



Chinney Investments, Limited

Stock Code: 216

Interim Report 2011/12

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CORPORATE INFORMATION

DIRECTORS

James Sai-Wing Wong (*Chairman*)
Madeline May-Lung Wong
William Chung-Yue Fan
Herman Man-Hei Fung (*Managing Director*)
Paul Hon-To Tong
Clement Kwok-Hung Young*
Peter Man-Kong Wong*
James C. Chen*

* *Independent non-executive directors*

AUDIT COMMITTEE

James C. Chen
William Chung-Yue Fan
Clement Kwok-Hung Young
Peter Man-Kong Wong

REMUNERATION COMMITTEE

Herman Man-Hei Fung
Clement Kwok-Hung Young
James C. Chen

SECRETARY

Louisa Kai-Nor Siu

PRINCIPAL BANKERS

The Bank of East Asia, Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
Industrial and Commercial Bank of China Limited
Industrial and Commercial Bank of China (Asia) Limited
Nanyang Commercial Bank, Limited
Shanghai Commercial Bank Limited

AUDITORS

Ernst & Young

REGISTRARS

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STOCK CODE

SEHK 216

WEBSITE

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FINANCIAL RESULTS

For the six months ended 30 September 2011, the Group's unaudited consolidated turnover and net profit attributable to shareholders amounted to HK\$485 million (2010: HK\$172 million) and HK\$41 million (2010: HK\$32 million), respectively. Basic earnings per share were 7.47 Hong Kong cents (2010: 5.81 Hong Kong cents). As at 30 September 2011, the shareholders' equity amounted to HK\$2,510 million (as at 31 March 2011: HK\$2,391 million) and net assets per share attributable to shareholders were HK\$4.55 (as at 31 March 2011: HK\$4.34).

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2011 (2010: Nil).

BUSINESS REVIEW

1. Property

The Group's property development and investment activities are conducted by our 55.47% owned Hon Kwok Land Investment Company, Limited ("Hon Kwok") (Stock Code: 160). Hon Kwok reported a turnover of HK\$404 million (2010: HK\$72 million) and net profit attributable to their shareholders of HK\$88 million (2010: HK\$76 million) respectively. Increase in turnover was mainly due to the property units of Botanica Phase 2 pre-sold in prior year being recognized in the period under review.

Property Development and Sales

Botanica Phase 2 寶翠園二期, Guangzhou, PRC

The **Botanica** 寶翠園, situated in the greenery zone of Tian He District near the Botanical Garden, comprises 39 blocks of high-rise residential building. This project, with total gross floor area of approximately 229,000 sq.m., is scheduled for development and pre-sale by phases. All eight blocks totalled 332 units had been delivered to purchasers of **Botanica Phase 1** 寶翠園一期 in the prior years.

Botanica Phase 2 寶翠園二期 also comprises eight blocks of 420 units. Included therein are four blocks totalled 221 flats, of which over 98% have been delivered to individual purchasers and the profits derived therefrom have been recognised in the income statement during the period under review. Delivery of the remaining four blocks of 199 units, of which 99% have already been pre-sold, commenced in this month and the profits derived therefrom are to be recognised in the second half of this financial year. Construction works of **Botanica Phase 3** 寶翠園三期, comprises 12 blocks of about 550 units, are expected to be commenced in next quarter.

CHAIRMAN'S STATEMENT *(Continued)*

BUSINESS REVIEW *(Continued)*

1. Property *(Continued)*

Property Development and Sales *(Continued)*

Metropolitan Oasis 雅瑤綠洲, Nanhai, PRC

The project, with total gross floor area of approximately 273,000 sq.m. (excluding car parking spaces), is situated in Da Li District, Nanhai and scheduled for development by phases. Phase 1 comprises 71 town houses of about 18,000 sq.m. and high-rise apartments of about 120,000 sq.m. Construction works of the town houses are scheduled to be completed by early next year whilst foundation works of the high-rise apartments have been commenced. The aforesaid town houses, upon completion, will be launched to the market for sale in next year.

Dong Guan Zhuan Road and Beijing Nan Road projects, Guangzhou, PRC

The development sites at Dong Guan Zhuan Road, Tian He District with total gross floor area of approximately 266,000 sq.m. are at the planning stage. The design of the project sites at 45-107 Beijing Nan Road, Yue Xiu District with total gross floor area of approximately 62,000 sq.m. is in progress.

Property Investment

Shenzhen, PRC

Foundation works of **Hon Kwok City Commercial Centre** 漢國城市商業中心, an 80-storey commercial/residential tower with total gross floor area of 128,000 sq.m., are scheduled to be completed by the end of this year and superstructure construction is expected to be completed in 2014. This signature building, situated at the junction of Shen Nan Zhong Road and Fu Ming Road, Futian District, is intended to be held by the Group for recurrent rental income upon completion.

The retail shops at ground level and the entire level 2 of the commercial podium of **City Square** 城市天地廣場, situated at Jia Bin Road, Luo Hu District, enjoy full occupancy. The average occupancy rate of **The Bauhinia Hotel (Shenzhen)** 寶軒酒店 (深圳), a 158-room hotel at levels 3 to 5 of the podium which opened for business in March 2011, is encouraging whilst that of **City Suites** 寶軒公寓, a 64-unit serviced apartments atop of the podium, maintains at a satisfactory level.

