



## Gin-za-i-za-tion

[noun] UK ˈɡɛn-zɑː.əˈzeɪ.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



## CONTENTS

Board of Directors and Committees	2
Corporate Information	3
Condensed Consolidated Statement of Comprehensive Income	4
Condensed Consolidated Statement of Financial Position	6
Condensed Consolidated Statement of Changes in Equity	8
Condensed Consolidated Statement of Cash Flows	9
Notes to the Condensed Interim Financial Statements	10
Management Discussion and Analysis	29
Additional Information Required under the Listing Rules	36



## BOARD OF DIRECTORS AND COMMITTEES

### Board of Directors

#### Executive directors

Mr. Ng Ian (*Chairman*)  
Mr. Chan Kwok Hung  
(appointed on 4 July 2013)  
Mr. Lee Kwan Yee, Herrick  
(retired on 3 September 2013)

#### Non-executive directors

Mr. Ng Chun For, Henny  
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\*  
Mr. Mak Wah Chi  
Mr. Chan Kam Man

#### Nomination Committee

Mr. Chan Kam Man\*  
Mr. Mak Wah Chi  
Mr. Chu Tak Sum

#### Remuneration Committee

Mr. Li Kit Chee\*  
Mr. Mak Wah Chi  
Mr. Chu Tak Sum

\* *Committee Chairman*





## CORPORATE INFORMATION

### Principal Place of Business

Suite 1711  
Tower 2 Times Square  
1 Matheson Street  
Causeway Bay  
Hong Kong

### Registered Office

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

### Authorised Representatives

Mr. Chan Kwok Hung  
(appointed on 4 July 2013)  
Mr. Lee Kwan Yee, Herrick  
(resigned on 3 September 2013)  
Mr. Lee Pui Lam

### Company Secretary

Mr. Lee Pui Lam

### Principal Share Registrar and Transfer Office

MUFG Fund Services (Bermuda) Limited  
26 Burnaby Street  
Hamilton HM11  
Bermuda

### Hong Kong Branch Share Registrar and Transfer Office

Tricor Standard Limited  
26/F Tesbury Centre  
28 Queen's Road East  
Hong Kong

### Corporate Website

[www.henrygroup.hk](http://www.henrygroup.hk)

### Investor and Media Relations

Strategic Financial Relations Limited

### Stock Code

859

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2013

The board of directors (the "Board") of Henry Group Holdings Limited (the "Company") is pleased to present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2013, together with the comparative unaudited figures for the corresponding period in 2012 as follows:

		<b>Unaudited</b>	
		<b>Six months ended 30 September</b>	
	Notes	<b>2013</b> <b>HK\$'000</b>	2012 HK\$'000
Turnover	3	<b>26,187</b>	23,572
Other income and gains		<b>3,119</b>	1,769
Net (loss)/gain in fair value of investment properties	11(b)	<b>(28,425)</b>	130,875
Other operating expenses		<b>(24,801)</b>	(21,737)
(Loss)/profit from operations		<b>(23,920)</b>	134,479
Finance costs	4	<b>(18,516)</b>	(13,414)
(Loss)/profit before taxation		<b>(42,436)</b>	121,065
Taxation	5	<b>5,994</b>	(32,720)
(Loss)/profit for the period	6	<b>(36,442)</b>	88,345
Other comprehensive income			
Exchange differences arising on translating foreign operations		<b>8,765</b>	833
Recognition of hedging reserve of derivative financial instruments		<b>2,968</b>	1,571
Other comprehensive income for the period, net of tax		<b>11,733</b>	2,404



		<b>Unaudited</b>	
		<b>Six months ended 30 September</b>	
Notes		<b>2013</b>	2012
		<b>HK\$'000</b>	HK\$'000
Total comprehensive (loss)/income for the period		<b>(24,709)</b>	90,749
(Loss)/profit for the period attributable to:			
— Owners of the Company		<b>(16,686)</b>	34,596
— Non-controlling interests		<b>(19,756)</b>	53,749
		<b>(36,442)</b>	88,345
Total comprehensive (loss)/income for the period attributable to:			
— Owners of the Company		<b>(11,088)</b>	36,399
— Non-controlling interests		<b>(13,621)</b>	54,350
		<b>(24,709)</b>	90,749
(Loss)/earnings per share attributable to owners of the Company			
— Basic (HK cents)		<b>(2.33)</b>	4.83
— Diluted (HK cents)		<b>(2.33)</b>	4.81

8

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2013

		Unaudited 30 September 2013 HK\$'000	Audited 31 March 2013 HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		434	604
Investment properties		1,904,000	1,904,000
Available-for-sale financial assets	9	3	3
Amounts due from non-controlling shareholders	15(a)	34,792	32,775
Deferred tax assets		1,865	2,881
		<b>1,941,094</b>	<b>1,940,263</b>
<b>CURRENT ASSETS</b>			
Trade and other receivables	10	61,540	61,526
Available-for-sale financial assets		74	74
Tax recoverable		137	229
Pledged bank deposits		15,000	15,000
Cash and bank balances		484,936	379,202
		<b>561,687</b>	<b>456,031</b>
Assets classified as held for sale	11	3,919,568	3,838,589
		<b>4,481,255</b>	<b>4,294,620</b>
<b>CURRENT LIABILITIES</b>			
Other payables, rental deposits received and accruals, current portion		446,351	419,530
Bank borrowings, current portion (secured)	12	107,343	109,036
Derivative financial instruments, current portion		—	1,579
Amount due to a non-controlling shareholder		—	287,434
		<b>553,694</b>	<b>817,579</b>
Liabilities directly associated with assets classified as held for sale	11	2,046,813	1,973,786
		<b>2,600,507</b>	<b>2,791,365</b>



		<b>Unaudited 30 September 2013 HK\$'000</b>	Audited 31 March 2013 HK\$'000
	Notes		
<b>NET CURRENT ASSETS</b>		<b>1,880,748</b>	1,503,255
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>3,821,842</b>	3,443,518
<b>NON-CURRENT LIABILITIES</b>			
Other payables and rental deposits received, non-current portion		<b>9,304</b>	7,925
Bank borrowings, non-current portion (secured)	12	<b>986,499</b>	799,874
Derivative financial instruments, non-current portion		<b>6,363</b>	8,337
Loan from a related party	15(b)	<b>53,680</b>	99,708
Loans from shareholders		—	33,521
Deferred tax liabilities		<b>9,697</b>	9,135
		<b>1,065,543</b>	958,500
<b>NET ASSETS</b>		<b>2,756,299</b>	2,485,018
<b>CAPITAL AND RESERVES</b>			
Share capital	13	<b>71,642</b>	71,642
Reserves		<b>1,775,138</b>	1,777,705
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<b>1,846,780</b>	1,849,347
Non-controlling interests		<b>909,519</b>	635,671
<b>TOTAL EQUITY</b>		<b>2,756,299</b>	2,485,018



# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2013

	Attributable to owners of the Company											
	Share capital HK\$'000	Share premium HK\$'000	Hedging reserve HK\$'000	Special reserve HK\$'000	Capital reserve HK\$'000	Share-based payment reserve HK\$'000	Exchange reserve HK\$'000	Contribution from shareholders HK\$'000	Other reserve HK\$'000	Retained profits HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 31 March 2013 (Audited)	71,642	537,866	(8,278)	9,628	926	23,383	17,142	250,139	29,166	917,733	635,671	2,485,018
Recognition of hedge reserve of derivative financial instruments	—	—	2,968	—	—	—	—	—	—	—	—	2,968
Exchange differences arising from translation of financial statements of overseas subsidiaries	—	—	—	—	—	—	2,630	—	—	—	6,135	8,765
Other comprehensive income for the period	—	—	2,968	—	—	—	2,630	—	—	—	6,135	11,733
Loss for the period	—	—	—	—	—	—	—	—	—	(16,686)	(19,756)	(36,442)
Total comprehensive income/(loss) for the period	—	—	2,968	—	—	—	2,630	—	—	(16,686)	(13,621)	(24,709)
Gain on discharge of loans due to a non-controlling shareholder	—	—	—	—	—	—	—	—	—	—	287,469	287,469
Lapse of share options	—	—	—	—	—	(1,969)	—	—	—	1,969	—	—
Recognition of share-based payment	—	—	—	—	—	8,521	—	—	—	—	—	8,521
At 30 September 2013 (unaudited)	71,642	537,866	(5,310)	9,628	926	29,935	19,772	250,139	29,166	903,016	909,519	2,756,299

	Attributable to owners of the Company											
	Share capital HK\$'000	Share premium HK\$'000	Hedging reserve HK\$'000	Special reserve HK\$'000	Capital reserve HK\$'000	Share-based payment reserve HK\$'000	Exchange reserve HK\$'000	Contribution from shareholders HK\$'000	Other reserve HK\$'000	Retained profits HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 April 2012 (Audited)	71,642	537,866	(12,761)	9,628	926	16,209	13,100	250,139	1,119	371,173	465,150	1,724,191
Change in accounting policy, adoption of HKAS 12 amendment	—	—	—	—	—	—	—	—	—	192,480	—	192,480
At 1 April 2012 (as restated)	71,642	537,866	(12,761)	9,628	926	16,209	13,100	250,139	1,119	563,653	465,150	1,916,671
Recognition of hedging reserve of derivative financial instruments	—	—	1,571	—	—	—	—	—	—	—	—	1,571
Exchange differences 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 payment	—	—	—	—	—	6,836	—	—	—	—	—	6,836
At 30 September 2012 (Unaudited)	71,642	537,866	(11,190)	9,628	926	23,045	13,332	250,139	1,119	598,249	519,500	2,014,256



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2013

	<b>Unaudited</b>	
	<b>Six months ended 30 September</b>	
	<b>2013</b>	2012
	<b>HK\$'000</b>	HK\$'000
Net cash generated from operating activities	<b>101,613</b>	17,766
Net cash used in investing activities	<b>(107,677)</b>	(127,458)
Net cash generated from financing activities	<b>60,958</b>	201,304
Net increase/(decrease) in cash and cash equivalents	<b>54,894</b>	91,612
Effect of foreign exchange rates changes	<b>1,328</b>	70
Cash and bank balances classified as assets held for sale	<b>49,512</b>	—
Cash and cash equivalents at beginning of the period	<b>379,202</b>	143,337
Cash and cash equivalents at end of the period	<b>484,936</b>	235,019

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

*For the six months ended 30 September 2013*

## 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 (the “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 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 2013.

## 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 2013.



In the current interim period, the Company has applied, for the first time, the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the HKICPA, which are effective for the Company’s financial period beginning on 1 April 2013. A summary of the new and revised HKFRSs are set out as below:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009–2011 Cycle
Amendments to HKFRS 1	First-time Adoption of Hong Kong Financial Reporting Standard — Government Loans
Amendments to HKFRS 7	Disclosures — Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
Amendment to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
HK(IFRIC) — Int 20	Stripping Costs in Production Phase of a Surface Mine

The application of the above new HKFRSs had no material effect on the results and financial positions of the Group for the current or prior accounting periods which have been prepared and presented. Accordingly, no prior period adjustment has been required.



The Group has not early applied the following new HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures <sup>2</sup>
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities <sup>1</sup>
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities <sup>1</sup>
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets <sup>1</sup>
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting <sup>1</sup>
HK(IFRIC) — Int 21	Levies <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2014

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2015

## Amendments to HKFRS 10, HKFRS 12 and HKAS 27 “Investment Entities”

The “Investment Entities” amendments apply to a particular class of business that qualify as investment entities. The term “investment entity” refers to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis. Such entities could include private equity organisations, venture capital organisations, pension funds, sovereign wealth funds and other investment funds.

Under HKFRS 10, reporting entities were required to consolidate all investees that they control (i.e. all subsidiaries). Preparers and users of financial statements have suggested that consolidating the subsidiaries of investment entities does not result in useful information for investors. Rather, reporting all investments, including investments in subsidiaries, at fair value, provides the most useful and relevant information.





In response to this, the amendments provide an exception to the consolidation requirements in HKFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendments also set out disclosure requirements for investment entities.

The amendments are effective from 1 January 2014 with early adoption permitted in order to allow investment entities to apply the amendments at the same time they first apply the rest of HKFRS 10.

### **Amendments to HKAS 36 “Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets”**

The amendments to HKAS 36 are to remove certain unintended disclosure requirements which may be introduced by the consequential amendments to HKAS 36 when HKFRS 13 was issued. Furthermore, these amendments require the disclosure of additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. The amendments to HKAS 36 are effective for annual periods beginning on or after 1 January 2014. Earlier application is permitted. However, an entity may not apply those amendments in periods (including comparative periods) in which it does not also apply HKFRS 13.

### **Amendments to HKAS 39 “Novation of Derivatives and Continuation of Hedge Accounting”**

The narrow-scope amendments will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met (in this context, a novation indicates that parties to a contract agree to replace their original counterparty with a new one).

The amendments will be effective for annual periods beginning on or after 1 January 2014 and applied retrospectively. Earlier application is permitted.

