	—	1,571
Exchange difference on translating foreign operations	—	—	—	—	—	—	—	—	232	—	—	601	833
Other comprehensive income for the period	—	—	—	—	—	—	1,571	—	232	—	—	601	2,404
Profit for the period	—	—	—	—	—	—	—	—	—	—	34,596	53,749	88,345
Total comprehensive income for the period	—	—	—	—	—	—	1,571	—	232	—	34,596	54,350	90,749
Recognition of share-based payments	—	—	—	—	—	6,836	—	—	—	—	—	—	6,836
At 30 September 2012 (Unaudited)	71,642	537,866	9,628	926	—	23,045	(11,190)	250,139	13,332	1,119	598,249	519,500	2,014,256
At 1 April 2011 (Audited)	63,638	442,935	9,628	926	71,163	15,562	(10,674)	250,139	7,090	—	7,738	504,270	1,362,415
Change in accounting policy, adoption of HKAS 12 amendment (Note 2)	—	—	—	—	—	—	—	—	—	—	132,090	—	132,090
At 1 April 2011 (as restated)	63,638	442,935	9,628	926	71,163	15,562	(10,674)	250,139	7,090	—	139,828	504,270	1,494,505
Recognition of hedging reserve of derivative financial instruments	—	—	—	—	—	—	(4,316)	—	—	—	—	—	(4,316)
Exchange difference on translating foreign operations	—	—	—	—	—	—	—	—	3,569	—	—	8,326	11,895
Other comprehensive income (loss) for the period	—	—	—	—	—	—	(4,316)	—	3,569	—	—	8,326	7,579
Loss for the period	—	—	—	—	—	—	—	—	—	—	(17,334)	(45,643)	(62,977)
Total comprehensive income/ (loss) for the period	—	—	—	—	—	—	(4,316)	—	3,569	—	(17,334)	(37,317)	(55,398)
Recognition of share-based payments	—	—	—	—	—	308	—	—	—	—	—	—	308
Shares issued at a premium	8,004	94,931	—	—	(27,760)	—	—	—	—	—	—	—	75,175
At 30 September 2011 (Unaudited)	71,642	537,866	9,628	926	43,403	15,870	(14,990)	250,139	10,659	—	122,494	466,953	1,514,590



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2012

	Unaudited	
	Six months ended 30 September	
	2012 HK\$'000	2011 HK\$'000
Net cash generated from operating activities	17,766	12,948
Net cash used in investing activities	(127,458)	(70,535)
Net cash generated from financing activities	201,304	34,240
Net increase/(decrease) in cash and cash equivalents	91,612	(23,347)
Effect of foreign exchange rates changes	70	(1,417)
Cash and cash equivalents at beginning of the period	143,337	143,069
Cash and cash equivalents at end of the period	235,019	118,305



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2012

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 2012.

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 2012.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations issued by the HKICPA, which are effective for the annual reporting period beginning on or after 1 April 2012.

HKAS 12 (Amendment)	Deferred Tax — Recovery of Underlying Assets
HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Date for first-time Adopters
HKFRS 7 (Amendments)	Disclosures — Transfer of Financial Assets

Except as describe below, the adoption of these new and revised HKFRSs had no significant financial effect on these Interim Financial Statements.



Amendments to HKAS 12 Deferred Tax: Recovery of Underlying Assets

The amendment to HKAS 12, introduce a presumption that an investment properties measured at fair value is recovered entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefit embodied in the investment properties over time, rather than through sale. Prior to the amendment, deferred taxation on investment properties at fair value is measured to reflect the tax consequences of recovering the carrying amounts of investment properties through use. Therefore based on the amendment, the Group's investment properties in Hong Kong do not have to provide deferred tax on fair value changes arising from revaluation of investment properties or arising from a business combination, unless the presumption is rebutted. The change in policy has been applied retrospectively by restating the opening balance at 1 April 2010, with consequential adjustments to comparatives for the year ended 31 March 2012.

No effect of change in accounting policies on the condensed consolidated statement of comprehensive income.