BUSINESS REVIEW *(Continued)*

1. Property *(Continued)*

Property Investment *(Continued)*

Guangzhou, PRC

Ganghui Dasha 港滙大廈, situated at the junction of Beijing Road, Nanti Er Road and Baqi Er Road, Yue Xiu District, is a 20-storey commercial and office building with current occupancy rate over 95%.

The Bauhinia Hotel (Guangzhou) 寶軒酒店 (廣州), situated at Jie Fang Nan Road, Yue Xiu District, is a 166-room hotel leased by the Group and has been opened for business since February 2011. Its average occupancy and room rates are both satisfactory.

Chongqing, PRC

Chongqing Hon Kwok Centre 重慶漢國中心, situated in Bei Bu Xin Qu, is a 21-storey twin-tower office building atop of a 4-storey retail/commercial podium. Three floors of the podium and entire block of one tower have been fully leased out and leasing status for the other tower is approximately 80%.

Foundation works of **Chongqing International Finance Centre** 重慶國際金融中心, adjacent to the above completed project, have been commenced. This twin-tower project, with total gross floor area of 133,502 sq.m., is being developed into a grade A office tower and a 5-star hotel with serviced apartments on top of a retail/commercial podium.

Hong Kong

All ground floor retail areas at the hotel/apartment building at Connaught Road Central and Des Voeux Road Central have been fully leased out except for one small shop. The average occupancy and room rates of **The Bauhinia Hotel (Central)** 寶軒酒店 (中環), a 42-room boutique hotel at the podium floors which opened for business in May 2011, are quite encouraging. **The Bauhinia** 寶軒, a 171-room serviced apartments atop of the above hotel, are currently being occupied with approximately 90%.

CHAIRMAN'S STATEMENT *(Continued)*

BUSINESS REVIEW *(Continued)*

1. Property *(Continued)*

Property Investment *(Continued)*

Hong Kong (Continued)

The Bauhinia Hotel (TST) 寶軒酒店（尖沙咀），a 44-room boutique hotel, is situated at nine upper floors of the 23-storey **Knutsford Place** 諾士佛廣場 at Observatory Court, Tsim Sha Tsui. It has been opened for business over one year with satisfactory average occupancy and room rates. The remaining commercial and office floors are being launched to the market for leasing.

Hon Kwok Jordan Centre 漢國佐敦中心, situated at Hillwood Road, Tsim Sha Tsui, is a 23-storey commercial and office building with current occupancy rate over 90%.

The Bauhinia 寶軒 Group of Hotels and Serviced Apartments

About 650 guest rooms are currently being operated by the Group under the brand name of “**The Bauhinia 寶軒**” in Hong Kong, Shenzhen and Guangzhou. Coupled with our enlarged investment property portfolios in Mainland China, the Group's recurrent rental income has been enhanced during the period under review.

2. Garment

J.L. Garment Group, wholly owned by our Company, reported turnover of HK\$81 million (2010: HK\$100 million) with a net profit of HK\$0.7 million (2010: HK\$1.6 million) for the period under review.

During the period under review, the market condition remained stagnant. The pace of economic recovery in the US remained slow with high unemployment rate. The intensification of Eurozone debt crisis among the European countries increased the market volatility which further weakened the consumer market sentiment. Our customers, mainly in Germany, Italy and Canada, adopted cautious strategies on controlling purchase prices or reducing their order size, hence our export sales were slightly dropped. In the Mainland China, following the implementation of the stringent monetary policy by the Central Government to curb inflation, the general inflationary pressure on production cost was slightly relieved. It is delightful that under the present adverse market condition for garment manufacturing business in the Mainland, particularly for products export mainly to the European countries, the Management of our garment group still managed to achieve a slight profit during the period despite a decline in turnover as result of their efforts exerted to improve production efficiency.

BUSINESS REVIEW *(Continued)*

3. Construction and Trading

Chinney Alliance Group Limited ("Chinney Alliance"), a 29.10% owned associate recorded turnover and net profit for the six months ended 30 June 2011 of HK\$963 million (2010: HK\$853 million) and HK\$10.8 million (2010: HK\$15.5 million) respectively.

The increase in turnover was mainly attributable to the building construction business which currently runs several projects, including hotel development project, private residential project and government schools project. During the period under review, due to the delay in the commencement of some building related contracting projects, profit recognition was deferred, resulting in a drop in profit.

The plastic trading division remained profitable but showed a slightly drop in both turnover and profit. The customers, who were mainly manufacturers for export market, were inevitably affected by the sluggish economic condition in the US and Europe. Nevertheless, the management would keep on identifying new business opportunities and continuing to expand the Mainland China market to prepare for the recovery of the economy.

4. Other investment

Owing to the price fluctuation in Hong Kong stock market for the period under review, the Group recorded in our income statement an unrealized fair value loss of HK\$6.9 million on a listed investment. The carrying value of the listed investment as measured at its market value as at 30 September 2011 approximated to its original acquisition cost.

CHAIRMAN'S STATEMENT *(Continued)*

OUTLOOK

The Hong Kong economy exhibited continued growth in 2011. It has shown a sign of moderation in growth rate in the third quarter of 2011 which was due to decrease in export sales under the present stagnant global economic environment. Third quarter GDP growth dropped to 4.3% on a year-to-year basis from 5.3% in the second quarter. However, it will continue to benefit by the strong economic growth in the Mainland China and the expansion of the local government expenditure on public construction works. It is anticipated that economic growth would be sustained in the medium term.

