



WANG ON GROUP LIMITED

宏安集團有限公司

(Incorporated in Bermuda with limited liability)

Stock Code: 1222



2015 INTERIM REPORT



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Independent Non-executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

EXECUTIVE COMMITTEE

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

INVESTMENT COMMITTEE

Mr. Tang Ching Ho, *JP, Chairman*
Mr. Chan Chun Hong, Thomas
Mr. Siu Kam Chau

COMPANY SECRETARY

Ms. Mak Yuen Ming, Anita

AUDITORS

Ernst & Young

LEGAL ADVISERS

DLA Piper Hong Kong
Gallant Y T Ho & Co

PRINCIPAL BANKERS

China Construction Bank (Asia) Corporation Limited
China Everbright Bank
DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN BERMUDA

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

BOARD LOT

20,000 shares

INVESTOR RELATIONS

Email: pr@wangon.com

HOMEPAGE

<http://www.wangon.com>

STOCK CODE

1222

INTERIM DIVIDEND

The board of directors (the “**Board**”) of Wang On Group Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) has resolved to declare an interim dividend of HK0.1 cent (six months ended 30 September 2014: HK1.0 cent and distribution in specie of shares in a listed issuer, namely PNG Resources Holdings Limited (“**PNG**”), in the proportion of three (3) shares of HK\$0.01 each of PNG for every multiple of 125 shares in the Company held of approximately HK0.5 cent) per share for the six months ended 30 September 2015. The interim dividend will be payable on Tuesday, 22 December 2015 to those shareholders whose names appear on the register of members of the Company on Friday, 11 December 2015.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 10 December 2015 to Friday, 11 December 2015, both days inclusive, during which period, no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificate(s) must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited of Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 9 December 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group’s turnover for the six months ended 30 September 2015 amounted to approximately HK\$658.9 million (six months ended 30 September 2014: approximately HK\$653.5 million, as restated), which was about the same level as the corresponding period last year. Profit attributable to owners of the parent for the six months ended 30 September 2015 was approximately HK\$140.5 million (six months ended 30 September 2014: approximately HK\$217.9 million), which represented a significant decrease of about 35.5% or approximately HK\$77.4 million. The relatively underperformed results of the current reporting period was mainly attributable to the decrease in gross profit contributed from property development projects and decrease in fair value of financial assets. The review of the individual business segments of the Group is set out below.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

BUSINESS REVIEW *(Continued)*

Property Development

Revenue recognised in this business segment for the reporting period was approximately HK\$520.4 million (six months ended 30 September 2014: approximately HK\$498.4 million), and it was mainly contributed by the major completion of delivery of “The Met. Delight” at Camp Street, Cheung Sha Wan as well as certain remaining units of “The Met. Sublime” at Kwai Heung Street, Sai Ying Pun.

One of the two unsold upper floor units in “726 Nathan Road” was contracted to sale in September 2015 with preliminary agreement being signed, expected completion of transaction will be in February 2016. The Group is actively seeking buyer for the final remaining upper floor unit. Besides, the shop located on ground floor had continued to generate rental income to the Group.

The site at 575-575A Nathan Road, Mong Kok has already commenced foundation work. The Group has been studying various designs of outlook and internal furnishings, and targets to develop this site into another versatile Ginza type commercial complex in the crowded Nathan Road area after the previous successful “726 Nathan Road” project. Targeted completion date of this development is expected to be in late 2017.

The site at Ma Kam Street, Ma On Shan in Sha Tin (Sha Tin Town Lot No. 599) was acquired in July 2014 through a tender of Hong Kong Government land sale. It is a residential development site with flat number restrictions with a required minimum of 310 units to be built. General building plan has been approved and foundation works in the site has been undergoing smoothly. Expected completion of this project will be in early 2018. The Group owns 60% equity interest in this development and the results and financial position will be consolidated into the financial statements of the Group.

Another site at Hang Kwong Street, Ma On Shan in Sha Tin (Sha Tin Town Lot No. 598) was also acquired through a tender of the Hong Kong Government land sale in September 2014. It is also a residential development site with flat number restrictions with minimum of 180 units to be built. Again, general building plan has been approved and foundation works has already been progressing. This site will probably be delivered to purchaser earlier than the Ma Kam Street site, in late 2017. The Group also owns 60% equity interest in this development and the results and financial position will be consolidated into the financial statements of the Group.

The Group’s third residential land piece in Sha Tin district, the site at Tai Po Road – Tai Wai section (Sha Tin Town Lot No. 587) was also acquired in the same way as the previous two in February 2015. General building plan has been approved, slope and site formation works will soon begin. The site is situated at an area of traditionally prime residential zone neighboring the Sha Tin Heights Road and Lower Shing Mun Road, which makes it highly favourable for premium residential development. The Group solely owns this development and it is expected the project will be delivered to purchasers in early 2019.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

BUSINESS REVIEW *(Continued)*

Property Development *(Continued)*

Development works of the site at nos. 13 and 15 Sze Shan Street, Yau Tong is still being paused, the negotiation with the Hong Kong Government in respect of the amount of land premium required for redevelopment of the site was pending.

As at 31 October 2015, the Group had a development land portfolio as follows:

Location	Approximate Site Area (Square feet)	Intended Usage	Anticipated Year of Completion
575-575A, Nathan Road, Mong Kok	2,100	Commercial	2017
Hang Kwong Street, Ma On Shan (Sha Tin Town Lot No. 598)	33,000	Residential	2017
Ma Kam Street, Ma On Shan (Sha Tin Town Lot No. 599)	33,000	Residential	2018
Tai Po Road – Tai Wai section (Sha Tin Town Lot No. 587)	71,000	Residential	2019
13 and 15, Sze Shan Street, Yau Tong	41,000	Residential and Commercial	2020

The Group understands that having a sufficient development land reserve is paramount to the sustainable operation in the long term, therefore the Group will continue to participate actively in tenders of the Hong Kong Government land sale as well as private purchases. Besides, as the soaring construction costs had long been a major concern and risk factor in the property development industry in recent years, close monitor of budget and progress control of existing property development projects will be consistently enforced, while striving for high quality standard. The Group hopes its experience in the industry, dedication and pursuit of quality will gradually build up a recognised brand of quality property developer.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

BUSINESS REVIEW (Continued)

Property Investment

During the reporting period, gross rental income received by the Group amounted to approximately HK\$22.8 million (six months ended 30 September 2014: approximately HK\$15.7 million), which represents an increase of approximately HK\$7.1 million over the corresponding period last year. The increase in gross rental income was primarily attributable to the additional rental income generated from the shop unit at Percival Street, Causeway Bay which was acquired by the Group in February 2015. Tenancy agreement was entered into in February 2015 with a gross monthly rental of HK\$0.9 million.