Effect of the changes in the accounting policies on the consolidated statement of financial position:

	As at 1 April 2010 (Audited)		
	Originally stated HK\$'000	HKAS 12 Adjustments HK\$'000	After prior year adjustments stated HK\$'000
Deferred tax liabilities	482,298	(94,800)	387,498
Accumulated losses	(139,971)	94,800	(45,171)



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2012

	As at 31 March 2011 (Audited)		
	Originally stated HK\$'000	HKAS 12 Adjustments HK\$'000	After prior year adjustments stated HK\$'000
Deferred tax liabilities	494,464	(132,090)	362,374
Retained profits	7,738	132,090	139,828

	As at 31 March 2012 (Audited)		
	Originally stated HK\$'000	HKAS 12 Adjustments HK\$'000	After prior year adjustments stated HK\$'000
Deferred tax liabilities	549,541	(192,480)	357,061
Retained profits	371,173	192,480	563,653



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

HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income ¹
HKAS 19 (Revised in 2011)	Employee Benefits ²
HKAS 27 (Revised in 2011)	Separate Financial Statements ²
HKAS 28 (Revised in 2011)	Investments in Associates and Joint Ventures ²
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities ³
HKFRS (Amendments)	Annual Improvements 2009–2011 Cycle ²
HKFRS 1 (Amendments)	Government loan ²
HKFRS 7 (Amendments)	Disclosures — Offsetting Financial Assets and Financial Liabilities ²
HKFRS 9 and HKFRS 7 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ⁴
HKFRS 9	Financial Instruments ⁴
HKFRS 10	Consolidated Financial Statements ²
HKFRS 11	Joint Arrangements ²
HKFRS 12	Disclosure of Interests in Other Entities ²
HKFRS 13	Fair Value Measurement ²
HK(IFRIC) — Int 20	Stripping Costs in the Production Phase of a Surface Mine ²

1 Effective for annual periods beginning on or after 1 July 2012

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

3 Effective for annual periods beginning on or after 1 July 2014

4 Effective for annual periods beginning on or after 1 January 2015

The directors of the Company anticipate that the application of the other new and revised standards and amendments will have no material impact on the results and financial position of the Group.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2012

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) 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	
	2012 HK\$'000	2011 HK\$'000	2012 HK\$'000	2011 HK\$'000	2012 HK\$'000	2011 HK\$'000	2012 HK\$'000	2011 HK\$'000
GROSS PROCEEDS	23,572	18,456	—	—	—	—	23,572	18,456
TURNOVER	23,572	18,456	—	—	—	—	23,572	18,456
RESULTS								
Segment profit	16,448	16,435	—	—	—	—	16,448	16,435
Net gain/(loss) in fair value of investment properties							130,875	(70,490)
Unallocated corporate income							30	113
Unallocated corporate expenses							(12,874)	(5,916)
Profit/(loss) from operations							134,479	(59,858)
Finance costs							(13,414)	(20,742)
Profit/(loss) before taxation							121,065	(80,600)

Turnover reported above represents revenue generated from external customers. There were no inter-segment sales during the period (six months ended 30 September 2011: Nil).



(b) 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	
	Unaudited 30.9.2012 HK\$'000	Audited 31.3.2012 HK\$'000 (Restated)	Unaudited 30.9.2012 HK\$'000	Audited 31.3.2012 HK\$'000 (Restated)	Unaudited 30.9.2012 HK\$'000	Audited 31.3.2012 HK\$'000 (Restated)	Unaudited 30.9.2012 HK\$'000	Audited 31.3.2012 HK\$'000 (Restated)
ASSETS								
Segment assets	4,971,160	4,590,400	40	40	79	79	4,971,279	4,590,519
Unallocated corporate assets							175,030	161,499
Consolidated total assets							5,146,309	4,752,018
LIABILITIES								
Segment liabilities	2,631,254	2,175,347	34	34	—	—	2,631,288	2,175,381
Unallocated corporate liabilities							500,765	659,966
Consolidated total liabilities							3,132,053	2,835,347

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

- all assets are allocated to reportable segments other than corporate assets and assets classified as held for sale.
- all liabilities are allocated to reportable segments other than corporate liabilities, convertible notes and deferred tax liabilities and liabilities directly associated with assets classified as held for sale.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2012

(c) Geographical segments

The Group's operations are located in Hong Kong and the PRC.