The Group is in the process of assessing the potential impact of the above new HKFRSs upon initial application but is not yet in a position to state whether the above new HKFRSs will have a significant impact on the Group’s results of operations and financial position.

### 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	
	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
<b>GROSS PROCEEDS</b>	<b>26,187</b>	23,572	—	—	—	—	<b>26,187</b>	23,572
<b>TURNOVER</b>	<b>26,187</b>	23,572	—	—	—	—	<b>26,187</b>	23,572
<b>RESULTS</b>								
Segment profit	<b>16,297</b>	16,448	—	—	—	—	<b>16,297</b>	16,448
Net (loss)/gain in fair value of investment properties							<b>(28,425)</b>	130,875
Unallocated corporate income							<b>1,953</b>	30
Unallocated corporate expenses							<b>(13,745)</b>	(12,874)
(Loss)/profit from operations							<b>(23,920)</b>	134,479
Finance costs							<b>(18,516)</b>	(13,414)
(Loss)/profit before taxation							<b>(42,436)</b>	121,065

Turnover reported above represents revenue generated from external customers. There were no inter-segment sales during the period (2012: 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	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	30.9.2013	31.3.2013	30.9.2013	31.3.2013	30.9.2013	31.3.2013	30.9.2013	31.3.2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>ASSETS</b>								
Segment assets	2,197,635	2,343,648	39	39	75	77	2,197,749	2,343,764
Unallocated corporate assets							4,224,600	3,891,119
Consolidated total assets							6,422,349	6,234,883
<b>LIABILITIES</b>								
Segment liabilities	1,565,458	1,654,522	34	34	—	—	1,565,492	1,654,556
Unallocated corporate liabilities							2,100,558	2,095,309
Consolidated total liabilities							3,666,050	3,749,865

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, deferred tax liabilities and liabilities directly associated with assets classified as held for sale.





### (c) Geographical segments

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

For the six months ended 30 September 2013, 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:

	<b>Non-current assets*</b>	
	<b>Unaudited</b>	Audited
	<b>At 30 September</b>	At 31 March
	<b>2013</b>	2013
	<b>HK\$'000</b>	HK\$'000
The PRC	<b>34,792</b>	32,775
Hong Kong	<b>1,904,434</b>	1,904,604
	<b>1,939,226</b>	1,937,379

\* Non-current assets excluding deferred tax assets and available-for-sale financial assets.





## 4. FINANCE COSTS

		<b>Unaudited</b>	
		<b>Six months ended</b>	
		<b>30 September</b>	
Note	<b>2013</b>	2012	
	<b>HK\$'000</b>	HK\$'000	
Interest charge on bank borrowings			
— wholly repayable within five years	<b>6,444</b>	5,977	
— wholly repayable after five years	<b>36,829</b>	31,046	
Imputed interest on interest-free loan from a related party	<b>2,663</b>	2,359	
Interest on loan from a related party	<b>973</b>	1,455	15(b)
Interest on amounts due to non-controlling shareholders	—	11,558	
Interest on loans from shareholders	<b>262</b>	3,923	
	<b>47,171</b>	56,318	
Less: amount capitalised into investment properties under construction to be disposed of	<b>(28,655)</b>	(42,904)	
	<b>18,516</b>	13,414	

## 5. TAXATION

**Unaudited**  
**Six months ended 30 September**

	<b>2013</b> <b>HK\$'000</b>	2012 HK\$'000
The charge/(credit) comprises:		
Profits tax — Hong Kong		
— Provision for the period	<b>151</b>	—
— Over-provision in prior years	<b>(30)</b>	—
	<b>121</b>	—
Deferred taxation		
— Change in fair value of investment properties	<b>(7,106)</b>	32,720
— Others	<b>991</b>	—
	<b>(6,115)</b>	32,720
	<b>(5,994)</b>	32,720

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profits for the six months ended 30 September 2013.

No provision for Hong Kong Profits Tax has been made for the six months ended 30 September 2012 as the Group did not have significant assessable profits to Hong Kong Profits Tax.

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 Enterprise Income Tax for the period has been made as the PRC subsidiary incurred a loss for the six months ended 30 September 2013 (2012: Nil).



## 6. (LOSS)/PROFIT FOR THE PERIOD

**Unaudited**  
**Six months ended 30 September**

	<b>2013</b> <b>HK\$'000</b>	2012 HK\$'000
(Loss)/profit for the period has been arrived at after charging/(crediting) the followings:		
Directors' remuneration	<b>8,470</b>	9,200
Other staff costs	<b>8,179</b>	3,498
Total staff costs	<b>16,649</b>	12,698
Depreciation of property, plant and equipment	<b>225</b>	330
Imputed interest income generated from amount due from a non-controlling shareholder	<b>(1,438)</b>	(1,298)
Interest income on bank deposits	<b>(1,705)</b>	(279)
Property rental income under operating leases, net of direct outgoings of approximately HK\$1,111,000 (2012: HK\$849,000)	<b>(25,076)</b>	(22,723)

## 7. DIVIDENDS

The Directors do not recommend the payment of interim dividend for the six months ended 30 September 2013 (2012: Nil).

## 8. (LOSS)/EARNINGS PER SHARE

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

	<b>Unaudited</b>	
	<b>Six months ended 30 September</b>	
	<b>2013</b>	2012
	<b>HK\$'000</b>	HK\$'000
<b>(Loss)/earnings</b>		
(Loss)/profit for the period attributable to owners of the Company for the purpose of calculating basic and diluted (loss)/earnings per share	<b>(16,686)</b>	34,596
	<b>Unaudited</b>	
	<b>Six months ended 30 September</b>	
	<b>2013</b>	2012
	<b>Number of</b>	Number of
	<b>ordinary shares</b>	ordinary shares
<b>Weighted average number of ordinary shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	<b>716,419,399</b>	716,419,399
Effect of dilutive potential ordinary shares:		
Share options	<b>31,989,137</b>	2,851,902
Weighted average number of ordinary shares for the purpose of calculating diluted (loss)/earnings per share	<b>748,408,536</b>	719,271,301

Diluted loss per share for the six months ended 30 September 2013 is the same as basic loss per share as the share options outstanding at the end of reporting period had an anti-dilutive effect on the diluted loss per share.



## 9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

On 19 November 2012, the Group subscribed 400 shares in Double Favour Limited (being a connected person as defined under the Listing Rules) which represented 4% of equity interests in Double Favour Limited by virtue of a shareholder's agreement dated 26 November 2012 (the "Shareholder's Agreement") at a pro rata cost of USD400 or equivalent to approximately HK\$3,000. Pursuant to the Shareholder's Agreement, the Group shall conditional commit a proportional funding obligation of RMB81,579,600 and committed facilities of RMB77,280,000. The Shareholder's Agreement constitutes as a discloseable and connected transaction which has been approved by independent shareholders of the Company at a special general meeting held on 24 January 2013. For more details of the transaction, please refer to the circular of the Company dated 8 January 2013.