In Mainland China the continuous implementation of a series of macroeconomic guidelines including financial and administrative measures by the Central Government has, to a certain extent, stabilized the overheated property market in major mainland cities. Thus, such restrictive measures and tightening of monetary policy are expected to remain until the Central Government and end-users can see the return of residential property prices to a reasonable and affordable level. Likewise, property prices in Hong Kong has eased in response to the tightening of monetary and regulatory measures imposed by the Government.

As to the US and European markets, despite the respective governments' austerity measures to accelerate the economic recovery process, the unprecedented downgrade of the US credit rating and the uncertainties on the Eurozone debt crisis have further dampened investors' confidence. This not only increased the market risk and uncertainties but also induced more challenges to the business environment.

In the medium to long term, the Board is optimistic about the property market in Mainland China in view of its sustainable economic growth as well as enormous domestic demand and intends to replenish its land bank there at opportune times.

Finally, I would like to take this opportunity to thank my fellow directors and all staff members for their dedication and hard work during the period under review.

James Sai-Wing Wong
Chairman

Hong Kong, 28 November 2011

GENERAL INFORMATION

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2011, the interests and short positions of the directors 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")) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

(a) Directors' interests in the ordinary shares of the Company

Name of director	Notes	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital
James Sai-Wing Wong	1 & 2	Through controlled corporation	319,631,324	57.97
Madeline May-Lung Wong	1 & 2	Through controlled corporation	319,631,324	57.97
William Chung-Yue Fan	1	Beneficially owned	1,882,285	0.34

(b) Directors' interests in the ordinary shares of associated corporations

Name of director	Notes	Name of associated corporation	Capacity and nature of interest	Number of ordinary shares/ amount of paid-up registered capital held	Percentage of the associated corporation's issued share capital/paid-up registered capital
James Sai-Wing Wong	1 & 3	Hon Kwok	Through controlled corporation	266,406,553	55.47
	1 & 4	Guangzhou Honkwok Fuqiang Land Development Ltd.	Through controlled corporation	RMB185,000,000	100.00
	1 & 5	Chinney Alliance	Through controlled corporation	433,500,216	72.87
	1 & 6	Chinney Holdings Limited ("Chinney Holdings")	Through controlled corporation	9,900,000	99.00
	1	Chinney Holdings	Beneficially owned	100,000	1.00
	1	Lucky Year Finance Limited ("Lucky Year")	Beneficially owned	10,000	50.00
Madeline May-Lung Wong	1 & 3	Hon Kwok	Through controlled corporation	266,406,553	55.47
	1 & 5	Chinney Alliance	Through controlled corporation	173,093,695	29.10
	1 & 6	Chinney Holdings	Through controlled corporation	9,900,000	99.00
	1	Lucky Year	Beneficially owned	10,000	50.00
Herman Man-Hei Fung	1	Hon Kwok	Beneficially owned	220,000	0.05

GENERAL INFORMATION *(Continued)*

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

Notes:

1. *All the interests stated above represent long positions.*
2. *These shares are beneficially held by Chinney Holdings, which is a subsidiary of Lucky Year. James Sai-Wing Wong and Madeline May-Lung Wong are directors of Lucky Year and beneficially own more than one-third of the equity capital of Lucky Year.*
3. *These shares are beneficially held by the Company. By virtue of note 2, James Sai-Wing Wong and Madeline May-Lung Wong are deemed to be interested in these shares.*
4. *Out of the RMB185,000,000 paid-up registered capital, RMB111,000,000 is held by a wholly-owned subsidiary of Hon Kwok and RMB74,000,000 is held by a company controlled by James Sai-Wing Wong. By virtue of note 3, James Sai-Wing Wong is deemed to be interested in this company.*
5. *Out of the 433,500,216 shares, 173,093,695 shares are held by a wholly-owned subsidiary of the Company and the remaining 260,406,521 shares are held by companies controlled by James Sai-Wing Wong. By virtue of note 2, James Sai-Wing Wong is deemed to be interested in these shares.*
6. *These shares are beneficially held by Lucky Year. By virtue of note 2, James Sai-Wing Wong and Madeline May-Lung Wong are deemed to be interested in these shares.*

Save as disclosed herein, as at 30 September 2011, none of the directors of the Company had any interests or short positions 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) which are required to be recorded in the register kept by the Company under Section 352 of the SFO, or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

GENERAL INFORMATION *(Continued)*

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

As at 30 September 2011, so far as is known to the directors of the Company, the following substantial shareholders and other persons (other than directors of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Name	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital
Chinney Holdings	Directly beneficially owned	319,631,324	57.97
Lucky Year	Through controlled corporation	319,631,324	57.97

All the interests stated above represent long positions. Chinney Holdings and Lucky Year are deemed to be interested in the same parcel of shares by virtue of Section 316 of the SFO.

Save as disclosed herein, as at 30 September 2011, none of the substantial shareholders or other persons (other than the directors of the Company) had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

GENERAL INFORMATION *(Continued)*

DISCLOSURE PURSUANT TO RULE 13.18 OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE (THE “LISTING RULES”)

In March 2010, Hon Kwok Treasury Limited, a wholly-owned subsidiary of Hon Kwok, as borrower, entered into a facility agreement (the “Facility Agreement”) relating to a HK\$400 million transferable term and revolving loan facilities (the “Loan Facilities”) with a syndicate of banks. The Loan Facilities have a term of 36 months commencing from the date of the Facility Agreement and to be used as general working capital of Hon Kwok and its subsidiaries.