For the six months ended 30 September 2012, 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 At 30 September 2012 HK\$'000	Audited At 31 March 2012 HK\$'000
The PRC	3,201,320	2,901,261
Hong Kong	1,601,803	1,602,014
	4,803,123	4,503,275

* Non-current assets excluding deferred tax assets.



4. FINANCE COSTS

	Unaudited	
	Six months ended 30 September	
	2012	2011
	HK\$'000	HK\$'000
Interest charge on bank borrowings		
— wholly repayable within five years	5,977	4,200
— wholly repayable after five years	31,046	23,243
Imputed interest on convertible notes	—	10,421
Imputed interest on interest-free loan from a related party (Note 14(b)(i))	2,359	2,133
Interest on loan from a related party (Note 14(b)(ii))	1,455	—
Interest on amounts due to non-controlling shareholders (Note 14(c))	11,558	10,799
Interest on loans from shareholders (Note 14(d))	3,923	4,263
Interest on advance from a shareholder	—	25
	56,318	55,084
Less: amount capitalised into investment properties under construction	(42,904)	(34,342)
	13,414	20,742



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2012

5. TAXATION

**Unaudited
Six months ended 30 September**

	2012 HK\$'000	2011 HK\$'000
The charge/(credit) comprises:		
Hong Kong profits tax for the period	—	—
Deferred taxation		
— Change in fair value of investment properties	32,720	(17,623)
	32,720	(17,623)

No provision for Hong Kong Profits Tax has been made for the periods ended 30 September 2012 and 2011 as the Group did not have significant profits assessable to Hong Kong Profits Tax during the current and prior periods.

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 2011: Nil).



6. PROFIT/(LOSS) FOR THE PERIOD

	Unaudited	
	Six months ended 30 September	
	2012	2011
	HK\$'000	HK\$'000
Profit/(loss) for the period has been arrived at after charging/(crediting) the followings:		
Directors' remuneration	9,200	2,100
Other staff costs	3,498	3,693
Total staff costs	12,698	5,793
Depreciation of property, plant and equipment	330	321
Imputed interest income generated from amount due from a non-controlling shareholder (Note 14(a))	(1,298)	(1,028)
Interest income on bank deposits	(279)	(224)
Property rental income under operating leases, net of direct outgoings of approximately HK\$849,000 (six months ended 30 September 2011: HK\$32,000)	(22,723)	(18,424)

7. DIVIDENDS

The Directors do not recommend the payment of interim dividend for the six months ended 30 September 2012 (six months ended 30 September 2011: Nil).



9. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables were trade receivables of approximately HK\$2,484,000 (net of provisions). The trade receivables represented rental receivables. The aging analysis of the Group's trade receivables (net of provisions) is as follows:

	Unaudited 30 September 2012 HK\$'000	Audited 31 March 2012 HK\$'000
Up to 30 days	2,129	2,216
31–60 days	105	1
61–90 days	173	7
More than 90 days	77	6
	2,484	2,230

The Group maintains a defined credit policy to assess the credit quality of each counterparty. The collection is closely monitored to minimise any credit risk associated with these trade receivables. The trade receivables mainly consist of rental receivables. The rental receivables are due for settlement upon the completion of the relevant agreements and payable in advance by tenants.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2012

10. BANK BORROWINGS — SECURED

	Unaudited 30 September 2012 HK\$'000	Audited 31 March 2012 HK\$'000
Bank loans	1,771,449	1,563,968
Less: current portion	(28,442)	(51,896)
Non-current portion	1,743,007	1,512,072

The bank borrowings are repayable as follows:

	Unaudited 30 September 2012 HK\$'000	Audited 31 March 2012 HK\$'000
On demand or within one year	28,442	51,896
After one year but within two years	68,506	54,735
After two years but within five years	448,233	412,649
After five years	1,226,268	1,044,688
	1,771,449	1,563,968



11. CONVERTIBLE NOTES

	Unaudited 30 September 2012 HK\$'000	Audited 31 March 2012 HK\$'000
Liability component at beginning of period	—	177,292
Imputed interest	—	16,137
	—	193,429
Conversion of shares (Notes a to c)	—	(75,174)
Early redemption	—	(107,441)
Repayment on maturity	—	(10,814)
Liability component at end of period	—	—
Current portion	—	—
Non-current portion	—	—

- (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 (“Uptodate”). The convertible notes bear interest at 1.68% per annum with the respective maturity dates on 1 August 2009 and 1 February 2012 or are 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2012

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 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.

