Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

WING ON COMPANY INTERNATIONAL LIMITED

永安國際有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 289)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2009

The directors of Wing On Company International Limited ("the Company") announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2009 ("interim financial report").

INDEPENDENT REVIEW

This interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, this interim financial report has been reviewed by the Company's Audit Committee.

CONSOLIDATED INCOME STATEMENT

		Six months ended 30 June	
		2009	2008
	Note	**HK$'000**	HK$'000
Turnover	4	**686,747**	705,060
Other revenue	5	**20,357**	35,943
Other net gain/(loss)	5	**40,969**	(23,632)
Cost of department store sales	6(d)	**(298,555)**	(301,570)
Cost of property leasing activities	6(c)	**(25,264)**	(32,037)
Other operating expenses		**(184,047)**	(177,346)
Profit from operations		**240,207**	206,418
Finance costs	6(a)	**(16,169)**	(39,265)
		224,038	167,153
Net valuation gain on investment properties		**90,112**	582,417
		314,150	749,570
Share of profits of associates		**3,440**	1,294
Profit before taxation	6	**317,590**	750,864
Income tax	7	**(30,906)**	(71,385)
Profit for the period		**286,684**	679,479
Attributable to:			
Shareholders of the Company		**285,977**	679,207
Minority interests		**707**	272
Profit for the period		**286,684**	679,479
Basic earnings per share	9	**96.8 cents**	230.0 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June			
	2009		2008	
	HK$'000	**HK$'000**	HK$'000	HK$'000
Profit for the period		**286,684**		679,479
Other comprehensive income for the period (after tax and reclassification adjustments):				
Foreign currency translation adjustments:				
- exchange differences on translation of financial statements of overseas subsidiaries	**205,002**		144,243	
- share of exchange differences on translation of financial statements of overseas associates	**39**		654	
- release of exchange reserve upon return on investments in overseas subsidiaries	**-**	**205,041**	(19,911)	124,986
Share of cashflow hedge of an associate:				
- net movement in hedging reserve		**21,950**		(1,172)
Share of land and building revaluation reserve of an associate: release of valuation surplus upon disposal of a property		**-**		(6,821)
Available-for-sale securities:				
- changes in fair value recognised during the period	**1,460**		(16,050)	
- transfer to the consolidated income statement on impairment	**-**	**1,460**	17,249	1,199
		228,451		118,192
Total comprehensive income for the period		**515,135**		797,671
Attributable to:				
Shareholders of the Company		**514,427**		797,393
Minority interests		**708**		278
Total comprehensive income for the period		**515,135**		797,671

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	At 30 June 2009 HK$'000	At 31 December 2008 HK$'000
Non-current assets			
Fixed assets			
- Investment properties		**6,031,373**	5,654,751
- Other property, plant and equipment		**645,689**	660,741
		6,677,062	6,315,492
Goodwill		**1,178**	1,178
Interest in associates		**690,571**	669,482
Available-for-sale securities		**24,449**	22,989
Deferred tax assets		**39,823**	40,966
		7,433,083	7,050,107
Current assets			
Trading securities		**128,022**	176,419
Inventories		**77,829**	85,066
Debtors, deposits and prepayments	10	**77,581**	165,711
Amounts due from fellow subsidiaries		**44,662**	1,774
Current tax recoverable		**-**	3,100
Cash and cash equivalents		**1,482,500**	1,118,141
		1,810,594	1,550,211
Current liabilities			
Creditors and accrued charges	11	**327,457**	317,147
Amounts due to fellow subsidiaries		**2,307**	1,999
Secured bank loan		**30,109**	8,549
Amount due to an associate		**13,264**	12,936
Current tax payable		**11,333**	729
		384,470	341,360
Net current assets		**1,426,124**	1,208,851
Total assets less current liabilities		**8,859,207**	8,258,958
Non-current liabilities			
Secured bank loan		**772,809**	675,368
Deferred tax liabilities		**842,198**	804,083
		1,615,007	1,479,451
Net assets		**7,244,200**	6,779,507
Capital and reserves			
Share capital		**29,530**	29,533
Reserves		**7,198,011**	6,734,023
Total equity attributable to shareholders of the Company		**7,227,541**	6,763,556
Minority interests		**16,659**	15,951
Total equity		**7,244,200**	6,779,507

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2009

		Attributable to shareholders of the Company										
	Note	Share capital HK$'000	Land and building revaluation reserve HK$'000	Investment revaluation reserve HK$'000	Exchange reserve HK$'000	Hedging reserve HK$'000	Contributed surplus HK$'000	General reserve fund HK$'000	Retained earnings (note) HK$'000	Total HK$'000	Minority interests HK$'000	Total equity HK$'000
At 1 January 2009		29,533	176,750	7,311	(4,395)	(75,115)	754,347	66	5,875,059	6,763,556	15,951	6,779,507
Changes in equity for the six months ended 30 June 2009:												
Total comprehensive income for the period		-	-	1,460	205,040	21,950	-	-	285,977	514,427	708	515,135
Purchase of own shares												
- par value paid		(3)	-	-	-	-	-	-	-	(3)	-	(3)
- premium paid		-	-	-	-	-	-	-	(234)	(234)	-	(234)
Dividends approved in respect of the previous year	8(b)	-	-	-	-	-	-	-	(50,205)	(50,205)	-	(50,205)
		(3)	-	1,460	205,040	21,950	-	-	235,538	463,985	708	464,693
At 30 June 2009		29,530	176,750	8,771	200,645	(53,165)	754,347	66	6,110,597	7,227,541	16,659	7,244,200
At 1 January 2008		29,533	181,893	9,213	365,969	(30,033)	754,347	-	6,251,500	7,562,422	15,682	7,578,104
Changes in equity for the six months ended 30 June 2008:												
Total comprehensive income for the period		-	(6,821)	1,199	124,980	(1,172)	-	-	679,207	797,393	278	797,671
Dividends approved in respect of the previous year	8(b)	-	-	-	-	-	-	-	(153,570)	(153,570)	-	(153,570)
At 30 June 2008 and 1 July 2008		29,533	175,072	10,412	490,949	(31,205)	754,347	-	6,777,137	8,206,245	15,960	8,222,205
Changes in equity for the six months ended 31 December 2008:												
Share of general reserve fund of an associate: transfer to general reserve fund		-	-	-	-	-	-	66	(66)	-	-	-
Total comprehensive income/(expenses) for the period		-	1,678	(3,101)	(495,344)	(43,910)	-	-	(851,807)	(1,392,484)	(9)	(1,392,493)
Dividends declared and paid in respect of the current year	8(a)	-	-	-	-	-	-	-	(50,205)	(50,205)	-	(50,205)
At 31 December 2008		29,533	176,750	7,311	(4,395)	(75,115)	754,347	66	5,875,059	6,763,556	15,951	6,779,507