## 10. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables were trade receivables of approximately HK\$1,924,000 (net of provisions) (31 March 2013: HK\$1,656,000). The trade receivables represented rental receivables. The aging analysis of the Group's trade receivables (net of provisions) is as follows:

	<b>Unaudited 30 September 2013 HK\$'000</b>	<b>Audited 31 March 2013 HK\$'000</b>
Up to 30 days	1,153	1,598
31–60 days	540	8
61–90 days	198	36
More than 90 days	33	14
	<b>1,924</b>	<b>1,656</b>

The Group maintains a defined and restricted credit policy to assess the credit quality of each counterparty or tenant. 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 payable in advance by tenants.



## 11. ASSETS CLASSIFIED AS HELD FOR SALE

	<b>Unaudited 30 September 2013 HK\$'000</b>	Audited 31 March 2013 HK\$'000
Property, plant and equipment	<b>45</b>	59
Investment properties	<b>3,846,240</b>	3,715,505
Trade and other receivables	<b>4,157</b>	4,387
Cash and bank balances	<b>69,126</b>	118,638
<b>Assets classified as held for sale</b>	<b>3,919,568</b>	3,838,589
Other payables, rental deposits received and accruals	<b>166,108</b>	149,837
Bank borrowings	<b>900,990</b>	890,695
Amount due to a non-controlling shareholder	<b>462,892</b>	439,404
Loans from related parties	<b>89,864</b>	59,786
Deferred tax liabilities	<b>426,959</b>	434,064
<b>Liabilities directly associated with assets classified as held for sale</b>	<b>2,046,813</b>	1,973,786



- (a) On 14 November 2012, the Group entered into a sale and purchase agreement (“Agreement”) with Double Favour Limited (being a connected person as defined under the Listing Rules) to dispose of its 55% equity interests in High Luck International Limited (being an indirect non wholly-owned subsidiary of the Group) and its subsidiaries (“High Luck Group”). The High Luck Group is solely engaged in holding of a single joint-venture based property development project at No. 68 Yu Yuan Road, Jing An district, Shanghai. The Agreement constituted as very substantial disposal and connected transaction (“VSD”) and was approved by independent shareholders of the Company at a special general meeting held on 24 January 2013. For more details of the VSD, please refer to the circular dated 8 January 2013. Accordingly, the Group has accounted for the assets and liabilities of the High Luck Group in the condensed consolidated statement of financial position as assets classified as held for sale and liabilities directly associated with assets classified as held for sale respectively.
- (b) As of 30 September 2013, investment properties under assets classified as held for sale with an unaudited aggregate carrying amount of HK\$3,846,240,000 (31 March 2013: HK\$3,715,505,000) out of which HK\$90,000,000 (31 March 2013: HK\$90,000,000) was investment properties in Hong Kong held to be disposed within the next twelve months and the remaining approximately HK\$3,756,240,000 (31 March 2013: HK\$3,625,505,000) was investment properties owned by the High Luck Group to be disposed of after net of loss in fair value of investment properties changed for the period approximately HK\$28,425,000 and was charged to the condensed consolidated statement of comprehensive income.





## 12. BANK BORROWINGS — SECURED

	<b>Unaudited 30 September 2013 HK\$'000</b>	Audited 31 March 2013 HK\$'000
Bank loans	<b>1,093,842</b>	908,910
Less: current portion	<b>(107,343)</b>	(109,036)
Non-current portion	<b>986,499</b>	799,874

The bank borrowings are repayable as follows:

	<b>Unaudited 30 September 2013 HK\$'000</b>	Audited 31 March 2013 HK\$'000
On demand or within one year	<b>107,343</b>	109,036
After one year but within two years	<b>26,750</b>	26,750
After two years but within five years	<b>351,251</b>	148,251
After five years	<b>608,498</b>	624,873
	<b>1,093,842</b>	908,910

The bank borrowings are secured by the Company's corporate guarantees and the Group's assets which were stated in the paragraph under the heading "Contingent Liabilities" and "Charge On Assets" respectively in the Management Discussion and Analysis section of this interim report on page 34.





## 13. SHARE CAPITAL

	<b>Number of Shares</b>	<b>Amount</b>
	Number '000	HK\$'000
Ordinary shares of HK\$0.10 each		
Authorised:		
At 1 April 2012 (audited), 31 March 2013 (audited) and 30 September 2013 (unaudited)	1,000,000	1,000,000
Issued and fully paid:		
At 1 April 2012 (audited), 31 March 2013 (audited) and 30 September 2013 (unaudited)	716,419	71,642



## 14. OPERATING LEASE ARRANGEMENTS

### The Group as lessees

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:

	<b>Unaudited 30 September 2013 HK\$'000</b>	Audited 31 March 2013 HK\$'000
Within one year	<b>1,187</b>	1,221
In the second to fifth year inclusive	<b>2,017</b>	—
	<b>3,204</b>	1,221

Operating lease payments represented rental payables by the Group for certain of its office premises.

### The Group as lessors

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

	<b>Unaudited 30 September 2013 HK\$'000</b>	Audited 31 March 2013 HK\$'000
Within one year	<b>37,644</b>	34,974
In the second to fifth year inclusive	<b>34,275</b>	33,476
	<b>71,919</b>	68,450





## 15. RELATED PARTY TRANSACTIONS

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

- (a) Amounts due from non-controlling shareholders represented the following:

		<b>Unaudited 30 September 2013 HK\$'000</b>	Audited 31 March 2013 HK\$'000
	Notes		
Premium Assets			
Development Limited	(i)	<b>34,757</b>	32,775
Best Task Limited	(ii)	<b>35</b>	—
		<b>34,792</b>	32,775

- (i) Amount due from a non-controlling shareholder, Premium Assets Development Limited (being a non-controlling shareholder of the High Luck Group), is unsecured, interest free and not repayable within the next twelve months. The amount was stated at fair value as at the end of the reporting period which is estimated by discounting the notional loan receivable at current market interest rate of similar financial instruments. The imputed interest credited for the period amounted to approximately HK\$1,438,000 (2012: HK\$1,298,000).
- (ii) Amount due from a non-controlling shareholder, Best Task Limited (being a non-controlling shareholder of High Pitch Investments Limited, an indirect non wholly-owned subsidiary of the Group) is unsecured, interest free and not repayable within the next twelve months.