On 7 October 2011, a partial convertible note in the principal amount of HK\$7,600,000 out of HK\$17,860,000 was early redeemed and the remain outstanding convertible note in the principal amount of HK\$10,260,000 was fully repaid upon maturity on 1 February 2012.

- (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 ("Max Act"). 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\$0.98 per share subject to adjustment to take into account of capital transactions with dilutive effect. Subsequently, the conversion price was adjusted to HK\$0.937 to take into account the dilutive effect of the share placement in November 2007. The whole amount of the convertible note could 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, the remaining outstanding balance will be repaid on the maturity date with the interest thereof.

The convertible note was split between the liability and equity components of approximately HK\$81,318,000 and HK\$47,787,000 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 carried at amortised cost and the equity component is recognised in the convertible notes reserve. The effective interest rate of the liability component is 11.47% per annum.

On 30 September 2011, a partial convertible note in the principal amount of HK\$75,000,000 out of HK\$129,105,609 were exercised to convert into 80,042,689 issued shares at the conversion price.

On 19 March 2012, remaining outstanding convertible note in the principal amount of HK\$54,105,609 was fully repaid before its maturity.



- (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 (“Seedtime”). 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 of capital transactions with dilutive effect. Subsequently, the conversion price was adjusted to HK\$1.22 as a result of taking into account the dilutive effect of the share placement in November 2007. 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. On 19 March 2012, convertible note in the principal amount of HK\$42,625,000 was fully repaid before its maturity.

The convertible note was split between the liability and equity components of approximately HK\$25,135,000 and HK\$17,490,000 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 carried at amortised cost and the equity component is recognised in the convertible notes equity 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 2012 and at 30 September 2012	1,000,000	1,000,000
Issued and fully paid:		
At 1 April 2012 and at 30 September 2012	716,419	71,642



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2012

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 2012 HK\$'000	Audited 31 March 2012 HK\$'000
Within one year	1,501	1,961
In the second to fifth year inclusive	60	892
	1,561	2,853

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

The Group as lessor

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

	Unaudited 30 September 2012 HK\$'000	Audited 31 March 2012 HK\$'000
Within one year	44,511	37,902
In the second to fifth year inclusive	30,363	27,178
	74,874	65,080



14. RELATED PARTY TRANSACTIONS

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

- (a) Amount due from a non-controlling shareholder, being 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 its initial nominal value at current market interest rate of similar financial instruments. The imputed interest for the period amounted to approximately HK\$1,298,000 (six months ended 30 September 2011: HK\$1,028,000).
- (b) Loan from related parties represents the following:

		Unaudited 30 September 2012 HK\$'000	Audited 31 March 2012 HK\$'000
	Note		
北京栢宇興業房地產開發有限公司 (Beijing Grand-Pac Ventures Limited) ("BGPV")	(i)	56,308	53,880
Golden Tool International Limited ("Golden Tool")	(ii)	98,284	96,829
		154,592	150,709

- (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 end of the reporting period which is estimated by discounting its initial 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\$2,359,000 (six months ended 30 September 2011: HK\$2,133,000).