As at 30 September 2015, the Group's portfolio of investment properties comprised of commercial, industrial and residential units located in Hong Kong with a total carrying value of approximately HK\$1,245.6 million (31 March 2015: approximately HK\$1,569.6 million). During the six months ended 30 September 2015, the Group had disposed of certain investment properties at consideration totaling to approximately HK\$29.8 million. Impact on rental income of the Group for the reporting period by these investment properties is considered minimal.

Besides, the Group had also entered into a provisional sale and purchase agreement in August 2015 for the disposal of a subsidiary which held a shop unit at Mong Kok Road, Mong Kok at a consideration of HK\$158.0 million, details of which had been set out in the Company's announcement dated 12 August 2015, completion of which took place on 11 November 2015. Furthermore, on 13 November 2015, the Group entered into a conditional sale and purchase agreement for the disposal of two subsidiaries which are currently holding two shops at Tsuen Wan and Sham Shui Po for an aggregate consideration of HK\$70.0 million (subject to adjustment upwards or downwards within 20% with reference to the valuation of the such properties as at the date of completion to be valued by an independent valuer), completion of which is subject to, *inter alia*, approval by the shareholders of Wai Yuen Tong Medicine Holdings Limited ("WYTH").

Riviera Plaza, the shopping mall in Tsuen Wan is in the process of finalising the general building plan and applying for alteration and enhancement approval. Renovation works will be carried out immediately after then, and target completion date is expected to be in the first quarter of 2017. The Group intends to revamp the mall into trendy neighborhood mall providing great variety of shopping choices and exciting experiences, hoping it will be a new iconic landmark in the region.

The Group will keep a close monitor of the portfolio to ensure a sustainable recurring rental income while at the same time maximising the overall return, and continue to explore potential property investment opportunities.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

BUSINESS REVIEW *(Continued)*

Management and Sub-licensing of Chinese Wet Markets

For the six months ended 30 September 2015, revenue recorded for this segment amounted to approximately HK\$85.2 million (six months ended 30 September 2014: approximately HK\$89.5 million), representing a decrease of approximately HK\$4.3 million over the corresponding period last year.

During the reporting period, the Group managed substantially a portfolio of nine Chinese wet markets in Hong Kong under the “Allmart” brand with a total gross floor area of over 215,000 square feet and approximately 698 stalls. Two new wet markets, namely Lei Tung Estate in Ap Lei Chau and Shui Chuen O Estate in Sha Tin will be added to the operating portfolio soon. The Chinese wet market in Lei Tung Estate is currently in the process of renovation and is expected to complete by January 2016, while the one in Shui Chuen O Estate is arranging for vacant possession and renovation should immediately follow. After completion of the above, the Group will be operating a total of 11 Chinese wet markets by then.

Chinese wet markets have experienced great changes and challenges in recent years. Nowadays shoppers not only look for variety of choices, but also pleasant, convenient and trendy experience in the shopping process. As more and more supermarkets and chain stores are joining the market competition to attract shoppers for groceries and daily necessities, the distinction between traditional wet markets and other types of stores are becoming blurrier. Further, shoppers are beginning to look for similar kind of environment and experiences in wet markets when compared to superstores. This has created much challenges to Chinese wet market operators like the Group. As one of the major wet market operators and to maintain competitive edge, the Group has committed to dedicate further resources in upgrading its existing managed Chinese wet markets as well as to secure new Chinese wet markets.

In Mainland China, the Group managed a portfolio of approximately 1,000 stalls in 17 Chinese wet markets with a total gross floor area of over 283,000 square feet under the “Huimin” brand in various districts of Shenzhen, Guangdong Province. The operation in Mainland China has generated a stable income for the Group. The Group is committed to expand further in Mainland China and is currently looking for other opportunities in this segment in other regions within Mainland China.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

BUSINESS REVIEW *(Continued)*

Provision of Finance

The Group had designated provision of finance as an additional business line of the Group during the last financial year. For the reporting period, the Group had extended further credit facilities to other corporations and individuals and revenue generated from this segment amounted to approximately HK\$30.7 million (six months ended 30 September 2014: approximately HK\$49.9 million).

Given the higher borrowing costs in neighboring areas and the tightened mortgage lending policy in Hong Kong, it is expected that the amount and scale of lending by the Group will expand further in the next half of the year.

Investment in Pharmaceutical and Health Products Related Business

As at 30 September 2015, the Group held 22.08% interest in WYTH, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), which represents an increase of 1.58% from 31 March 2015, following the rights issue of WYTH shares by WYTH completed on 18 May 2015.

For the six months ended 30 September 2015, WYTH recorded a turnover of approximately HK\$376.8 million (six months ended 30 September 2014: approximately HK\$381.0 million) and profit attributable to equity holders of approximately HK\$67.7 million (six months ended 30 September 2014: approximately HK\$11.5 million). The significant increase in its results was mainly attributable to, among other things, the gain on bargain purchase of additional interest in an associate in end of September 2015, despite the decrease in fair value of equity investments and the loss on deemed partial disposal of equity interests in an associate. The Group's share of profit of WYTH for six months ended 30 September 2015 amounted to approximately HK\$40.1 million (six months ended 30 September 2014: approximately HK\$54.4 million), included a gain on bargain purchase from the acquisition of additional interest in WYTH amounted to approximately HK\$26.3 million (six months ended 30 September 2014: approximately HK\$50.3 million).

Owing to a number of economic and political factors, there had been an apparent slowdown of visitor numbers of and spendings by Mainland China customers in Hong Kong recently. The effect is expected to cause certain hit on the performance of WYTH. For the sake of prudence, the Group has made a provision for impairment of its investment in WYTH amounted to approximately HK\$11.2 million (six months ended 30 September 2014: Nil). Nevertheless, given the solid foundation and recognised brand values of WYTH both locally and in the Greater China region, the Group is of the view that the business of WYTH should grow steadily thereafter. The Group regards its investment in WYTH as long term and is confident that it will enhance the Group's shareholders' value in the long run.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

BUSINESS REVIEW *(Continued)*

Investment in and Loan Facility Granted to China Agri-Products Exchange Limited (“CAP”)

The Group’s original 0.03% equity interest in CAP as at 31 March 2015 was diluted after a capital reorganisation and rights issue by CAP completed on 14 May 2015, to 0.003% as at 30 September 2015.

On 4 October 2014, the Group entered into a subscription agreement with CAP, pursuant to which the Group will subscribe up to a maximum principal amount of HK\$200.0 million two-year 8.5% coupon interest bonds and HK\$330.0 million five-year 10.0% coupon interest bonds to be issued by CAP (collectively “**CAP Bonds**”), details of which were set out in the Company’s announcement and circular dated 4 October 2014 and 24 October 2014, respectively. As at 30 September 2015, the fair value of CAP Bonds held by the Group amounted to approximately HK\$495.7 million (31 March 2015: approximately HK\$465.7 million).

Besides, as at 30 September 2015, CAP was indebted to the Group in the principal amount of HK\$90.0 million (31 March 2015: approximately HK\$50.0 million).