Pursuant to the Facility Agreement, it shall be an event of default if (i) the Company ceases to be the single largest shareholder of Hon Kwok or ceases to hold (whether directly or indirectly) not less than 30% of the effective shareholding in Hon Kwok; or (ii) James Sai-Wing Wong, the Chairman of both the Company and Hon Kwok, ceases to be a major beneficial ultimate shareholder of the Company.

If an event of default under the Facility Agreement occurs, the agent acting for the lending banks may, and shall if so requested by a majority of the lending banks, terminate the Loan Facilities and/or declare all outstanding amounts together with all interest accrued under the Loan Facilities to be immediately due and payable.

CORPORATE GOVERNANCE

Compliance with Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its own code of conduct for directors’ securities transactions. Having made specific enquiry, all the directors have confirmed that they have complied with the required standard as set out in the Model Code during the six months ended 30 September 2011.

CORPORATE GOVERNANCE *(Continued)*

Compliance with the Code on Corporate Governance Practices

In the opinion of the Directors, the Company has complied with the applicable code provisions of the Code on Corporate Governance Practices (the “CG Code”) as set out in Appendix 14 of the Listing Rules for the six months ended 30 September 2011, except for the following deviations:

1. CG Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election and CG Code provision A.4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election in accordance with the articles of association of the Company (the “Articles of Association”). The Articles of Association do not require the directors to retire by rotation at least once every three years. However, in accordance with article 104 of the Articles of Association, at each annual general meeting of the Company, one-third of the directors for the time being (or, if their number is not three or a multiple of three, then the number nearest one-third), other than the one who holds the office as executive chairman or managing director, shall retire from office by rotation. The Board will ensure the retirement of each director, other than the one who holds the office as executive chairman or managing director, by rotation at least once every three years in order to comply with the CG Code provisions.

The Chairman and Managing Director will not be subject to retirement by rotation as stipulated in CG Code provision A.4.2 as the Board considers that the continuity of office of the Chairman and Managing Director provide the Group with a strong and consistent leadership and is of great importance to the smooth operations of the Group.

All directors appointed to fill a casual vacancy is subject to re-election by shareholders at the next following annual general meeting of the Company instead of at the first general meeting after their appointment as stipulated in CG Code provision A.4.2.

GENERAL INFORMATION *(Continued)*

CORPORATE GOVERNANCE *(Continued)*

Compliance with the Code on Corporate Governance Practices *(Continued)*

2. CG Code provision B.1.3 stipulates that the terms of reference of the remuneration committee should include, as a minimum, those specific duties as set out in the CG Code provisions. The Company adopted the terms of reference of the remuneration committee on 16 December 2005 with certain deviations from the CG Code provisions. Pursuant to the terms of reference, the remuneration committee should review (as opposed to determine) and make recommendations to the Board on the remuneration of directors (as opposed to directors and senior management).
3. The terms of reference of the remuneration committee and audit committee of the Company are available from the Company Secretary on request and not yet ready on the Company's website as stipulated in CG Code provisions B.1.4 and C.3.4.

Audit committee

The Company has established an audit committee comprising James C. Chen, William Chung-Yue Fan, Clement Kwok-Hung Young and Peter Man-Kong Wong.

Regular meetings have been held by the audit committee of the Company since its establishment and it meets at least twice each year to review and supervise the Group's financial reporting process and internal control. The Company's interim results for the six months ended 30 September 2011 have not been audited, but have been reviewed by the audit committee.

FINANCIAL REVIEW

Liquidity and financial resources

The total interest-bearing debts of the Group amounted to approximately HK\$2,987 million as at 30 September 2011 (as at 31 March 2011: HK\$2,472 million), of which approximately 24% (as at 31 March 2011: 38%) of the debts were classified as current liabilities. Included therein was HK\$208 million (as at 31 March 2011: HK\$211 million) related to bank loans with repayable on demand clause. Based on the repayment schedules pursuant to the related loan agreements, the current portion of the total interest-bearing debts was approximately 17%. The increase in total debts was mainly due to the refinancing of an investment property in Hong Kong with increased facility and the drawdown of additional bank loans for capital injection into mainland development projects.

Total cash and bank balances including time deposits were approximately HK\$1,440 million as at 30 September 2011 (as at 31 March 2011: HK\$1,126 million). The Group had a total of approximately HK\$816 million (as at 31 March 2011: HK\$1,125 million) committed but undrawn banking facilities at period end available for its working capital purpose.

Total shareholders' funds as at 30 September 2011 were approximately HK\$2,510 million (as at 31 March 2011: HK\$2,391 million). The increase was mainly due to current period's profit attributable to shareholders.

The gearing ratio of the Group, as measured by the net interest-bearing debts of approximately HK\$1,547 million (as at 31 March 2011: HK\$1,346 million) over the shareholders' funds plus non-controlling interests totalling of approximately HK\$4,583 million (as at 31 March 2011: HK\$4,393 million), was 34% as at 30 September 2011 (as at 31 March 2011: 31%).

GENERAL INFORMATION *(Continued)*

FINANCIAL REVIEW *(Continued)*

Funding and treasury policies

There are no significant changes in the Group's funding and treasury policies. As at 30 September 2011, the Group had no material exposure under foreign exchange contracts or any other hedging instruments.