- (b) Mr. Ng Ian (being an executive director of the Company) is the sole director of Golden Tool International Limited ("Golden Tool") and also has controlling interests in Golden Tool. As at 30 September 2013, the outstanding balance of loan from Golden Tool was approximately HK\$53,680,000 (31 March 2013: HK\$99,708,000) under the terms of unsecured, bearing an interest rate of 2.7% per annum over Hong Kong Interbank offer rate (HIBOR) and not repayable within the next twelve months. Interest on the outstanding loan charged for the period amounted to HK\$973,000 (2012: 1,455,000) and was charged to the condensed consolidated statement of comprehensive income.





## MANAGEMENT DISCUSSION AND ANALYSIS

The Board takes great pleasure to present the unaudited Interim Financial Statements of the Group for the six months ended 30 September 2013 (“Interim Period”).

### Overview

During the first half of 2013, the global financial market has shown signs of improvement, driven by a number of favorable factors such as easing of the credit crisis in the Euro-zone; GDP growth of 7.6% in China; revival of the job and real estate markets in the United States; and continuing implementation of monetary easing policies including sustained low interest rates by major central banks. The Hong Kong economy has remained solid, benefiting from China’s upswing and supported by higher tourism spending and continued stability in terms of local employment and income levels.

### Reviews of Core Business — Investment Properties in Hong Kong

The Group’s distinguished and quality investment properties found in unrivalled locations in Causeway Bay (“CWB”) attract a large concentration of consumers and thriving businesses. This portfolio consists of a broad and diverse tenant mix, representing various business segments, including entertainment and dining. Enjoying high occupancy levels, these core assets are able to deliver stable, recurring rental income to the Group. During the Interim Period, average rental price committed from new leases and lease renewals recorded a 28% growth compared to the existing leases. Gross rental income from the investment properties portfolio achieved steadily growth. The unaudited turnover from investment properties rental for the Interim Period amounted to approximately HK\$26,187,000 (2012: HK\$23,572,000), representing a year-on-year growth of 11%. This increase was mainly due to the Group’s ability to command higher rental price and that it is in line with market growth which has seen demand extend beyond first-tier streets in core shopping areas to include neighboring second-tier streets. Many local retailers have consequently been forced to move out of core locations or locate their outlets to higher floors during the recent prolonged rental rally.

### Substantial disposal of 30% equity interests in property development project in the PRC

In light of uncertainty in China’s property market which has been adversely affected by the continuing implementation of new and harsher restrictions on property transactions, the Board has decided to shift its strategy with respect to its 30% equity interests in joint-venture based



property development project ("JV Project") at No. 68 Yu Yuan Road, in the Jing An district of Shanghai ("West Site"), changing from "Build and Hold" to "Build to Sell". This will enable the Group to halt allocating further resources to the China market. The shift will also unlock the potential appreciation value of the JV Project, deliver a return on investment to the Group, and reserve greater financial resources for exploring more business opportunities in Hong Kong.

On 14 November 2012, High Fly Investments Limited ("High Fly"), being a non wholly-owned subsidiary of the Group and Premium Assets Development Limited ("Premium Assets") (collectively "Vendors") entered into a sale and purchase agreement ("Sale and Purchase Agreement") with Double Favour Limited ("Double Favour"). Pursuant to this agreement, the Vendors shall transfer all equity interests in the entire issued shares of High Luck International Limited ("High Luck") and their respective shareholders' loans to Double Favour at a total consideration of approximately RMB2.97 billion less outstanding construction loan liabilities prior to completion (subject to post completion adjustment) ("Disposal Consideration") in a way to dispose of their 100% equity interests in the JV Project ("VSD"). The VSD had been approved by independent shareholders of the Company by way of poll at a special general meeting held on 24 January 2013 ("SGM"). The details of the VSD have been disclosed via an announcement dated 12 December 2012 and circular dated 8 January 2013.

To fulfill the conditions required for completion of the Sales and Purchase Agreement, it was noted that during the process of obtaining a certificate of real estate ownership of the JV Project, the issuance of such certificate may entail payment of an additional land premium and related taxes thereon ("Additional Land Premium And Taxes"). On 8 August 2013, Double Favour and the Vendors, by virtue of having entered into the Deed of Memorandum (the "Deed"), agreed that Double Favour shall be responsible for and bear up to 20% of the Additional Land Premium And Taxes up to RMB13,000,000 (the "Purchaser Portion"), and the Vendors (being pro-rated among themselves as to 55% to High Fly and as to 45% to Premium Assets) shall be responsible for and bear up to 80% of the Additional Land Premium and Taxes up to RMB52,000,000 (the "Vendors Portion"). Pursuant to the Deed, Double Favour initially paid RMB10,244,000 to the JV Project and paid RMB40,976,000 to the Vendors (deemed as and constituted an integral part of the total deposits as if it was part and parcel of the second deposit of the Sale and Purchase Agreement) for the Vendors further advanced to High Luck for financing of the initial portion of the Additional Land Premium And Taxes. The details of the Deed have been disclosed through an announcement dated 8 August 2013.





Subsequently, all the conditions precedent as stipulated under the Sale and Purchase Agreement have been satisfied and disposal completion took place on 4 October 2013. Prior to the disposal completion, Double Favour has exercised the deferral payment option. On 25 November 2013, the Group received an aggregate amount of approximately HK\$831 million as the Disposal Consideration (including deposit of approximately HK\$223 million already received in the last financial year ended 31 March 2013) attributable to its 30% interests in the JV Project after taken into account of the post completion adjustment.

As earlier disclosed in the circular dated 8 January 2013 and annual report for the financial year ended 31 March 2013, the Group entered into a shareholders' agreement with Double Favour ("Shareholders' Agreement") dated 26 November 2012 pursuant to which, Uptodate Management Limited ("Uptodate"), a wholly-owned subsidiary of the Company, has subscribed 4% equity interests in the issued shares of Double Favour which through its subsidiaries to hold property development project located in the West Site and No.15, Jing An district of Shanghai in the PRC ("East Site"). In addition, Uptodate shall bear conditional committed funding obligations limited to not more than about RMB158 million ("Financial Obligations") and the said 4% equity interests in issued share of Double Favour is subject to a call option granted by Uptodate ("Uptodate DF Call Option") to Effective Global Limited ("EGL"). On 14 November 2013, EGL served a notice to Uptodate for the exercise of the Uptodate DF Call Option and designated Topnotch as the purchaser which shall acquire from Uptodate all the DF Shares held by Uptodate. A sale and purchase agreement dated 14 November 2013 ("4% Sale and Purchase Agreement") was entered into among Uptodate, Topnotch and Double Favour in this respect. On 28 November 2013 (after trading hours), the completion of 4% Sale and Purchase Agreement took place and the Group no longer holds any interests in the West Site and East Site as well as the Financial Obligations under the Shareholders' Agreement (as supplemented and amended by the Deed) have been fully released. For the details of the 4% Sale and Purchase Agreement, please refer to the voluntary announcement of the Company dated 28 November 2013.