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2012

- (ii) The controlling shareholder, Mr. Ian Ng, has controlling interest in Golden Tool. During the period ended 30 September 2012, Golden Tool provided loans of approximately HK\$96,730,000 for the full settlement and discharge of the convertible notes. The said loans bear interest rate at 2.7% p.a. over HIBOR, unsecured and are not repayable within the next twelve months. Interest on the loans for the period amounted to approximately HK\$1,455,000 (six months ended 30 September 2011: HK\$Nil) and was charged to the statement of comprehensive income.
- (c) Amounts due to a non-controlling shareholder comprises the following:

	Unaudited 30 September 2012 HK\$'000	Audited 31 March 2012 HK\$'000
Best Task Limited	600,284	555,343

The amount includes a shareholder’s loan in the principal amount of approximately HK\$272,700,000 (31 March 2012: HK\$239,317,000), which carries fixed interest at 9% per annum and interest payable thereon of approximately HK\$98,870,000 (31 March 2012: HK\$87,312,000). 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\$11,558,000 (six months ended 30 September 2011: HK\$10,799,000). The remaining balance of approximately HK\$228,714,000 (31 March 2012: 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.



- (d) Loans from shareholders represent the following:

	Unaudited 30 September 2012 HK\$'000	Audited 31 March 2012 HK\$'000
Mr. Ng Chun For, Henry	132,009	128,915
Mr. Ng Ian	22,263	22,849
Mr. Ng Eric	9,891	9,576
Mr. Chan Kwai Ping, Albert	545	545
	164,708	161,885

The loans from shareholders are unsecured, bearing fixed interest rate ranging from 3.28% to 9% per annum and are not repayable within the next twelve months. Interest on these loans for the period amounted to approximately HK\$3,923,000 (six months ended 30 September 2011: HK\$4,263,000).

- (e) 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. As of 30 September 2012, the outstanding principal balance of HF Loan was approximately HK\$600 million.



MANAGEMENT DISCUSSION AND ANALYSIS

The Board takes great pleasure to present the unaudited interim results of the Group for the six months ended 30 September 2012 ("Interim Period").

Hong Kong

During the Interim Period, the Group's niche property management acumen has been clearly demonstrated by the steady growth it has achieved in its pillar properties in Hong Kong L'hart and Jardine Center within its portfolio. The Group's turnover for the Interim Period was mainly contributed by revenue from Jardine Center and L'hart which was increased by around 28% to HK\$23.6 million (six months ended 30 September 2011: HK\$18.5 million). The portfolio's occupancy rate was about 100% as at 30 September 2012 (30 September 2011: 98%). Leveraging a strategic advantage of core locations of Causeway Bay, one of the most vibrant retail and entertainment areas of Hong Kong and Asia, the Group's success in terms of tenant mix and rental income has been achieved for its two iconic ginza-style buildings in Causeway Bay through proactive management initiatives and the continued implementation of proven business planning principles in early 2012. Tenants of these two buildings showed keen interest to build on their successful retailing business background to launch new dining concepts or health and beauty services in these two buildings during the past six months. This bullish development has been abetted by the skillful selection of tenants which match the 50/50 ratio leasing principle the Group implemented in early 2012. As a result, both visitors from overseas and Hong Kong residents recognise well L'hart and Jardine Center as preferred spots for fine dining as well as health and beauty needs. The notable leasing performance is underscored by full occupancy along with a strong rental growth rate of around or above 50% during the Interim Period.

The recent opening of Hysan Place, a new comprehensive office and commercial project in Causeway Bay has set in motion a positive ripple effect throughout Causeway Bay. It has attracted more new retailers making the latest commitment to expand their businesses, and the locations of the Group's Causeway Bay portfolio have become more vibrant and diversified. Almost 40% of the traditional retailers in Jardine's Bazaar and its surrounding shopping area have been revamped. With a greater variety of merchandise, including cosmetics, apparel, and home accessories shops besides gold jewellery or luxury goods on Kai Chiu Road or Yun Ping Road, the shopping atmosphere has become more lively than in the past. The changed environment is evidenced in the extended business hours from the previous norm of 8 p.m. to 10 p.m. to midnight or even longer during Friday or holidays.



The sales performance of retailers in Jardine Bazaar are also reaping the benefits of the exciting shopping atmosphere with a better tenant mix and longer business hours.

The PRC

The development of the joint venture project in Shanghai ("JV Project") is proceeding according to schedule without any unforeseen obstacles. The project has been designed by top international architects and its project management is under the supervision of leading international professional firms to ensure its building quality and services match and attract the top class of tenants from around the world while implementing strict cost controls. A more detailed review and study is in progress for the future marketing and leasing to targeted tenants especially during the current climate when the relevant sectors of the Shanghai property market could be sensitive to the effects brought about by the general economic situation in the PRC as well as Europe.