Pledge of assets

Bank balances, certain properties and investments with an aggregate carrying value of approximately HK\$5,412 million as at 30 September 2011 (as at 31 March 2011: HK\$5,148 million) and shares in certain subsidiaries were pledged to secure certain banking facilities of the Group.

Employees and remuneration policies

The Group, not including its associates and jointly-controlled entities, employed approximately 950 employees as at 30 September 2011. There have been no significant changes in the remuneration policies and benefits to the employees of the Group.

Contingent liabilities

Particulars of the Group's contingent liabilities are set out in note 13 to the condensed interim consolidated financial statements.

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended	
		30 September	
		2011	2010
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
	<i>Notes</i>		
Revenue	2	484,851	171,564
Cost of sales		(348,044)	(119,081)
Gross profit		136,807	52,483
Other income and gains	3	9,688	9,554
Fair value gains on investment properties, net		98,782	129,693
Fair value losses on equity investments at fair value through profit or loss		(6,925)	(11,465)
Selling and distribution costs		(9,636)	(13,096)
Administrative and other operating expenses		(46,491)	(50,368)
Finance costs	4	(26,428)	(20,969)
Share of profits and losses of:			
Associates		3,135	4,520
Jointly-controlled entities		327	211
Profit before tax	5	159,259	100,563
Income tax expense	6	(52,004)	(33,520)
Profit for the period		107,255	67,043
Attributable to:			
Owners of the Company		41,164	32,015
Non-controlling interests		66,091	35,028
		107,255	67,043
Earnings per share attributable to ordinary equity holders of the Company			
Basic	7	7.47 HK cents	5.81 HK cents
Diluted		7.31 HK cents	5.46 HK cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended	
	30 September	
	2011	2010
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Profit for the period	107,255	67,043
Other comprehensive income for the period		
Exchange differences on translation of foreign operations	<u>149,835</u>	<u>82,350</u>
Total comprehensive income for the period	<u>257,090</u>	<u>149,393</u>
Attributable to:		
Owners of the Company	121,005	74,915
Non-controlling interests	<u>136,085</u>	<u>74,478</u>
	<u>257,090</u>	<u>149,393</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 September 2011 (Unaudited) <i>HK\$'000</i>	At 31 March 2011 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment		113,909	115,805
Prepaid land lease payments		14,363	14,579
Investment properties		5,023,859	4,784,501
Investments in associates		110,426	112,496
Investments in jointly-controlled entities		3,496	3,491
Deferred tax assets		119	117
Loan receivables		3,189	1,608
Total non-current assets		5,269,361	5,032,597
CURRENT ASSETS			
Inventories		12,090	11,645
Properties held for sale under development and properties held for sale		1,836,874	1,811,676
Prepaid land lease payments		1,186	1,186
Equity investments at fair value through profit or loss		44,136	51,061
Trade and bills receivables	8	21,358	24,877
Prepayments, deposits and other receivables		72,862	84,719
Amounts due from a related company		414	396
Amounts due from jointly-controlled entities		54	31
Tax recoverable		23,913	32,198
Pledged deposits		122,085	96,974
Cash and cash equivalents		1,318,120	1,029,076
Total current assets		3,453,092	3,143,839
CURRENT LIABILITIES			
Trade payables and accrued liabilities	9	153,280	125,148
Customer deposits		441,201	670,433
Tax payable		78,668	67,492
Interest-bearing bank borrowings		724,021	821,802
Convertible bonds	10	—	108,355
Total current liabilities		1,397,170	1,793,230