## Prospects

With respect to the second half of 2013, the Group is optimistic about the Hong Kong retail property market due to ongoing market growth, low interest rate environment and healthy retail sector. Consequently, the values and rents of retail properties are expected to rise steadily. In particular, retail properties in the core shopping district of CWB where there is inherently tight supply of prime locations and which benefit from the 'Hysan Place effect'





will outperform the market. In view of the importance of CWB, the management will seek to identify quality investment opportunities in the district, as well as other prime districts in Hong Kong and abroad, and apply its expertise in creating vertical ginza-style retail properties, mirroring the success of Jardine Center and L'hart. In this way, the Group will be able to provide shareholders with sustainable returns and have the means to realise further growth.

## Appreciation

The Board would like to take this opportunity to express its appreciation for the efforts of retired director Mr. Lee Kwan Yee, Herrick during his tenure of office as executive director and extend its warmest welcome to Mr. Chan Kwok Hung for joining the Company as executive director.

## FINANCIAL REVIEW

The Group recorded unaudited consolidated turnover for the six months ended 30 September 2013 increased by 11% to approximately HK\$26,187,000 (2012: HK\$23,572,000). Such increase was primarily attributable to continuous positive rental reversion of its investment properties.

The net loss in fair value of investment properties amounted to approximately of HK\$28,425,000 was primarily attributable to the decrease in fair value of completed investment properties located in the West Site to be disposed of as mentioned in note 11(b) to the Interim Financial Statements on page 23 of this interim report.

Finance costs charged to the condensed consolidated statement of comprehensive income were approximately HK\$18,516,000 (2012: HK\$13,414,000) after capitalisation of borrowing costs directly associated with the investment properties under construction to be disposed of which has been categorised into assets classified as held for sale approximately HK\$28,655,000 (2012: HK\$42,904,000). The increase in finance costs was mainly due to increase in bank borrowings.

The Group recorded a loss attributable to owners of the Company was approximately HK\$16,686,000 (2012: profit of HK\$34,596,000). If the unrealised loss in fair values of investment properties (net of deferred tax) attributable to the Company were to be excluded of approximately HK\$6,396,000, loss for the period attributable to owners of the Company would be approximately HK\$10,290,000 (2012: HK\$179,000).





## INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 September 2013 (2012: Nil).

## LIQUIDITY AND FINANCIAL RESOURCES

The Group continued to maintain a healthy financial position with sufficient surplus cash of approximately HK\$484,936,000 (excluding pledged bank deposits) (31 March 2013: HK\$379,202,000) and recorded a current ratio of 1.7 as of 30 September 2013. The Board is of the view that the Group has sufficient available financial resources to satisfy its working capital requirements and meeting business expansion opportunities when arise. As of 30 September 2013, the Group's total bank borrowings amounted to approximately HK\$1,093,842,000 (31 March 2013: HK\$908,910,000). The increase in bank borrowings was primarily attributable to the utilisation of new bank borrowings for the refinancing of loans from shareholders and loan from a related party. As of 30 September 2013, the gearing ratio of the Group expressed as total liabilities over total assets was 57% (31 March 2013: 60.1%).

Whilst the Group's all bank borrowings bore interest rates at prevailing market floating rates, the Group has secured fixed interest rate swap arrangements with a bank for an aggregate notional amount of HK\$120,000,000 (2012: HK\$240,000,000) to mitigate the risk of market interest rate upward trends.

The Group's unaudited bank borrowings as of 30 September 2013 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	80.59	80.59	—	—	—
HK\$	1,013.25	26.75	26.75	351.25	608.50
	<b>1,093.84</b>	107.34	26.75	351.25	608.50



As of 30 September 2013, the unaudited net assets attributable to owners of the Company of approximately HK\$1,846,780,000 (31 March 2013: HK\$1,849,347,000). With the total number of ordinary shares in issue of 716,419,399 as at 30 September 2013 (31 March 2013: 716,419,399 shares), the unaudited net assets value per share was approximately HK\$2.58 (31 March 2013: HK\$2.58).

## CHARGE ON ASSETS

At of 30 September 2013, the Group has pledged the following assets:

- a. Investment properties and assets classified as held for sale in Hong Kong in aggregate fair values of approximately HK\$1,994 million for securing bank borrowings granted from several banks to its wholly-owned subsidiaries;
- b. Investment properties in the PRC to be disposal of under assets classified as held for sale at a fair value of approximately HK\$3,756 million for securing construction loans limited to the extent of approximately RMB710 million granted from a bank in the PRC to its non wholly-owned subsidiary;
- c. Pledged deposits of approximately HK\$15 million for securing a interest rate swap contract; and
- d. Entire issued shares of several wholly-owned subsidiaries for securing their respective bank borrowings.

## DIVIDEND

The Board does not recommend the payment of an interim dividend for the period (2012: Nil).

## CONTINGENT LIABILITIES

At of 30 September 2013, the Group has provided several corporate guarantees in favour of certain banks for securing bank borrowings and interest rate swap arrangement granted to its wholly-owned subsidiaries amounted to approximately HK\$1,266 million (31 March 2013: HK\$1,070 million).





## COMMITMENTS

As of 30 September 2013, the Group had no capital commitments.

## EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2013, the Group had about 22 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. At the annual general meeting of the Company held on 3 September 2013 ("AGM"), the shareholders of the Company approved the adoption of a new share option scheme ("New Share Option Scheme") upon the share option scheme previously adopted on 3 September 2003 ("Old Share Option Scheme") which lapsed on 2 September 2013. Notwithstanding the expiration of the Old Share Option Scheme, the provisions of the Old Share Option Scheme shall remain in full force in all respects with respect to its outstanding options of 99,440,000 shares which will continue to be exercisable in accordance with the Old Share Option Scheme. No share option has been granted under the New Share Option Scheme since its adoption.

## SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

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

## EVENT AFTER THE REPORTING PERIOD

On 4 October 2013, High Fly has completed the disposal of its 55% equity interests in High Luck and its subsidiaries ("High Luck Group") by virtue of the completion of the Sale and Purchase Agreement took place on 4 October 2013 ("Disposal Completion"). Upon the Disposal Completion, the High Luck Group ceased as non wholly-owned subsidiaries of the Group and their results, assets and liabilities will be deconsolidated from the consolidated accounts of the Company accordingly.

## ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING RULES

### SHARE OPTION SCHEMES

The Company has adopted a share option scheme which was approved by the shareholders of the Company at the Annual General Meeting (“AGM”) held on 3 September 2013 (“New Share Option Scheme”) upon the share option scheme previously adopted on 3 September 2003 and lapsed on 2 September 2013 (“Old Share Option Scheme”). Upon the expiration of the Old Share Option Scheme, no further option could be granted under the Old Share Option Scheme, but the provisions of the Old Share Option Scheme shall remain in full force in all respects with its outstanding options of 99,440,000 shares which will continue to be exercisable in accordance with the Old Share Option Scheme.

#### Old Share Option Scheme

On 25 April 2013, there were 21,000,000 share options granted to two directors of the Company and an eligible person. The fair values of the share options granted by the Company determined by using the Binomial Option Pricing Model were amounted to approximately HK\$8,206,000 recognised as expenses related to share-based payments for the Interim Period.

The following table discloses details of the outstanding share options granted under the Old Share Option Scheme at the beginning and at the end of Interim Period and movement during the Interim Period were as follows:

Name of Grantee	Notes	Date of grant of share options	Exercise price HK\$	Number of share options					
				Outstanding at beginning of the period	Granted during the period	Lapsed/cancelled during the period	Exercised during the period	Outstanding at end of the period	
Mr. Ng Chun For, Henry (Director)	(1)	28 October 2005	0.676	2,000,000	—	—	—	2,000,000	
	(2)	2 April 2007	0.686	2,000,000	—	—	—	2,000,000	
	(3)	31 August 2007	1.156	1,000,000	—	—	—	1,000,000	
	(4)	24 March 2010	0.45	6,300,000	—	—	—	6,300,000	
	(6)	30 March 2011	0.56	6,300,000	—	—	—	6,300,000	
	(8)	12 April 2012	0.55	7,000,000	—	—	—	7,000,000	
	(9)	25 April 2013	0.642	—	7,000,000	—	—	7,000,000	
	Mr. Ng Ian (Director)	(1)	28 October 2005	0.676	2,000,000	—	—	—	2,000,000
		(2)	2 April 2007	0.686	2,000,000	—	—	—	2,000,000
(3)		31 August 2007	1.156	1,000,000	—	—	—	1,000,000	
(4)		24 March 2010	0.45	6,300,000	—	—	—	6,300,000	
(6)		30 March 2011	0.56	6,300,000	—	—	—	6,300,000	
(8)		12 April 2012	0.55	7,000,000	—	—	—	7,000,000	
(9)		25 April 2013	0.642	—	7,000,000	—	—	7,000,000	



Name of Grantee	Notes	Date of grant of share options	Exercise price HK\$	Number of share options					
				Outstanding at beginning of the period	Granted during the period	Lapsed/ cancelled during the period	Exercised during the period	Outstanding at end of the period	
Mr. Lee Kwan Yee, Herrick ( <i>Retired director</i> )	(5)(10)	13 April 2010	0.48	4,770,000	—	(4,770,000)	—	—	
	(7)(10)	18 April 2011	0.66	3,280,000	—	(3,280,000)	—	—	
Mr. Mak Wah Chi ( <i>Director</i> )	(2)	2 April 2007	0.686	2,000,000	—	—	—	2,000,000	
Eligible participants	(1)	28 October 2005	0.676	640,000	—	—	—	640,000	
	(2)	2 April 2007	0.686	2,000,000	—	—	—	2,000,000	
	(3)	31 August 2007	1.156	1,000,000	—	—	—	1,000,000	
	(4)	24 March 2010	0.45	6,300,000	—	—	—	6,300,000	
	(6)	30 March 2011	0.56	6,300,000	—	—	—	6,300,000	
	(8)	12 April 2012	0.55	7,000,000	—	—	—	7,000,000	
	(9)	25 April 2013	0.642	—	7,000,000	—	—	7,000,000	
	Employees	(2)	2 April 2007	0.686	500,000	—	—	—	500,000
		(7)	18 April 2011	0.66	3,500,000	—	—	—	3,500,000
				86,490,000	21,000,000	(8,050,000)	—	99,440,000	

Notes:

- (1) The exercise period is from 28 October 2005 to 27 October 2015 (both dates inclusive).
- (2) The exercise period is from 2 April 2007 to 1 April 2017 (both dates inclusive).
- (3) The exercise period is from 31 August 2007 to 30 August 2017 (both dates inclusive).
- (4) The exercise period is from 24 March 2010 to 23 March 2020 (both dates inclusive).
- (5) The exercise period is from 13 April 2010 to 12 April 2020 (both dates inclusive).
- (6) The exercise period is from 30 March 2011 to 29 March 2021 (both dates inclusive).
- (7) The exercise period is from 18 April 2016 to 17 April 2021 (both dates inclusive).
- (8) The exercise period is from 12 April 2012 to 11 April 2022 (both dates inclusive).
- (9) The exercise period is from 25 April 2013 to 24 April 2023 (both dates inclusive).
- (10) On 3 September 2013, there were 8,050,000 share options lapsed which held by retired director Mr. Lee Kwan Yee, Herrick upon his retirement at the AGM and thus ceased as an eligible employee pursuant to the Old Share Option Scheme.



## New Share Option Scheme

The primary purpose of New Share Option Scheme is to provide incentives to participants (as defined including but not limited to (a) any employees; (b) any supplier of goods or services to any member of the Group; (c) any customer of the Group; and (d) any director or independent non-executive director and/or shareholder of the Company and/or any member of the Group) who has contribution to the Group and to enable the Group to recruit and retain high caliber employees. At the adoption date, there were in issue an aggregate of 716,419,399 shares and thus the maximum number of shares allowed to be issued upon exercise of all options to be granted under the New Share Option Scheme and any other share option scheme of the Company shall not exceed 71,641,939 shares which represented 10% of the issued share capital of the Company as at the adoption date. The Company may seek approval from shareholders of the Company in general meeting to refresh the 10% limit.

Pursuant to Note (2) to Rule (2) to Rule 17.03(3) of the Listing Rules, the limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercise under the New Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the number of the Company's shares in issue from time to time. No options may be granted under any scheme of the Company if this will result in this 30% limit being exceeded.

During the Interim Period, no share option has been granted under the New Share Option Scheme since its adoption on 3 September 2013.