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2015, the Group’s total assets less current liabilities were approximately HK\$6,058.8 million (31 March 2015: approximately HK\$6,013.1 million) and the current ratio increased from approximately 3.2 times as at 31 March 2015 to approximately 4.2 times as at 30 September 2015.

As at 30 September 2015, the Group had cash resources and short-term investments of approximately HK\$1,080.8 million (31 March 2015: approximately HK\$1,256.9 million). Aggregate borrowings as at 30 September 2015 amounted to approximately HK\$2,395.2 million (31 March 2015: approximately HK\$2,628.6 million). The gearing ratio was approximately 37.9% (31 March 2015: approximately 37.7%), calculated by reference to the Group’s total bank and other borrowings net of cash and cash equivalents and the equity attributable to owners of the parent.

As at 30 September 2015, the Group’s land and buildings, investment properties (including assets held for sale), properties under development and properties held for sale, with carrying value of approximately HK\$61.1 million, HK\$1,431.9 million, HK\$2,737.1 million and HK\$24.8 million (31 March 2015: approximately HK\$62.0 million, HK\$1,516.7 million, HK\$2,655.2 million and HK\$359.1 million) were pledged to secure the Group’s general banking facilities.

The Group’s capital commitment as at 30 September 2015 amounted to approximately HK\$224.1 million (31 March 2015: approximately HK\$49.7 million). The Group had no significant contingent liabilities as at the end of the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

LIQUIDITY AND FINANCIAL RESOURCES *(Continued)*

The Group strives to strengthen and improve its financial risk control on a continual basis and had consistently adopted a prudent approach in financial management. Financial resources and movements are under close monitor to ensure the Group's efficient and effective operation, as well as flexibility to respond to opportunities and uncertainties. The management of the Group is of the opinion that the Group's existing financial structure is healthy and related resources are sufficient to cater for the Group's operation needs in the foreseeable future.

FOREIGN EXCHANGE

The management of the Group is of the opinion that the Group has no material foreign exchange exposure. All bank borrowings are denominated in Hong Kong dollars. The revenue of the Group, also being mostly denominated in Hong Kong dollar, matches the currency requirements of the Group's operating expenses. On the other hand, the Group holds certain foreign currency deposits, primarily denominated in Renminbi, which the management of the Group considers the amount is relatively low and the potential currency risk is minimal. Therefore, the Group does not engage in any hedging activities.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2015, the Group had 201 (31 March 2015: 182) employees, of whom approximately 98.0% (31 March 2015: 98.4%) were located in Hong Kong and the rest were located in Mainland China. The Group remunerates its employees mainly based on industry practices and individual performance and experience. On top of the regular remuneration, discretionary bonus and share options may be granted to selected staff by reference to the Group's as well as the individual's performances. The Group had a defined scheme of remuneration and promotion review to accommodate the above purpose and review is normally carried out annually or biannually. Other forms of benefits such as medical and retirement benefits and structured training programs are also provided.

PROSPECTS

After a prolonged period of upward movements, recently the property market in Hong Kong seems to show a sign of stagnancy or slight decline, in terms of both transaction numbers and prices. The second hand market had been very quiet during this year to date, even there were transactions, increasing number of which are sold for below the prevailing market prices, while previously flats in the secondary market kept setting high records. Sentiment in market was poor and buyers had been very cautious. Continuing implementation of cooling measures by the Hong Kong Government, general expectation of an interest rates hike, turbulences in the stock markets across the region, as well as the signs of slowdown of economies both in Hong Kong and Mainland China were presumed to be the contributing factors to the poor sentiment in the market.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

PROSPECTS *(Continued)*

Despite the various signaling factors, it would be premature to assume or conclude that the property market in Hong Kong has turned direction or a significant adjustment would be likely. There are always some owners and investors for individual reasons deciding to unload their flats at a particular time or at below market prices when in face uncertainties in the market. In fact, many of them still have strong holding power due to their low loan to value ratio and low interest cost. Whether the stagnancy will develop into a trend is yet to be seen. Unless there is a big change in economic fundamentals, the Federal Reserve's move on interest rates is expected to be gradual and should not exert significant impact on property prices in Hong Kong.

The ever increasing population of Hong Kong, coupled with a strong home starter demand, and the lack of a fast-track supply replenishment solutions should continue to generate certain support to the property market in Hong Kong and the demand-supply imbalance should continue in the foreseeable future. The Hong Kong Government has announced previously its plan to add 480,000 units of flats over the next 10 years and has been vigorously studying potential developments in various regions like Kowloon East, East Lantau and other outlying areas. This should imply favourable business opportunities for developers. At present, the imminent concern to developers is however the ever soaring construction cost, particularly the labour. Besides, many Mainland China based developers have become active and increasingly aggressive in tendering land sale in Hong Kong which had made competition of land acquisitions more fiercer. As a result of these, the Group will maintain its proactive attitude to search for business opportunities and secure sustainable land bank for long term development, and will keep close scrutiny on existing projects to ensure completion in efficient and quality manner, delivering the best possible products to purchasers.

As regard Chinese wet markets, advanced facilities, customer services and marketing gimmicks in a collective sense is a new theme for competition in the market. The distinction between superstores and wet markets had become blurred over the past few years. Customers want to feel the authentic ambience of a traditional wet markets, but at the same time look for bright, neat and convenient buying environment. As a result of this, the Group will dedicate enough resources to enhance existing and newly acquired wet markets, and introduce more automated facilities as well as featured tenants and services. The wet markets in Lei Tung Estate in Ap Lei Chau and Shui Chuen O Estate in Sha Tin will be the Group's next featured new wet markets. The search for further opportunities in the wet market operations in Mainland China is also undergoing. We are optimistic about the business development in this sector.

DISCLOSURE OF INTERESTS

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

As at 30 September 2015, the interests and short positions of the directors and chief executive of the Company and/or any of their respective associates in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

Long positions in the ordinary shares of the Company:

Name of director	Number of ordinary shares held, capacity and nature of interest				Total	Approximate
	Personal interest	Family interest	Corporate interest	Other interest		percentage of
						the Company's
						total issued
						share capital
						(Note f)
						%
Mr. Tang Ching Ho ("Mr. Tang")	28,026,339	28,026,300 (Note a)	4,938,375,306 (Note b)	4,989,928,827 (Note c)	9,984,356,772	51.00
Ms. Yau Yuk Yin ("Ms. Yau")	28,026,300	4,966,401,645 (Note d)	-	4,989,928,827 (Note e)	9,984,356,772	51.00

DISCLOSURE OF INTERESTS *(Continued)*

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

Notes:

- (a) Mr. Tang was taken to be interested in those shares in which his spouse, Ms. Yau, was interested.
- (b) Mr. Tang was taken to be interested in those shares in which Caister Limited ("**Caister**"), a company which is wholly and beneficially owned by him, was interested.
- (c) Mr. Tang was taken to be interested in those shares by virtue of being the founder of a discretionary trust, namely Tang's Family Trust.
- (d) Ms. Yau was taken to be interested in those shares in which her spouse, Mr. Tang, was interested.
- (e) Ms. Yau was taken to be interested in those shares by virtue of being a beneficiary of Tang's Family Trust.
- (f) The percentage represented the number of shares over the total issued share capital of the Company as at 30 September 2015 of 19,575,520,047 shares.

