

Notes to the Interim Financial Statements

1. PRINCIPAL ACCOUNTING POLICIES

The unaudited 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 Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The interim financial statements should be read in conjunction with the 2006 annual financial statements.

The principal accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2006.

For the six months ended 31 March 2007, the Group has adopted all new standards, amendments to standards and interpretations that are currently in issue and effective for the accounting periods beginning on or after 1 January 2006. However, the adoption of these new standards, amendments to standards and interpretations does not have any significant effect on the accounting policies or results and financial position of the Group.

Certain new standard, amendment and interpretations to published standards that have been issued and are mandatory for accounting periods beginning on or after 1 October 2007 but which the Group has not yet adopted, are as follows:

HKAS 1 Amendment	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) - Int 10	Interim Financial Reporting and Impairment
HK(IFRIC) - Int 11	HKFRS 2 - Group and Treasury Share Transactions

The Group has already commenced an assessment of the impact of these new standard, amendment and interpretations but is not yet in a position to state whether they would have a significant impact on its results of operation and financial position.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and property investment in Hong Kong. The principal activity of the subsidiary is property investment in Hong Kong.

3. SEGMENT INFORMATION

	Six months ended 31 March	
	2007	2006
	HK\$'000	HK\$'000
(a) Revenue		
Property investment	<u>49,150</u>	<u>40,740</u>
(b) Contribution to operation profit		
Property investment	<u>217,516</u>	<u>206,604</u>

Revenue (representing turnover) represents gross rental and service income from investment properties.

As the Group's principal business is property investment in Hong Kong, an analysis of the Group's revenue and profit by business and geographical segments has not been presented.

4. OPERATING PROFIT

Operating profit is stated after crediting and charging the following:

	Six months ended 31 March	
	2007	2006
	HK\$'000	HK\$'000
Crediting:		
Interest income	<u>938</u>	<u>761</u>
Charging:		
Depreciation	<u>19</u>	<u>17</u>

5. TAXATION

	Six months ended 31 March	
	2007 HK\$'000	2006 HK\$'000
Hong Kong profits tax		
Current taxation charge	5,603	4,450
Deferred taxation relating to changes in fair value of investment properties	32,218	31,500
Deferred taxation relating to the origination and reversal of temporary differences	<u>87</u>	<u>84</u>
Taxation charge	<u><u>37,908</u></u>	<u><u>36,034</u></u>

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits for the period.

6. INTERIM DIVIDEND

	Six months ended 31 March	
	2007 HK\$'000	2006 HK\$'000
Interim dividend of HK\$0.80 (2006: HK\$0.70) per share	<u><u>20,000</u></u>	<u><u>17,500</u></u>

7. EARNINGS PER SHARE

The calculation of basic earnings per share is based on profit attributable to equity holders of HK\$179,601,000 (2006: HK\$170,565,000) and 25,000,000 shares in issue throughout the six months ended 31 March 2007 and 2006.

Diluted earnings per share equals basic earnings per share because there were no potential dilutive shares outstanding during the period.

8. INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

	Investment properties HK\$'000	Property, plant and equipment HK\$'000	Total HK\$'000
Net book value at			
30 September 2005	1,693,000	140	1,693,140
Changes in fair value	180,000	–	180,000
Depreciation	<u>–</u>	<u>(17)</u>	<u>(17)</u>
Net book value at			
31 March 2006	1,873,000	123	1,873,123
Changes in fair value	88,200	–	88,200
Depreciation	<u>–</u>	<u>(16)</u>	<u>(16)</u>
Net book value at			
30 September 2006	1,961,200	107	1,961,307
Changes in fair value	184,100	–	184,100
Additions	–	112	112
Depreciation	<u>–</u>	<u>(19)</u>	<u>(19)</u>
Net book value at			
31 March 2007	<u>2,145,300</u>	<u>200</u>	<u>2,145,500</u>

The investment properties are held under long leases (over 50 years) in Hong Kong and were revalued on 31 March 2007 on an open market value basis by an independent professionally qualified valuer, CS Surveyors Limited.

**9. AVAILABLE-FOR-SALE INVESTMENT AND ADVANCES TO AN
INVESTEES COMPANY**

	31 March 2007 HK\$'000	30 September 2006 HK\$'000
Available-for-sale investment	<u>1</u>	<u>1</u>
Advances to an investee company	29,605	29,605
Less: Impairment	(<u>5,605</u>)	(<u>5,605</u>)
	<u>24,000</u>	<u>24,000</u>

Available-for-sale investment represents 14.29% equity interest in Billion Park Investment Limited (“Billion Park”), a private company incorporated in Hong Kong. The principal activity of Billion Park is to participate in Foshan International Country Club Company Limited, a co-operative joint venture formed in the People’s Republic of China and in which the Group has an effective interest of 5%, for the construction of golf courses and related commercial and residential facilities in Foshan.

The advances are unsecured, interest free and have no specific repayment terms.

10. DEBTORS, DEPOSITS AND PREPAYMENTS

	31 March 2007 HK\$'000	30 September 2006 HK\$'000
Trade debtors		
Within 30 days	2,250	2,697
31 to 60 days	821	1,282
61 to 90 days	250	336
Over 90 days	<u>333</u>	<u>320</u>
	3,654	4,635
Deposits and prepayments	<u>2,494</u>	<u>1,875</u>
	<u>6,148</u>	<u>6,510</u>

Trade debtors represent rental income which is due one month in advance.

11. CREDITORS, ACCRUALS AND DEPOSITS

	31 March 2007 HK\$'000	30 September 2006 HK\$'000
Trade creditors		
Within 30 days	747	620
Accruals and deposits	<u>22,832</u>	<u>19,143</u>
	<u>23,579</u>	<u>19,763</u>

Interim Dividend

The Board declares an interim dividend of HK\$0.80 per share (2006: HK\$0.70 per share) for the year ending 30 September 2007. The register of members will be closed from 16 July to 18 July 2007, both days inclusive, during which period no transfer of shares will be registered. To ensure their entitlement to the interim dividend, shareholders are reminded to lodge their transfers not later than 4:00 p.m. on Friday, 13 July 2007 with Computershare Hong Kong Investor Services Limited, Rooms 1712-6, 17/F, Hopewell Centre, 183 Queen's Road East, Hong Kong. Dividend warrants will be posted to shareholders by 23 July 2007.