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

	<i>Notes</i>	At 30 September 2011 (Unaudited) <i>HK\$'000</i>	At 31 March 2011 (Audited) <i>HK\$'000</i>
NET CURRENT ASSETS		<u>2,055,922</u>	<u>1,350,609</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,325,283</u>	<u>6,383,206</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		2,263,360	1,541,687
Deferred tax liabilities		<u>478,431</u>	<u>448,047</u>
Total non-current liabilities		<u>2,741,791</u>	<u>1,989,734</u>
Net assets		<u><u>4,583,492</u></u>	<u><u>4,393,472</u></u>
EQUITY			
Equity attributable to owners of the Company			
Issued capital	11	137,842	137,842
Reserves		2,371,860	2,225,933
Proposed final dividend		<u>—</u>	<u>27,568</u>
		<u>2,509,702</u>	<u>2,391,343</u>
Non-controlling interests		<u>2,073,790</u>	<u>2,002,129</u>
Total equity		<u><u>4,583,492</u></u>	<u><u>4,393,472</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company									
	Issued capital (Unaudited) HK\$'000	Share premium account (Unaudited) HK\$'000	Other reserve (Unaudited) HK\$'000	Exchange fluctuation reserve (Unaudited) HK\$'000	Equity component	Proposed final dividend (Unaudited) HK\$'000	Retained profits (Unaudited) HK\$'000	Total (Unaudited) HK\$'000	Non-controlling interests (Unaudited) HK\$'000	Total equity (Unaudited) HK\$'000
					of					
					convertible bonds (Unaudited) HK\$'000					
At 1 April 2010	137,842	267,569	-	179,527	5,344	27,568	1,467,557	2,085,407	1,763,389	3,848,796
Profit for the period	-	-	-	-	-	-	32,015	32,015	35,028	67,043
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations	-	-	-	42,900	-	-	-	42,900	39,450	82,350
Total comprehensive income for the period	-	-	-	42,900	-	-	32,015	74,915	74,478	149,393
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	(27,397)	(27,397)
Final dividend in respect of previous financial year	-	-	-	-	-	(27,568)	-	(27,568)	-	(27,568)
At 30 September 2010	<u>137,842</u>	<u>267,569</u>	<u>-</u>	<u>222,427</u>	<u>5,344</u>	<u>-</u>	<u>1,499,572</u>	<u>2,132,754</u>	<u>1,810,470</u>	<u>3,943,224</u>
At 1 April 2011	137,842	267,569	3,764	245,989	5,344	27,568	1,703,267	2,391,343	2,002,129	4,393,472
Profit for the period	-	-	-	-	-	-	41,164	41,164	66,091	107,255
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations	-	-	-	79,841	-	-	-	79,841	69,994	149,835
Total comprehensive income for the period	-	-	-	79,841	-	-	41,164	121,005	136,085	257,090
Acquisition of non-controlling interests	-	-	24,922	-	-	-	-	24,922	(36,734)	(11,812)
Redemption of convertible bonds	-	-	-	-	(5,344)	-	5,344	-	-	-
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	(27,690)	(27,690)
Final dividend in respect of previous financial year	-	-	-	-	-	(27,568)	-	(27,568)	-	(27,568)
At 30 September 2011	<u>137,842</u>	<u>267,569</u>	<u>28,686</u>	<u>325,830</u>	<u>-</u>	<u>-</u>	<u>1,749,775</u>	<u>2,509,702</u>	<u>2,073,790</u>	<u>4,583,492</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended	
	30 September	
	2011	2010
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash flows from/(used in) operating activities	(51,361)	262,433
Net cash flows used in investing activities	(215,964)	(177,591)
Net cash flows from financing activities	384,369	133,608
	117,044	218,450
Net increase in cash and cash equivalents		
Cash and cash equivalents at beginning of the period	1,029,076	685,000
	1,146,120	903,450
Cash and cash equivalents at end of the period		
Analysis of balances of cash and cash equivalents		
Cash and bank balances	947,873	818,164
Non-pledged time deposits	370,247	85,286
	1,318,120	903,450
Cash and cash equivalents as stated in the statement of financial position		
Less: non-pledged time deposits with original maturity of more than three months when acquired	(172,000)	—
	1,146,120	903,450
Cash and cash equivalents as stated in the statement of cash flows	1,146,120	903,450

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The unaudited condensed interim consolidated financial statements for the six months ended 30 September 2011 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of Appendix 16 to the Listing Rules.

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

Accounting policies

The accounting policies and basis of preparation adopted in the preparation of this unaudited condensed interim financial statements are consistent with those adopted in the annual financial statements for the year ended 31 March 2011 except the Group has adopted the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”, which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA which are effective for the Group’s financial year beginning on or after 1 April 2011.

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

Apart from the above, the HKICPA has issued *Improvements to HKFRSs 2010* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to HKFRS 3 and HKAS 27 are effective for annual periods beginning on or after 1 July 2010, whereas the amendments to HKFRS 1, HKFRS 7, HKAS 1, HKAS 34 and HK(IFRIC)-Int 13 are effective for annual periods beginning on or after 1 April 2011 although there are separate transitional provisions for each standard.

The adoption of these new and revised HKFRSs has had no significant financial effect on the unaudited condensed interim consolidated financial statements.

The HKICPA has issued a number of new standards, interpretations and amendments to standards which are not effective for the accounting period beginning 1 April 2011. The Group has not early adopted these new and revised HKFRSs.

2. OPERATING SEGMENT INFORMATION

The Group is principally engaged in garment manufacturing and trading, property development and property investment activities. The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Operating segments are reported in a manner consistent with the internal reporting provided to key management personnel. An analysis of the Group's revenue and contribution to profit from operation by business segments and revenue by geographical segments is as follows:

(a) Business segments

	Six months ended 30 September 2011 (Unaudited)				
	Garment	Property development	Property investment	Others	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment revenue:					
Sales to external customers	<u>80,963</u>	<u>332,157</u>	<u>52,447</u>	<u>19,284</u>	<u>484,851</u>
Segment results	<u>(27)</u>	<u>79,405</u>	<u>114,160</u>	<u>(6,160)</u>	<u>187,378</u>
<i>Reconciliation:</i>					
Net income from investments					4,663
Unallocated expenses					(2,891)
Fair value loss on equity investments at fair value through profit or loss					(6,925)
Finance costs					(26,428)
Share of profits and losses of associates					3,135
Share of profits and losses of jointly-controlled entities					<u>327</u>
Profit before tax					<u>159,259</u>

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

2. OPERATING SEGMENT INFORMATION *(Continued)*

(a) Business segments *(Continued)*

	Six months ended 30 September 2010 (Unaudited)				
		Property	Property		
	Garment <i>HK\$'000</i>	development <i>HK\$'000</i>	investment <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:					
Sales to external customers	<u>99,976</u>	<u>24,122</u>	<u>31,225</u>	<u>16,241</u>	<u>171,564</u>
Segment results	<u>1,635</u>	<u>638</u>	<u>127,874</u>	<u>(224)</u>	129,923
<i>Reconciliation:</i>					
Net income from investments					3,044
Unallocated expenses					(4,701)
Fair value loss on equity investments at fair value through profit or loss					(11,465)
Finance costs					(20,969)
Share of profits and losses of associates					4,520
Share of profits and losses of jointly-controlled entities					<u>211</u>
Profit before tax					<u>100,563</u>