Save as disclosed above, as at 30 September 2015, none of the directors and chief executive of the Company and/or any of their respective associates had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

DISCLOSURE OF INTERESTS *(Continued)*

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

As at 30 September 2015, to the best knowledge of the directors, the following persons had, or were deemed or taken to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Long positions in the ordinary shares of the Company:

Name of shareholders	Notes	Capacity	Number of shares	Approximate percentage of the Company's total issued share capital (Note 5) %
Caister	(1)	Beneficial owner	4,938,375,306	25.23
Accord Power Limited ("Accord Power")	(2)	Beneficial owner – Tang's Family Trust	4,989,928,827	25.49
Fiducia Suisse SA	(3)	Interest of controlled corporation – Trustee	4,989,928,827	25.49
David Henry Christopher Hill	(3)	Interest of controlled corporation	4,989,928,827	25.49
Rebecca Ann Hill	(4)	Family interest	4,989,928,827	25.49

DISCLOSURE OF INTERESTS *(Continued)*

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

Notes:

- (1) Caister, a company wholly owned by Mr. Tang Ching Ho, beneficially owned 4,938,375,306 shares.
- (2) Accord Power is wholly owned by Fiducia Suisse SA in its capacity as the trustee of Tang's Family Trust. Accordingly, Fiducia Suisse SA was taken to be interested in those shares held by Accord Power.
- (3) Fiducia Suisse SA is the trustee of the Tang's Family Trust. Fiducia Suisse SA is wholly owned by Mr. David Henry Christopher Hill, and accordingly, Mr. David Henry Christopher Hill was taken to be interested in those shares in which Fiducia Suisse SA was interested.
- (4) Ms. Rebecca Ann Hill is the spouse of Mr. David Henry Christopher Hill and was therefore taken to be interested in the shares in which Mr. David Henry Christopher Hill was interested.
- (5) The percentage represented the number of shares over the total issued share capital of the Company as at 30 September 2015 of 19,575,520,047 shares.

Save as disclosed above, as at 30 September 2015, there were no other persons who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

The Company adopted a new share option scheme (the “2012 Scheme”) at the annual general meeting of the Company held on 21 August 2012 for the primary purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. The old share option scheme adopted on 3 May 2002 (the “2002 Scheme”) expired at the close of business on 2 May 2012, no further share option was granted under it but the share options granted prior to such expiry will continue to be valid and exercisable during the prescribed exercisable period in accordance with the 2002 Scheme.

Details of the movements of the share options under the 2002 Scheme during the period were as follows:

Name or Category	Date of grant	Number of share options					Exercisable period	Exercise price per share HK\$
		Outstanding as at 1 April 2015	Granted during the period	Exercised during the period	Lapsed/ cancelled during the period	Outstanding as at 30 September 2015		
Other employees	8-1-2009	20,803	-	(20,803)	-	-	8/1/2010 – 7/1/2019*	0.3893 [‡]
	12-5-2010	217,525	-	(217,525)	-	-	12/5/2011 – 11/5/2020*	0.2234 [‡]
TOTAL		238,328	-	(238,328)	-	-		

Note:

* The options granted under the 2002 Scheme vest as follows:

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

[‡] The price of the Company’s shares as at the date of exercise of the share options is the weighted average of the closing price of the shares of the Company as listed on the Stock Exchange on the trading day immediately before the date on which the share options were exercised.

Under the 2012 Scheme, share options may be granted to any director or proposed director (whether executive, or non-executive, including independent non-executive director), employee or proposed employee (whether full-time or part-time), secondee, any holder of any securities issued by any member of the Group, any person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to any member of the Group or any substantial shareholder or company controlled by a substantial shareholder, or any company controlled by one or more persons belonging to any of the above classes of participants.

SHARE OPTION SCHEME *(Continued)*

The 2012 Scheme became effective on 21 August 2012 and, unless otherwise terminated earlier by shareholders at a general meeting, will remain in force for a period of 10 years from that date. During the period under review, no share option was granted, lapsed and cancelled under the 2002 Scheme and the 2012 Scheme and the outstanding 238,328 share options under the 2002 Scheme were fully exercised on 8 May 2015. As at 30 September 2015, no share option remained outstanding under the 2002 Scheme and the 2012 Scheme.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

In the opinion of the Board, the Company has complied with the applicable code provisions of the Corporate Governance Code set out in Appendix 14 to the Listing Rules throughout the period for the six months ended 30 September 2015.

The Group is committed to maintaining a high standard of corporate governance within a sensible framework with a strong emphasis on transparency, accountability, integrity and independence and enhancing the Company's competitiveness and operating efficiency, to ensure its sustainable development and to generate greater returns for the shareholders of the Company.

UPDATE ON DIRECTORS' INFORMATION

The changes in the information of Directors since the publication of the 2015 annual report are set out below pursuant to Rule 13.51B(1) of the Listing Rules:

- (a) During the period under review, Mr. Wong Chun, Justein has been appointed as a member of Solicitors Disciplinary Tribunal Panel and ceased to act as a member of Joint Committee of Student Finance; and
- (b) Mr. Siu Kam Chau is currently an executive director of Jun Yang Financial Holdings Limited (formerly known as Jun Yang Solar Power Investments Limited). Furthermore, Mr. Siu resigned as an independent non-executive director of Oriental Unicom Agricultural Group Limited on 27 October 2014, which has changed its name to China Demeter Investments Limited on 10 June 2015.

Save for the above, during the period under review, there is no other change in information of directors of the Company since the publication of the 2015 annual report which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

DISCLOSURES PURSUANT TO RULES 13.13 AND 13.20 OF THE LISTING RULES

During the period under review, the Group, through its wholly-owned subsidiary, Double Leads Investments Limited (“**Double Leads**”), had granted the following loan facilities to, or subscribe for certain debt securities from, CAP:

- (a) by way of subscription of up to an aggregate principal amount of HK\$200.0 million two-year 8.5% coupon bonds and up to an aggregate principal amount of HK\$330.0 million five-year 10.0% coupon bonds issued by CAP pursuant to the subscription agreement dated 4 October 2014 (as supplemented on 28 November 2014);
- (b) an extension of the accrued interest in a sum of approximately HK\$17.2 million on the repayment of the previous loan facilities pursuant to the facility letter dated 28 November 2014 which had been repaid in full by CAP by 31 May 2015;
- (c) a loan agreement dated 13 February 2015 entered into between Double Leads and CAP pursuant to which Double Leads agreed to grant an unsecured revolving credit facility of HK\$200.0 million to CAP at an interest rate of 12.0% per annum for a term up to 12 February 2016, an aggregate of HK\$110.0 million were drawn down and repaid by end May 2015 and the agreement was terminated on 17 August 2015;
- (d) a loan agreement dated 21 July 2015 entered into between Double Leads and CAP pursuant to which Double Leads agreed to grant an unsecured revolving credit facility of HK\$30.0 million to CAP at an interest rate of 12.0% per annum for a term up to 20 July 2016, an aggregate of HK\$20.0 million were drawn down and remained outstanding as at 30 September 2015; and
- (e) a loan agreement dated 17 August 2015 entered into between Double Leads and CAP pursuant to which Double Leads agreed to grant an unsecured revolving credit facility of HK\$100.0 million to CAP at an interest rate of 12.0% per annum for a term up to 16 August 2018, an aggregate of HK\$70.0 million were drawn down and remained outstanding as at 30 September 2015.