## 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 30 September 2013, 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 ("Share")

Name of director	Capacity and nature of interests	Number of issued Shares held as at 30 September 2013	Approximate percentage of issued share capital of the Company
Mr. Ng Ian	Interests of controlled corporation	421,405,037 (Note 1)	58.82%
	Personal interests (held as beneficial owner)	5,561,227 (Note 1)	0.78%
Mr. Ng Chun For, Henry	Personal interests (held as beneficial owner)	106,000 (Note 1)	0.01%





Note 1: On 23 April 2013, Mr. Ng Ian and his controlled corporation, Golden Tool International Limited ("Golden Tool"), a company incorporated in the British Virgin Islands, being ultimately controlled and owned by Mr. Ng Ian who is entitled to exercise or control the exercise of 100% of the voting rights of Golden Tool, jointly acquired a total of 342,322,348 Shares ("Acquisition"), comprising (i) an aggregate of 337,721,120 Shares beneficially held by Mr. Ng Chun For, Henry out of which 33,168,587 Shares held by personal and the remaining 304,552,533 Shares indirectly held through his two controlled corporations, namely Jumbo Step International Limited ("Jumbo Step") held 167,196,333 Shares and Henry Jewellery Holdings Limited ("HJHL") held 137,356,200 Shares; and (ii) 4,601,228 Shares beneficially held by Mr. Ng Eric.

As a result of the Acquisition, the aggregate shareholding interests of Mr. Ng Ian and Golden Tool increased from 84,643,916 Shares to 426,966,264 Shares (comprising of 5,561,227 Shares held by Mr. Ng Ian personal interests and 421,405,037 Shares held through his controlled corporation Golden Tool) or increased from 11.81% to 59.60% while the aggregate shareholding interests of Mr. Ng Chun For, Henry, Jumbo Step and HJHL decreased from 337,827,120 Shares to 106,000 Shares or decreased from 47.16% to 0.01% ("Change in Shareholding"). As Mr. Ng Ian and Golden Tool have collectively acquired not less than 30% of the voting rights of the Company immediately after the Acquisitions, it is required to make a mandatory general offer for all the issued shares of the Company pursuant to Rule 26 of the Takeovers Code unless a waiver is granted by the executive director of the Corporate Finance Division of the Securities and Futures Commission ("Executive"). In this regard, Mr. Ng Ian has applied and the Executive has granted a waiver from the obligation to make a mandatory general offer pursuant to Note 6(a) to Rule 26.1 of the Takeovers Code. For more details of the Change in Shareholding, please refer to the announcement dated 24 April 2013.





(b) Long positions in underlying Shares of the Company

*Share options granted under the Old Share Option Scheme*

As at 30 September 2013, the following directors had personal interests in share options granted under the Old Share Option Scheme were as follows:

Name of director	Option grant date	Exercise period	Exercise price HK\$	Number of share option outstanding as at 30 September 2013	Approximate percentage of interest in issued share capital
Mr. Ng Chun For, Henry	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%
	25 April 2013	25 April 2013 to 24 April 2023	0.642	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%
	25 April 2013	25 April 2013 to 24 April 2023	0.642	7,000,000	0.98%
Mr. Mak Wah Chi	2 April 2007	2 April 2007 to 1 April 2017	0.686	2,000,000	0.28%
				65,200,000	9.10%



## (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:

<b>Name of director</b>	<b>Name of associated corporation</b>	<b>Capacity and nature of interests</b>	<b>Number of issued ordinary shares held as at 30 September 2013</b>	<b>Approximate percentage of issued share capital of the associated corporation</b>
Mr. Ng Ian	Golden Tool (Note 1)	Personal interests (held as beneficial owner)	1	100%

Save as disclosed above, as at 30 September 2013, 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.





## SUBSTANTIAL SHAREHOLDERS

So far as is known to any directors or chief executives of the Company, as at 30 September 2013, shareholders who had interests or short positions in the Shares or underlying share 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 interests	Number of issued ordinary shares held as at 30 September 2013	Approximate percentage of issued share capital of the Company
Mr. Ng Ian	Personal interests (held as beneficial owner) (Note 1 and 2)	37,161,227	5.19%
	Interests of controlled corporation (Note 1)	421,405,037	58.82%
Golden Tool	Beneficial owner (Note 1)	421,405,037	58.82%
Well Garden Limited	Beneficial owner (Note 3)	58,322,141	8.14%
Mr. Chung Toi Chiu, Steven	Interests of controlled corporations (Note 3)	87,656,441	12.24%
Premium Assets Development Limited ("Premium Assets")	Interests of controlled corporations (Note 3)	87,656,441	12.24%
Mr. Chan Kwai Ping, Albert	Personal interests (held as beneficial owner) (Note 4)	46,463,027	6.49%

Note 2: Please refer to section regarding interests and short positions in Shares, underlying Shares and debentures of the Company on pages 39 and 41.

Note 3: Premium Assets, a company incorporated in the British Virgin Islands, indirectly owned 87,656,441 Shares through its six wholly-owned subsidiaries, inter alia, 58,322,141 Shares 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 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 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 4: Chan Kwai Ping, Albert personal beneficially owned 19,863,027 Shares and he is also an eligible person to hold 26,600,000 share options under the Old Share Option Scheme.



Save as disclosed above, as at 30 September 2013, 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 Corporate Governance Code

The Company has applied the principles and complied with the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules, and all other relevant laws and regulations during the Interim Period, with the exception of the following deviations:

- i. Pursuant to Code A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. After the appointment of Mr. Ng Ian as the Chairman of the Company with effect from 28 March 2013, he resigned as the Deputy Chairman and Chief Executive Officer of the Company ("CEO") but will remain as an executive director and in all other positions in the Company and its subsidiaries. Prior to identifying a suitable candidate for the appointment of the CEO, the duties and responsibilities of the CEO will be shared among the other executive members of the Board. The Company is presently identifying a suitable candidate to be appointed as the CEO and will make further announcement upon such appointment.
- ii. Pursuant to Code A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should attend the general meetings of the Company. One non-executive director was unable to attend the annual general meeting of the Company held on 3 September 2013 due to other prior business engagement.

### Review by Audit Committee

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

## CHANGE IN INFORMATION OF DIRECTOR

Save as Mr. Chan Kwok Hung has been appointed as executive director of the Company with effect from 4 July 2013, 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 2013.

By order of the Board  
**Henry Group Holdings Limited**  
**Ng Ian**  
*Chairman*

Hong Kong, 28 November 2013



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

*Executive directors*

Mr. Ng Ian (*Chairman*)

Mr. Chan Kwok Hung

*Non-executive directors*

Mr. Ng Chun For, Henry

Mr. Mak Wah Chi

*Independent non-executive directors*

Mr. Li Kit Chee

Mr. Chan Kam Man

Mr. Chu Tak Sum