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

2. OPERATING SEGMENT INFORMATION *(Continued)*

(b) Geographical segments

The following table provides an analysis of the Group's revenue by geographical market:

	Six months ended 30 September 2011 (Unaudited)					Total HK\$'000
	Hong Kong HK\$'000	Mainland		North		
		China HK\$'000	Europe HK\$'000	America HK\$'000	Others HK\$'000	
Segment revenue:						
Sales to external customers	<u>39,768</u>	<u>365,020</u>	<u>72,134</u>	<u>7,061</u>	<u>868</u>	<u>484,851</u>

	Six months ended 30 September 2010 (Unaudited)					Total HK\$'000
	Hong Kong HK\$'000	Mainland		North		
		China HK\$'000	Europe HK\$'000	America HK\$'000	Others HK\$'000	
Segment revenue:						
Sales to external customers	<u>37,845</u>	<u>34,150</u>	<u>86,039</u>	<u>11,374</u>	<u>2,156</u>	<u>171,564</u>

3. OTHER INCOME AND GAINS

	Six months ended 30 September	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Bank interest income	3,246	1,268
Other interest income	737	1,202
Dividend income from listed investments	680	574
Commission income	–	13
Gain on disposal of investment properties, net	1,050	860
Foreign exchange differences, net	1,561	2,439
Others	<u>2,414</u>	<u>3,198</u>
	<u>9,688</u>	<u>9,554</u>

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

4. FINANCE COSTS

	Six months ended	
	30 September	
	2011	2010
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest on bank loans, overdrafts and other loans (including convertible bonds) wholly repayable within five years	34,952	29,918
Interest on bank loans wholly repayable after five years	<u>1,175</u>	<u>2,144</u>
	36,127	32,062
Less: Interest capitalized under property development projects	<u>(9,699)</u>	<u>(11,093)</u>
	<u>26,428</u>	<u>20,969</u>

5. PROFIT BEFORE TAX

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

	Six months ended	
	30 September	
	2011	2010
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Depreciation	5,990	3,573
Amortisation of prepaid land lease payments	615	239
Employee benefits expense (including directors' remuneration)	43,555	39,228
Less: Amounts capitalized under property development projects	<u>(2,290)</u>	<u>(2,700)</u>
	<u>41,265</u>	<u>36,528</u>
Fair value losses on equity investments at fair value through profit or loss	6,925	11,465
Bank interest income	(3,246)	(1,268)
Other interest income	(737)	(1,202)
Gain on disposal of investment properties, net	(1,050)	(860)
Gain on disposal of items of property, plant and equipment	<u>(14)</u>	<u>–</u>

6. INCOME TAX

	Six months ended	
	30 September	
	2011	2010
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<hr/>		
Group:		
Current – Hong Kong	569	595
– Outside Hong Kong	<u>26,332</u>	<u>5,885</u>
	26,901	6,480
Deferred	<u>25,103</u>	<u>27,040</u>
Total tax charge for the period	<u>52,004</u>	<u>33,520</u>

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

7. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the Company and the number of ordinary shares in issue during the period.

The calculation of diluted earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the Company, adjusted to reflect the interest on the convertible bonds of a subsidiary and the dilution effect on earnings assuming there is a full conversion of the convertible bonds of a subsidiary, where applicable. The 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.

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

7. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY *(Continued)*

The calculations of basic and diluted earnings per share are based on:

	Six months ended	
	30 September	
	2011	2010
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<hr/>		
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	41,164	32,015
Interest on convertible bonds of a subsidiary, net of tax and interest capitalization	157	–
Dilution of earnings arising from the full conversion of convertible bonds of a subsidiary	<u>(1,043)</u>	<u>(1,904)</u>
Profit attributable to ordinary equity holders of the Company after the full conversion of the convertible bonds of a subsidiary	<u>40,278</u>	<u>30,111</u>

8. TRADE AND BILLS RECEIVABLES

An aged analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice/contract date and net of impairment, is as follows:

	At 30 September 2011 (Unaudited) HK\$'000	At 31 March 2011 (Audited) HK\$'000
Within 30 days	8,517	5,447
31 to 60 days	2,590	4,723
61 to 90 days	6,090	14,506
Over 90 days	4,161	201
Total	<u>21,358</u>	<u>24,877</u>

The Group's trading terms with its customers in the garment segment are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one month, extending up to four months for major customers. Each customer has a maximum credit limit. Monthly rent in respect of leased properties is payable in advance by the tenants pursuant to the terms of the tenancy agreements. The balance of the consideration in respect of sold properties is payable by the purchasers pursuant to the terms of the sale and purchase agreements. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade and bills receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade and bills receivables are non-interest-bearing.

9. TRADE PAYABLES AND ACCRUED LIABILITIES

Included in the trade payables and accrued liabilities are trade payables of HK\$19,402,000 (at 31 March 2011: HK\$23,704,000). An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	At 30 September 2011 (Unaudited) HK\$'000	At 31 March 2011 (Audited) HK\$'000
Within 30 days	14,940	17,498
31 to 60 days	1,897	5,318
61 to 90 days	2,048	75
Over 90 days	517	813
Total	<u>19,402</u>	<u>23,704</u>

10. CONVERTIBLE BONDS

During the period, the outstanding principal of the 3.5% Convertible Bonds due June 2011 in the amount of HK\$88 million was redeemed in full upon maturity on 27 June 2011 together with the redemption premium. The aggregate redemption amount was HK\$109,602,000.