As at the end of the reporting period, CAP was indebted to the Group an aggregate outstanding principal amount of HK\$620.0 million pursuant to the above facilities.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 September 2015.

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over, among other things, the Group’s financial reporting process, internal controls and other corporate governance issues. The Audit Committee has reviewed with the management the unaudited condensed consolidated financial statements for the six months ended 30 September 2015 of the Group. The Audit Committee comprises three independent non-executive directors of the Company, namely Messrs. Siu Yim Kwan, Sidney, Wong Chun, Justein and Siu Kam Chau. Mr. Siu Yim Kwan, Sidney was elected as the chairman of the Audit Committee.

APPRECIATIONS

I would like to take this opportunity to thank our customers, business partners and shareholders for the continued support given to the Group during the period. I would also like to thank my fellow member of the Board and all staff for their contribution to the Group.

By Order of the Board
Tang Ching Ho
Chairman

Hong Kong, 19 November 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Six months ended 30 September 2015

	Notes	Six months ended 30 September 2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000 (Restated)
REVENUE	3	658,941	653,533
Cost of sales		(421,078)	(288,908)
Gross profit		237,863	364,625
Other income and gains	4	17,001	19,902
Selling and distribution expenses		(32,548)	(21,461)
Administrative expenses		(73,492)	(75,793)
Other expenses		(1,073)	(529)
Finance costs	5	(13,035)	(7,275)
Fair value gains/(losses) of financial assets at fair value through profit or loss, net		(45,901)	16,323
Fair value gains on investment properties, net		44,692	33,847
Impairment of investment in an associate		(11,200)	–
Impairment of an available-for-sale investment		–	(47,952)
Loss on deemed partial disposal of an associate		–	(76,110)
Share of profits and losses of:			
A joint venture		1,478	2,903
An associate	12	40,149	54,412
PROFIT BEFORE TAX	6	163,934	262,892
Income tax expense	7	(23,717)	(45,203)
PROFIT FOR THE PERIOD		140,217	217,689
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Available-for-sale investments:			
Changes in fair value		27,592	47,781
Reclassification adjustment for an impairment loss included in profit or loss		–	(47,952)
		27,592	(171)
Exchange differences on translation of foreign operations		62	(115)
Other reserves:			
Release upon deemed partial disposal of an associate		–	83
Share of other comprehensive income/(loss) of a joint venture		(2,497)	1,030
Share of other comprehensive income/(loss) of an associate		9,716	(2,245)
		7,219	(1,132)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Continued)*

	Notes	Six months ended 30 September 2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000 (Restated)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		34,873	(1,418)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		175,090	216,271
Profit attributable to:			
Owners of the parent		140,520	217,942
Non-controlling interests		(303)	(253)
		140,217	217,689
Total comprehensive income attributable to:			
Owners of the parent		175,393	216,524
Non-controlling interests		(303)	(253)
		175,090	216,271
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		(Restated)
Basic		HK0.72 cent	HK1.11 cents
Diluted		HK0.72 cent	HK1.11 cents

Details of interim dividend declared for the period are disclosed in note 9 to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2015

	Notes	30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	76,840	66,973
Investment properties		1,245,550	1,569,570
Properties under development	10	300,436	300,273
Investment in a joint venture		94,062	95,082
Investment in an associate	12	600,832	504,702
Available-for-sale investments		519,256	478,104
Loans and interest receivables		–	371
Deposits paid		2,443	3,499
Deferred tax assets		–	3,649
Total non-current assets		2,839,419	3,022,223
CURRENT ASSETS			
Properties under development	10	2,436,704	2,354,889
Properties held for sale		74,561	438,149
Trade receivables	13	1,172	3,120
Loans and interest receivables		134,728	84,978
Prepayments, deposits and other receivables		149,881	180,805
Financial assets at fair value through profit or loss		316,073	209,933
Tax recoverable		1,402	4,102
Cash and cash equivalents		764,702	1,046,987
Total current assets		4,210,523	4,322,963
Assets classified as assets held for sale	14	389,223 331,300	4,322,963 –
Total current assets		4,210,523	4,322,963
CURRENT LIABILITIES			
Trade payables	15	44,783	87,730
Other payables and accruals		29,870	65,357
Deposits received and receipts in advance		76,153	209,320
Interest-bearing bank and other loans		658,745	820,816
Provisions for onerous contracts		–	1,651
Tax payable		63,246	147,211
Total current liabilities		872,797	1,332,085
Liabilities directly associated with the assets classified as held for sale	14	118,296	–
Total current liabilities		991,093	1,332,085
NET CURRENT ASSETS		3,219,430	2,990,878
TOTAL ASSETS LESS CURRENT LIABILITIES		6,058,849	6,013,101

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

		30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other loans		1,736,464	1,807,781
Deferred tax liabilities		7,343	7,307
Other payables		14,714	7,581
Total non-current liabilities		1,758,521	1,822,669
Net assets		4,300,328	4,190,432
EQUITY			
Equity attributable to owners of the parent			
Issued capital	16	195,755	65,249
Reserves		4,104,898	4,125,205
		4,300,653	4,190,454
Non-controlling interests		(325)	(22)
Total equity		4,300,328	4,190,432