PROSPECTS

The growth of retailing business in prime retail shopping locations such as Causeway Bay is still promising despite emerging concerns about the shopping behavior of tourists. The retail property sector demonstrates a much more stable performance in line with the pace of economic development in contrast to the residential sector which is exposed to the risk of changes in Government housing or monetary policies. The management is bullish about the long term development trend of its current portfolio especially as there are very healthy benefits brought about by synergies through a strong and balanced tenant mix.

FINANCIAL REVIEW

The group's turnover for the Interim Period increased by 28% to approximately HK\$23.6 million (six months ended 30 September 2011: HK\$18.5 million) which primarily contributed by its revenue generated from Hong Kong properties investment business segment due to the favourable rental growth.

The gain in fair value of the JV Project amounted to approximately HK\$130.9 million had been recognised in accordance with prevailing accounting standard.

Other operating expenses increased by 85.5% to approximately HK\$21.7 million. It was mainly attributable to the share based payments of approximately HK\$6.8 million.



MANAGEMENT DISCUSSION AND ANALYSIS

Finance costs decreased by 35.3% to approximately HK\$13.4 million. It was primarily due to a decrease in imputed interest on convertible notes as a result of all outstanding convertible notes had been fully discharged in the financial year ended 31 March 2012.

Profit attributable to owners of the Company for the Interim Period amounted to approximately HK\$34.6 million (six months ended 30 September 2011: loss of HK\$17.3 million). Basic earnings per share was HK\$4.83 cents, based on weighted average of approximately 716 million shares after taking the effect of the new issue as a result of partial conversion of convertible notes (six months ended 30 September 2011: loss per share HK\$2.72 cents). Excluding the effect of gain in fair value of investment properties, the loss attributable to the owners of the Company for the Interim Period was approximately HK\$0.2 million.

Liquidity and Financial Resources

During the Interim Period, the Group's operation was financed by internal financial resources, loans from shareholders, amounts due to a non-controlling shareholder for JV Project and banking facilities. 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\$1,771,449,000 (31 March 2012: HK\$1,563,968,000) and the Group's gearing ratio, expressed as total liabilities over total assets was approximately 61.0% (31 March 2012: 63.7%). Cash and bank balances (excluding pledged bank deposits) of approximately HK\$235,019,000 (31 March 2012: HK\$143,337,000). The increase in bank borrowings was primarily due to the financing of the JV Project. 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.



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 than one year but not exceeding two years HK\$ million	Due more than two years but not exceeding five years HK\$ million	Due after five years HK\$ million
USD	62.03	1.69	2.90	5.70	51.74
RMB	869.42	—	38.86	297.28	533.28
HK\$	840	26.75	26.75	145.25	641.25
	1,771.45	28.44	68.51	448.23	1,226.27

As at the end of Interim Period, the unaudited net assets attributable to owners of the Company of approximately HK\$1,494,756,000 (31 March 2012 (restated): HK\$1,451,521,000). With the total number of ordinary shares in issue of 716,419,399 as at 30 September 2012 (31 March 2012: 716,419,399 shares), the unaudited net assets value per share was approximately HK\$2.0 (31 March 2012 (restated): HK\$2.0).

CHARGE ON ASSETS

At the Interim Period end date, the Group has pledged:

- Investment properties and assets classified as held for sale in Hong Kong in aggregate fair value of approximately HK\$1,681 million for securing general banking facilities granted from several banks to its subsidiaries;
- Investment properties under construction in the PRC at fair value of approximately HK\$2,874 million for securing general banking facilities limited to the extent of approximately RMB710 million from a bank in the PRC to its non-wholly subsidiary for meeting its local working capital and capital expenditures needs;
- Pledged deposit of approximately HK\$15 million for securing banking facilities; and



MANAGEMENT DISCUSSION AND ANALYSIS

- d. Several subsidiaries' entire issued shares for securing its respective general banking facilities.

DIVIDEND

The Board does not recommend the payment of an interim dividend for the period (six months ended 30 September 2011: Nil).