11. SHARE CAPITAL

There were no movements in the authorised, issued and fully paid share capital of the Company in the current interim period.

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

12. BUSINESS COMBINATION

On 21 April 2010, the Group completed the acquisition of the entire issued share capital of Guru Star Investments Limited (“Guru Star”) and the assignment of related shareholder’s loan to the Group at an aggregate cash consideration of HK\$144,211,000. Guru Star is engaged in property investment.

The fair values of the identifiable assets and liabilities of Guru Star and its subsidiaries (the “Guru Star Group”) as at the date of acquisition were as follows:

	Fair values recognised on acquisition <i>HK\$’000</i>
<hr/>	
Net assets acquired:	
Property, plant and equipment	55
Investment properties	210,227
Prepayments, deposits and other receivables	246
Cash and cash equivalents	11,562
Trade payables and accrued liabilities	(3,570)
Interest-bearing bank borrowings	(43,590)
Deferred tax liabilities	(29,473)
Shareholder’s loan	<u>(43,126)</u>
	102,331
Gain from bargain purchase	(1,246)
Assignment of shareholder’s loan	<u>43,126</u>
	<u><u>144,211</u></u>
Satisfied by cash	<u><u>144,211</u></u>

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

12. BUSINESS COMBINATION *(Continued)*

An analysis of the net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries was as follows:

	<i>HK\$'000</i>
Cash consideration	144,211
Cash and cash equivalents acquired	<u>(11,562)</u>
Net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries	<u>132,649</u>

Since its acquisition, Guru Star Group contributed HK\$3,822,000 to the Group's turnover and HK\$1,367,000 to the consolidated profit for the six months ended 30 September 2010.

Had the above business combination taken place at the beginning of last period, the revenue and the profit of the Group for that period would have been approximately HK\$173 million and HK\$67 million, respectively.

13. CONTINGENT LIABILITIES

As at 30 September 2011, the Group has given guarantees of HK\$210,729,000 (as at 31 March 2011 (audited): HK\$306,671,000) to banks for housing loans extended by the banks to the purchasers of the Group's properties for a period from the date the loans are granted to the purchasers up to the date of issuance of property title certificates to the purchasers.

14. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its properties under operating lease arrangements, with leases negotiated for terms ranging from one to twenty-two years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 30 September 2011, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	At 30 September 2011 (Unaudited) HK\$'000	At 31 March 2011 (Audited) HK\$'000
Within one year	84,728	60,290
In the second to fifth years, inclusive	208,765	161,035
Over five years	430,202	433,934
	<u>723,695</u>	<u>655,259</u>

(b) As lessee

The Group leases certain of its properties and office equipment under operating lease arrangements. Leases for properties and office equipment are negotiated for terms ranging from one to five years.

At 30 September 2011, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	At 30 September 2011 (Unaudited) HK\$'000	At 31 March 2011 (Audited) HK\$'000
Within one year	12,431	11,932
In the second to fifth years, inclusive	7,048	8,987
	<u>19,479</u>	<u>20,919</u>

15. CAPITAL COMMITMENTS

At 30 September 2011, the Group had authorised and contracted capital commitments in respect of property development expenditure amounting to HK\$528,880,000 (at 31 March 2011 (audited): HK\$524,445,000).

16. RELATED PARTY TRANSACTIONS

(a) On 8 March 2010, a wholly-owned subsidiary of Hon Kwok, Join Ally Limited, as purchaser, entered into a sale and purchase agreement with Enhancement Investments Limited (“Enhancement”), as vendor, for the acquisition of the entire issued share capital of Guru Star and the assignment of related shareholder’s loan to the Group at an aggregate cash consideration of HK\$144,211,000. Enhancement is a company controlled by James Sai-Wing Wong, the Chairman and substantial shareholder of the Company. The above acquisition was completed on 21 April 2010.

(b) Significant transactions with related parties

	Six months ended	
	30 September	
	2011	2010
	(Unaudited)	(Unaudited)
	HK\$’000	HK\$’000
Legal and professional fees paid to a firm of which a director of the Company is a consultant	9	43
Interest income on a promissory note due from an associate	–	1,202
	<u> </u>	<u> </u>

16. RELATED PARTY TRANSACTIONS *(Continued)*

(c) Outstanding balances with related parties

	At 30 September 2011 (Unaudited) <i>HK\$'000</i>	At 31 March 2011 (Audited) <i>HK\$'000</i>
Due from related parties		
– A related company	414	396
– Jointly-controlled entities	<u>54</u>	<u>31</u>

(d) Compensation of key management personnel of the Group

	Six months ended 30 September 2011 (Unaudited) <i>HK\$'000</i>	2010 (Unaudited) <i>HK\$'000</i>
Short-term employee benefits	<u>1,565</u>	<u>1,480</u>

- (e) Except for a promissory note receivable from an associate, which was unsecured, interest-bearing at the rate of 5% per annum and matured on 26 October 2010, the balances with related companies and jointly controlled entities are unsecured, interest-free and have no fixed terms of repayment.

17. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These condensed interim consolidated financial statements were approved and authorised for issue by the board of directors on 28 November 2011.