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 September 2015

	Attributable to owners of the parent										Non-controlling interests (Unaudited) HK\$'000	Total equity (Unaudited) HK\$'000
	Issued capital (Unaudited) HK\$'000	Share premium account (Unaudited) HK\$'000	Contributed surplus (Unaudited) HK\$'000	Available-for-sale investment revaluation reserve (Unaudited) HK\$'000	Share option reserve (Unaudited) HK\$'000	Exchange fluctuation reserve (Unaudited) HK\$'000	Other reserves (Unaudited) HK\$'000	Retained profits (Unaudited) HK\$'000	Total (Unaudited) HK\$'000			
At 1 April 2014	65,249	1,462,363	306,353	(585)	5,933	637	16,159	2,055,945	3,912,054	153	3,912,207	
Profit for the period	-	-	-	-	-	-	-	217,942	217,942	(253)	217,689	
Other comprehensive income/(loss) for the period:												
Available-for-sale investments:												
Changes in fair value of available-for-sale investments	-	-	-	47,781	-	-	-	-	47,781	-	47,781	
Reclassification adjustment for an impairment loss included in profit or loss	-	-	-	(47,952)	-	-	-	-	(47,952)	-	(47,952)	
Exchange differences on translation of foreign operations	-	-	-	-	-	(115)	-	-	(115)	-	(115)	
Release upon deemed partial disposal of an associate	-	-	-	-	-	-	83	-	83	-	83	
Share of other comprehensive income of a joint venture	-	-	-	-	-	-	1,030	-	1,030	-	1,030	
Share of other comprehensive loss of an associate	-	-	-	-	-	-	(2,245)	-	(2,245)	-	(2,245)	
Total comprehensive income for the period	-	-	-	(171)	-	(115)	(1,132)	217,942	216,524	(253)	216,271	
Transfer of share option reserve upon the forfeiture of share options	-	-	-	-	(5,899)	-	-	5,899	-	-	-	
Final 2014 dividend declared	-	-	-	-	-	-	-	(39,150)	(39,150)	-	(39,150)	
At 30 September 2014	65,249	1,462,363	306,353	(756)	34	522	15,027	2,240,636	4,089,428	(100)	4,089,328	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	Attributable to owners of the parent										
	Issued capital (Unaudited) HK\$'000	Share premium account (Unaudited) HK\$'000	Contributed surplus (Unaudited) HK\$'000	Available-for-sale investment revaluation reserve (Unaudited) HK\$'000	Share option reserve (Unaudited) HK\$'000	Exchange fluctuation reserve (Unaudited) HK\$'000	Other reserves (Unaudited) HK\$'000	Retained profits (Unaudited) HK\$'000	Total (Unaudited) HK\$'000	Non-controlling interests (Unaudited) HK\$'000	Total equity (Unaudited) HK\$'000
At 1 April 2015	65,249	1,462,363	306,353	(52,974)	34	359	(6,117)	2,415,187	4,190,454	(22)	4,190,432
Profit for the period	-	-	-	-	-	-	-	140,520	140,520	(303)	140,217
Other comprehensive income/(loss) for the period:											
Available-for-sale investments:											
Changes in fair value of available-for-sale investments	-	-	-	27,592	-	-	-	-	27,592	-	27,592
Exchange differences on translation of foreign operations	-	-	-	-	-	62	-	-	62	-	62
Share of other comprehensive loss of a joint venture	-	-	-	-	-	-	(2,497)	-	(2,497)	-	(2,497)
Share of other comprehensive loss of an associate	-	-	-	-	-	-	9,716	-	9,716	-	9,716
Total comprehensive income for the period	-	-	-	27,592	-	62	7,219	140,520	175,393	(303)	175,090
Issue of shares upon exercise of share options	2	88	-	-	(34)	-	-	56	-	-	56
Bonus Issue	130,504	-	-	-	-	-	(130,504)	-	-	-	-
Final 2015 dividend declared	-	-	-	-	-	-	(65,250)	(65,250)	-	-	(65,250)
At 30 September 2015	195,755	1,462,451*	306,353*	(25,382)*	-*	421*	1,102*	2,359,953*	4,300,653	(325)	4,300,328

* These reserve accounts comprise the consolidated reserves of HK\$4,104,898,000 (31 March 2015: HK\$4,125,205,000) in the consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 30 September 2015

	Six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from/(used in) operations	214,591	(417,366)
Profits tax paid	(100,006)	(3,271)
Net cash flows from/(used in) operating activities	114,585	(420,637)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	3,917	5,048
Decrease in non-pledged time deposits with original maturity of more than three months when acquired	–	10,000
Investment in an associate	(57,464)	(35,354)
Additions to investment properties	(873)	(3,163)
Purchase of financial assets at fair value through profit or loss	(162,659)	–
Proceeds from disposal of an investment property	28,684	60,000
Other cash flows arising from/(used in) investing activities	(2,687)	1,233
Net cash flows from/(used in) investing activities	(191,082)	37,764
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(22,981)	(9,249)
Dividends paid	(65,249)	(39,150)
Repayment of bank loans	(158,695)	(205,176)
New bank and other loans	42,315	972,900
Net cash flows from/(used in) financing activities	(204,610)	719,325
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at beginning of period	1,046,987	710,591
Effect of foreign exchange rate changes, net	22	27
CASH AND CASH EQUIVALENTS AT END OF PERIOD	765,902	1,047,070

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Continued)

	Six months ended 30 September	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
		(Restated)
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	765,902	421,305
Non-pledged time deposits with original maturity of less than three months when acquired	–	625,765
	765,902	1,047,070
Less: Included in assets of a company classified as held for sale (<i>note 14</i>)	(1,200)	–
	764,702	1,047,070

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements of the Group have been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2015.

The accounting policies and the basis of preparation adopted in the preparation of these unaudited interim condensed consolidated financial statements are consistent with those adopted in the Group's audited financial statements for the year ended 31 March 2015, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance, except for the adoption of the revised HKFRSs as disclosed in note 2 below.

These unaudited interim condensed consolidated financial statements have been prepared under the historical cost convention, except for investment properties and equity investments, which have been measured at fair value. These unaudited interim condensed consolidated financial statements are presented in Hong Kong dollar ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following amendments to HKFRSs for the first time for the current period's unaudited interim condensed consolidated financial statements:

Amendments to HKAS 19	<i>Defined Benefit Plans: Employee Contributions</i>
<i>Annual Improvements 2010-2012 Cycle</i>	Amendments to a number of HKFRSs
<i>Annual Improvements 2011-2013 Cycle</i>	Amendments to a number of HKFRSs

The adoption of these revised HKFRSs has had no significant financial effect on these unaudited interim condensed consolidated financial statements and there have been no significant changes to the accounting policies in the unaudited interim condensed consolidated financial statements.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

3. OPERATING SEGMENT INFORMATION

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

- (a) the property development segment engages in the development of properties;
- (b) the property investment segment engages in investment and the trading of industrial and commercial premises and residential units for rental or for sale;
- (c) the Chinese wet markets segment engages in the management and sub-licensing of Chinese wet markets; and
- (d) the provision of finance segment engages in money lending and investments in debt securities.

During the year ended 31 March 2015, the board of directors of the Company has resolved that resources would continuously be deployed to the provision of finance business and accordingly, the provision of finance business was redesignated by the board of directors as one of the principal activities of the Group. The results of the provision of finance business are also separately reviewed and evaluated for management reporting purposes. Accordingly, the presentation of segment information for the six months ended 30 September 2014 has been restated to reflect this change of segment composition.