CONTINGENT LIABILITIES

At the Interim Period end date, the Group has provided several corporate guarantees for securing banking facilities granted to its certain subsidiaries amounted to HK\$1,085 million (31 March 2012: HK\$803.5 million).

COMMITMENTS

Capital commitments outstanding at the end of Interim Period not provided for in the Interim Financial Statements were as follows:

	Unaudited 30 September 2012 HK\$'000	Audited 31 March 2012 HK\$'000
Construction cost of investment properties under construction		
Contracted for	138,905	236,415

EMPLOYEES AND REMUNERATION POLICY

As at the end of Interim Period, the Group had about 23 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 Interim Period.

EVENT AFTER THE REPORTING PERIOD

On 14 November 2012, High Fly Investments Limited, an indirectly non-wholly owned subsidiary, entered into a sale and purchase agreement in relation to, among others, the disposal of its entire interest in High Luck International Limited ("High Luck"). The principal asset of High Luck is the property development project in Shanghai. Further details regarding the transaction will be announced by the Company in due course.

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 71,641,939 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 24 August 2012. 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



(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	0.56%
	2 April 2007	2 April 2007 to 1 April 2017	0.686	4,000,000	0.56%
	31 August 2007	31 August 2007 to 30 August 2017	1.156	2,000,000	0.28%
	24 March 2010	24 March 2010 to 23 March 2020	0.45	12,600,000	1.76%
	13 April 2010	13 April 2010 to 12 April 2020	0.48	4,770,000	0.66%
	30 March 2011	30 March 2011 to 29 March 2021	0.56	12,600,000	1.76%
	18 April 2011	18 April 2016 to 17 April 2021	0.66	3,280,000	0.45%
	12 April 2012	12 April 2012 to 11 April 2022	0.55	14,000,000	1.95%
Non-executive director	2 April 2007	2 April 2007 to 1 April 2017	0.686	2,000,000	0.28%
Employee	2 April 2007	2 April 2007 to 1 April 2017	0.686	500,000	0.07%
	18 April 2011	18 April 2016 to 17 April 2021	0.66	3,500,000	0.49%
Eligible persons	28 October 2005	28 October 2005 to 27 October 2015	0.676	640,000	0.09%
	2 April 2007	2 April 2007 to 1 April 2017	0.686	2,000,000	0.28%
	31 August 2007	31 August 2007 to 30 August 2017	1.156	1,000,000	0.14%
	24 March 2010	24 March 2010 to 23 March 2020	0.45	6,300,000	0.88%
	30 March 2011	30 March 2011 to 29 March 2021	0.56	6,300,000	0.88%
	12 April 2012	12 April 2012 to 11 April 2022	0.55	7,000,000	0.98%
				86,490,000	12.07%

* Both dates inclusive



ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING RULES

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)	42.51%
Mr. Ng	Personal	33,274,587	4.64%
Mr. Ng Ian	Interest of a controlled corporation	80,042,689 (Note 3)	11.17%
Mr. Ng Ian	Personal	4,601,227	0.64%



- 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.
- 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.
- Note 3: On 28 September 2011, Jumbo Step’s previously reported entire interest in 172,724,659 shares by virtue of two convertible notes with each of principal amount HK\$129,105,609.21 (“CB1”) and HK\$42,625,000 (“CB2”) issued by the Company in June and November 2007 respectively (subject to conversion price adjustment) both have been transferred to Golden Tool International Limited (“Golden Tool”) which is a company incorporated in the British Virgin Islands. On 30 September 2011, Golden Tool exercised conversion right attached to the CB1 with a partial amount of HK\$75,000,000 out of HK\$129,105,609.21 at the conversion price of HK\$0.937 per share into 80,042,689 shares (“Conversion”). Mr. Ian Ng is entitled to exercise or control the exercise of 100% of the voting rights of Golden Tool. Subsequently, each of CB1 and CB2 with their respective principal amounts of HK\$54,105,609.21 and HK\$42,625,000 both were fully repaid on 19 March 2012.



ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING RULES

(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	0.28%
	2 April 2007	2 April 2007 to 1 April 2017	0.686	2,000,000	0.28%
	31 August 2007	31 August 2007 to 30 August 2017	1.156	1,000,000	0.14%
	24 March 2010	24 March 2010 to 23 March 2020	0.45	6,300,000	0.88%
	30 March 2011	30 March 2011 to 29 March 2021	0.56	6,300,000	0.88%
	12 April 2012	12 April 2012 to 11 April 2022	0.55	7,000,000	0.98%
Mr. Ng Ian	28 October 2005	28 October 2005 to 27 October 2015	0.676	2,000,000	0.28%
	2 April 2007	2 April 2007 to 1 April 2017	0.686	2,000,000	0.28%
	31 August 2007	31 August 2007 to 30 August 2017	1.156	1,000,000	0.14%
	24 March 2010	24 March 2010 to 23 March 2020	0.45	6,300,000	0.88%
	30 March 2011	30 March 2011 to 29 March 2021	0.56	6,300,000	0.88%
	12 April 2012	12 April 2012 to 11 April 2022	0.55	7,000,000	0.98%
Mr. Lee Kwan Yee, Herrick	13 April 2010	13 April 2010 to 12 April 2011	0.48	4,770,000	0.66%
	18 April 2011	18 April 2016 to 17 April 2021	0.66	3,280,000	0.46%
Mr. Mak Wah Chi	2 April 2007	2 April 2007 to 1 April 2017	0.686	2,000,000	0.28%
				59,250,000	8.27%

(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	— (Note 3)	—
Mr. Ng Ian	Interest of a controlled corporation	— (Note 3)	—



(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	20	20%
Mr. Ng	Jumbo Step (Note 2)	Personal beneficial owner	1	100%
Mr. Ng Ian	Golden Tool (Note 3)	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

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 2)	304,552,533	42.51%
Mr. Ng	Personal (Note 4)	57,874,587	8.07%
HJHL	Beneficial owner (Note 1)	137,356,200	19.17%
Jumbo Step	Beneficial owner (Note 2)	167,196,333	23.34%
Mr. Ng Ian	Personal and interest of a controlled corporation (Notes 3 and 4)	109,243,916	15.25%
Golden Tool	Beneficial owner (Note 3)	80,042,689	11.17%
Well Garden Limited	Interest of a controlled corporation	58,322,141	8.14%
Mr. Chung Toi Chiu, Steven	Beneficial owner (Note 5)	87,656,441	12.24%
Premium Assets Development Limited ("Premium Assets")	Interest of controlled corporations (Note 5)	87,656,441	12.24%
Mr. Chan Kwai Ping, Albert	Personal (Note 6)	39,471,250	5.51%

Note 4: Please refer to section regarding interest and short positions in shares, underlying shares and debentures of the Company on pages 38 and 41.

Note 5: Premium Assets, a company incorporated in the British Virgin Islands, indirectly owned 87,656,441 shares of the Company through its six wholly owned subsidiaries, inter alia, 58,322,141 shares of the Company held by Well Garden Limited which were represented 8.14% of the issued share capital of the company and the rest of 29,334,300 shares of the Company were separately held by its five wholly owned subsidiaries each of which does not hold more than 5% of the issued share capital of the Company. Mr. Chung Toi Chiu Steven ("Mr. Chung") is entitled to exercise or control of the exercise of 62.19% indirectly through his controlled corporations, 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.

Note 6: Chan Kwai Ping Albert personal owned 19,871,250 shares of the Company and he is also an eligible person to hold 19,600,000 share options.



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 a 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 Interim Period.

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.



ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING RULES

CHANGE IN INFORMATION OF DIRECTOR

Save as disclosed below, there is no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the Company's annual report for the year ended 31 March 2012.

Name of Director	Details of changes
Mr. Li Kit Chee	Mr. Li Kit Chee appointed as independent non-executive director of First Credit Holdings Limited ("First Credit") with effect on 18 November 2010. First Credit was subsequently listed on the Growth Enterprise Market of the Stock Exchange on 13 December 2011 with stock code 8215.

By order of the Board
Henry Group Holdings Limited
Ng Ian
Chief Executive Officer

Hong Kong, 30 November 2012

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