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

3. OPERATING SEGMENT INFORMATION *(Continued)*

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

Reportable segment information

Six months ended 30 September

	Property development		Property investment		Chinese wet markets		Provision of finance		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000 (Restated)	(Unaudited) HK\$'000	(Unaudited) HK\$'000 (Restated)
Segment revenue:										
Sales to external customers	520,446	498,438	22,584	15,686	85,236	89,496	30,675	49,913	658,941	653,533
Other revenue	2,704	6,058	46,171	34,104	6,505	3,359	2,899	16,189	58,279	59,710
Total	523,150	504,496	68,755	49,790	91,741	92,855	33,574	66,102	717,220	713,243
Segment results	99,153	244,897	56,074	32,971	16,127	16,938	(49,033)	63,402	122,321	358,208
<i>Reconciliation:</i>										
Bank interest income									3,917	4,731
Finance costs									(13,035)	(7,275)
Corporate and unallocated income									34,172	5,631
Corporate and unallocated expenses									(25,068)	(155,718)
Share of profits and losses of:										
A joint venture									1,478	2,903
An associate									40,149	54,412
Profit before tax									163,934	262,692
Income tax expense									(23,717)	(45,203)
Profit for the period									140,217	217,689

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

4. OTHER INCOME AND GAINS

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

	Six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000 (Restated)
Other Income		
Bank interest income	3,917	4,731
Imputed interest income from bond investment	1,888	–
Dividend income from listed securities	500	2,500
Management fee income	–	252
Others	9,993	9,723
	16,298	17,206
Gains		
Gain on disposal of financial assets at fair value through profit or loss, net	–	519
Gain on disposal of a subsidiary	703	–
Exchange gains, net	–	2,177
	703	2,696
Other income and gains	17,001	19,902

5. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Interest on bank and other loans:	31,165	10,646
Less: Interest capitalised	(18,130)	(3,371)
	13,035	7,275

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

6. PROFIT BEFORE TAX

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

	Six months ended 30 September	
	2015	2014
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Cost of services provided	72,111	75,774
Cost of properties sold	348,967	213,134
Depreciation	3,227	3,170
Amount utilised for onerous contracts, net	(1,651)	(1,591)
Losses on disposals of investment properties, net*	977	660
Impairment/(write-back of impairment of trade receivables), net*	96	(131)

* These expenses are included in "Other expenses" on the face of the consolidated statement of profit or loss and other comprehensive income.

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable in Mainland China have been calculated at the rate of tax prevailing in Mainland China.

	Six months ended 30 September	
	2015	2014
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Current – Hong Kong	18,925	45,023
Deferred	4,792	180
Total tax charge for the period	23,717	45,203

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

The calculation of the basic earnings per share amount for the six months ended 30 September 2015 is based on the profit attributable to ordinary equity holders of the parent of HK\$140,520,000 (six months ended 30 September 2014: HK\$217,942,000), and the weighted average number of ordinary shares of 19,575,375,487 (six months ended 30 June 2014: 19,574,805,063, as restated) in issue during the six months ended 30 September 2015, as adjusted to reflect the Bonus Issue (as defined in note 16 to these unaudited interim condensed consolidated financial statements) during the period.

The calculation of the diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, adjusted to reflect the effect of the deemed exercise of all outstanding share options into ordinary shares. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all outstanding share options into ordinary shares.

	Six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	140,520	217,942
	Number of Shares	
	2015 (Unaudited)	2014 (Unaudited) (Restated)
Shares		
Weighted average number of ordinary shares in issue during the period, used in basic earnings per share calculation	19,575,375,487	19,574,805,063
Effect of dilution – weighted average number of ordinary shares: Share options	47,598	114,615
Weighted average number of ordinary shares, used in diluted earnings per share calculation	19,575,423,085	19,574,919,678

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

9. INTERIM DIVIDEND

	Six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Interim dividend – HK0.1 cent (2014: HK1.0 cent) per ordinary share	19,576	65,249
Special interim dividend by way of distribution in specie <i>(note)</i>	–	32,572
	19,576	97,821

Note: On 19 November 2014, a special interim dividend was declared by way of distribution in specie of the shares of PNG Resources Holdings Limited (“PNG”) held by the Group to the shareholders of the Company in the proportion of 3 PNG shares for every 125 shares in the issued share capital of the Company. A total of 156,597,840 PNG shares with an aggregate market value of HK\$32,572,000 was recognised as distribution during the six months ended 30 September 2014.

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

During the six months ended 30 September 2015, the Group incurred HK\$13,085,000 (six months ended 30 September 2014: HK\$463,000) on the additions of items of property, plant and equipment.

During the six months ended 30 September 2015, the Group incurred HK\$81,978,000 on the additions of properties under development (six months ended 30 September 2014: HK\$1,223,455,000).

11. PLEDGE OF ASSETS

Certain bank loans of the Group are secured by the Group’s land and buildings, investment properties and certain rental income generated therefrom, properties under development, properties held for sale and share charges in respect of the entire equity interests of five subsidiaries of the Group, which are engaged in property development. In addition, no sales proceeds from the pre-sale of properties under development are pledged for certain bank loans of the Group as at 30 September 2015 (31 March 2015: HK\$136,268,000).

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

12. INVESTMENT IN AN ASSOCIATE

On 26 March 2015, Wai Yuen Tong Medicine Holdings Limited and its subsidiaries (“WYTH”) proposed to raise gross proceeds of up to approximately HK\$228 million by way of rights issue of 2,108,571,484 shares to the shareholders of WYTH at the subscription price of HK\$0.108 per share, on the basis of one new WYTH share (“WYTH Rights Shares”) for every two WYTH shares held on 23 April 2015 (“WYTH Right Issue”).

The WYTH Right Issue was completed on 11 May 2015. Upon the completion of the WYTH Right Issue, an aggregate 532,070,017 WYTH Rights Shares were allotted to and subscribed by the Group (including 99,799,000 WYTH Rights Shares allotted by way of excess application). As a result, the Group’s equity interest in WYTH increased from 20.50% to 22.08%. A gain on bargain purchase amounting to approximately HK\$26.3 million, which represented the excess of the Group’s additional interests in the fair value of the net identifiable assets of WYTH over the aggregate purchase price, was recognised for the six months ended 30 September 2015 and included in “Share of profit or loss of an associate” on the face of the consolidated statement of profit or loss and other comprehensive income.

13. TRADE RECEIVABLES

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

	30 September 2015 (Unaudited) HK\$’000	31 March 2015 (Audited) HK\$’000
Within 90 days	1,485	3,101
91 days to 180 days	–	144
Over 180 days	–	92
	1,485	3,337
Less: Impairment	(313)	(217)
	1,172	3,120

The Group generally grants a 15 to 30 days credit period to customers for its sub-leasing business. The Group generally does not grant any credit to customers of other businesses.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

14. ASSETS CLASSIFIED AS ASSETS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH THE ASSETS CLASSIFIED AS HELD FOR SALE

	30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
Assets classified as assets held for sale		
Assets of a company classified as held for sale		
– Easy Kingdom <i>(note)</i>	159,200	–
Non-current assets held for sale		
– Investment properties	172,100	–
	331,300	–
Liabilities directly associated with assets held for sale		
Liabilities of a company classified as held for sale		
– Easy Kingdom <i>(note)</i>	(118,296)	–

Note: On 12 August 2015, the Group entered into a conditional agreement with an independent third party to dispose of the Group's entire equity interest in Easy Kingdom Limited ("**Easy Kingdom**"), an indirectly wholly-owned subsidiary of the company, which is principally engaged in property investment in Hong Kong, together with the shareholder loan advanced by East Run Investments Limited, the immediate holding company of Easy Kingdom, at a consideration of HK\$158,000,000 (the "**Consideration**"). The transaction has been completed on 11 November 2015.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

14. ASSETS CLASSIFIED AS ASSETS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH THE ASSETS CLASSIFIED AS HELD FOR SALE *(Continued)*

The assets and liabilities of Easy Kingdom (excluding inter-company loan which is eliminated in consolidation) as at 30 September 2015 are as follows:

	HK\$'000
<hr/>	
<i>Assets</i>	
Investment property	158,000
Cash and cash equivalents	1,200
<hr/>	
Assets classified as held for sale	159,200
<hr/>	
<i>Liabilities</i>	
Other payables and accruals	(158)
Interest-bearing bank and other loans	(117,008)
Tax payables	(45)
Deferred tax liabilities	(1,085)
<hr/>	
Liabilities directly associated with the assets classified as held for sale	(118,296)
<hr/>	
Net assets directly associated with the disposal group	40,904
<hr/>	

15. TRADE PAYABLES

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

	30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
Within 90 days	44,783	87,730

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

16. SHARE CAPITAL

	30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
Authorised:		
40,000,000,000 ordinary shares of HK\$0.01 each	400,000	400,000
Issued and fully paid:		
19,575,520,047 (31 March 2015: 6,524,935,021) ordinary shares of HK\$0.01 each	195,755	65,249

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue (Unaudited)	Share capital (Unaudited) HK\$'000	Share premium account (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
At 1 April 2015	6,524,935,021	65,249	1,462,363	1,527,612
Issue of shares upon exercise of share options	238,328	2	88	90
Bonus Issue (<i>note</i>)	13,050,346,698	130,504	-	130,504
At 30 September 2015	19,575,520,047	195,755	1,462,451	1,658,206

Note:

Pursuant to an ordinary resolution passed by the shareholders of the Company at the annual general meeting of the Company held on 20 August 2015, the shareholders of the Company approved a bonus issue (the "**Bonus Issue**") of the shares on the basis of two bonus shares for every share held by qualifying shareholders whose names appear on the register of members of the Company on 28 August 2015, being the date for determining the entitlement to the Bonus Issue. The Bonus Issue has been completed on 10 September 2015.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. CONTINGENT LIABILITIES

The Group had a contingent liability in respect of possible future long service payments to employees under the Hong Kong Employee Ordinance, with a maximum possible amount payable of HK\$1,315,000 (31 March 2015: HK\$1,557,000) as at 30 September 2015. The contingent liability has arisen because, at the end of the reporting date, a number of current employees had achieved the required number of years of service to the Group in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated under certain circumstances. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

18. OPERATING LEASE ARRANGEMENTS

(a) As lessor

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

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

	30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
Within one year	164,302	158,895
In the second to fifth years, inclusive	346,643	121,051
After five years	–	–
	510,945	279,946

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

18. OPERATING LEASE ARRANGEMENTS *(Continued)*

(b) As lessee

The Group leases certain Chinese wet markets and certain of its office properties under operating lease arrangements. Leases are negotiated for terms ranging from two to six years.

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

	30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
Within one year	95,471	85,953
In the second to fifth years, inclusive	226,147	143,884
After five years	73,096	53,448
	394,714	283,285

19. COMMITMENTS

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

	30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
Contracted, but not provided for:		
Properties under development	224,130	42,757
Investment properties	–	6,981
	224,130	49,738

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

20. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the period:

(a) Transactions with related parties

		Six months ended 30 September	
	Notes	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Rental income received from a director*	<i>(i)</i>	600	600
Rental expenses paid to a company in which a director of the Company is a controlling shareholder	<i>(ii)</i>	150	150
Transactions with WYTH			
– Management fee income from WYTH	<i>(ii)</i>	60	60
– Rental income from WYTH	<i>(ii)</i>	5,513	413
– Rental expenses paid to WYTH	<i>(ii)</i>	1,031	996
– Purchases of products from WYTH	<i>(iii)</i>	2,653	1,666

* The related party transactions also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

Notes:

- (i) A property of the Group was leased to a director at a monthly rental of HK\$100,000 (six months ended 30 September 2014: HK\$100,000). The rental was determined with reference to the prevailing market rates.
- (ii) The transactions were based on terms mutually agreed between the Group and the related party.
- (iii) The purchases from WYTH were made according to the published prices and conditions offered by WYTH to customers.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

20. RELATED PARTY TRANSACTIONS *(Continued)*

(b) Compensation of key management personnel of the Group

	Six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Short term employment benefits	9,233	4,998
Post-employment benefits	54	51
	9,287	5,049

21. FAIR VALUE HIERARCHY

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

- Level 1: based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: based on valuation techniques for which the lowest level inputs that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3: based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

21. FAIR VALUE HIERARCHY *(Continued)*

Assets measured at fair value:

As at 30 September 2015

	Level 1 (Unaudited) HK\$'000	Level 2 (Unaudited) HK\$'000	Level 3 (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Available-for-sale investments:				
Equity investments	–	11,446	–	11,446
Debt investments	–	12,142	495,668	507,810
Equity investments at fair value through profit or loss	262,067	54,006	–	316,073
	262,067	77,594	495,668	835,329

As at 31 March 2015

	Level 1 (Audited) HK\$'000	Level 2 (Audited) HK\$'000	Level 3 (Audited) HK\$'000	Total (Audited) HK\$'000
Available-for-sale investments:				
Debt investments	–	12,368	465,736	478,104
Equity investments at fair value through profit or loss	174,124	35,809	–	209,933
	174,124	48,177	465,736	688,037

The Group did not have any financial liabilities measured at fair value as at 30 September 2015 and 31 March 2015.

During the six months ended 30 September 2015, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (six months ended 30 September 2014: Nil).

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

22. COMPARATIVE AMOUNTS

As further explained in note 3 and 16 to the unaudited interim condensed consolidated financial statements, due to the changes in the designation of principal activities and segment composition and Bonus Issue, certain comparative amounts have been reclassified to conform with the current period's presentation and disclosures.

23. EVENT AFTER REPORTING PERIOD

On 13 November 2015, the Group entered into a conditional agreement with a wholly-owned subsidiary of WYTH to dispose of its entire equity interests in Good Excellent Limited and Sunbo Investment Limited, wholly-owned subsidiaries of the Group which are the holding companies of two properties located in Hong Kong at a total consideration of HK\$70,000,000 (subject to adjustment upwards or downwards within 20% with reference to the valuation of such properties as at the date of completion to be valued by an independent valuer). The transaction is expected to be completed in December 2015 subject to the shareholders' approval of WYTH.

24. APPROVAL OF THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements were approved and authorised for issue by the Board on 19 November 2015.