Note: Retained earnings attributable to the shareholders of the Company as at 30 June 2009 include the aggregate net valuation gain relating to investment properties after deferred tax of HK$3,148,925,000 (as at 31 December 2008: HK$3,062,944,000).

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
Cash generated from operations	**231,485**	202,692
Tax paid	**(8,512)**	(29,019)
Net cash generated from operating activities	**222,973**	173,673
Net cash generated from/(used in) investing activities	**70,420**	(34,837)
Net cash used in financing activities	**(10,624)**	(194,105)
Net increase/(decrease) in cash and cash equivalents	**282,769**	(55,269)
Cash and cash equivalents at 1 January	**1,118,141**	1,177,295
Effect of foreign exchange rates changes	**81,590**	56,342
Cash and cash equivalents at 30 June	**1,482,500**	1,178,368

	At 30 June 2009	At 30 June 2008
	HK$'000	HK$'000
Analysis of the balances of cash and cash equivalents		
Cash at banks and in hand	**92,304**	97,322
Bank deposits	**1,390,196**	1,081,046
Cash and cash equivalents	**1,482,500**	1,178,368

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1. Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange"), including compliance with Hong Kong Accounting Standard ("HKAS") 34, Interim Financial Reporting, issued by the HKICPA. It was authorised for issue on 9 September 2009.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2008 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2009 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2008 annual financial statements. The condensed consolidated interim financial statements and notes thereto do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs", which term collectively includes HKASs and Interpretations).

The financial information relating to the financial year ended 31 December 2008 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2008 are available from the Stock Exchange's website. The auditors have expressed an unqualified opinion on those financial statements in their report dated 15 April 2009.

2. Changes in accounting policies

The HKICPA has issued one new HKFRS, a number of amendments to HKFRSs and new Interpretations that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- HKFRS 8, Operating segments
- HKAS 1 (revised), Presentation of financial statements
- Improvements to HKFRSs
- Amendments to HKAS 27, Consolidated and separate financial statements – cost of an investment in a subsidiary, jointly controlled entity or associate
- Amendments to HKFRS 7, Financial instruments: Disclosures – improving disclosures about financial instruments
- HKAS 23 (revised), Borrowing costs
- HK(IFRIC) 13, Customer loyalty programmes

The adoption of improvements to HKFRSs, the issue of Interpretation HK(IFRIC) 13 and the amendments to HKAS 27 and HKAS 23 (revised) do not have a significant impact on the Group's results of operations and financial position. In addition, the amendments to HKFRS 7 do not contain any additional disclosure requirements specifically applicable to the interim financial report. The impact of the remainder of these developments on the interim financial report is as follows:

- HKFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. This contrasts with the presentation of segment information in prior years which was based on a disaggregation of the Group's financial statements into segments based on related products and services and on geographical areas. The adoption of HKFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group's most senior executive management (see note 3). As this is the first period in which the Group has presented segment information in accordance with HKFRS 8, additional explanation has been included in the interim financial report which explains the basis of preparation of the information. Corresponding amounts have also been presented on a basis consistent with the revised segment information.
- As a result of the adoption to HKAS 1 (revised), details of changes in equity during the period arising from transactions with shareholders in their capacity as such have been presented separately from all other income and expense in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. The new format for the consolidated statement of comprehensive income and the consolidated statement of changes in equity has been adopted in this interim financial report and corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

3. Segment reporting

The Group manages its businesses by two divisions, namely department stores and property investment. On first-time adoption of HKFRS 8, Operating segments and in a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Department stores: this segment operates department stores in Hong Kong.
- Property investment: this segment leases commercial premises to generate rental income. Currently the Group's investment property portfolio is located in Hong Kong, Australia and the United States of America.

(a) Segment results, assets and liabilities

In accordance with HKFRS 8, segment information disclosed in the interim financial report has been prepared in a manner consistent with the information used by the Group's most senior executive management for the purposes of assessing segment performance and allocating resources between segments. In this regard, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of goodwill, interests in associates, investments in financial assets, current tax recoverable, deferred tax assets and other corporate assets. Segment liabilities include trade and other creditors, accrued charges and bank borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is profit before interest income, finance costs and income tax.

In addition to receiving segment information concerning segment profit, management is provided with segment information concerning revenue (including inter-segment revenue), interest expense on bank borrowings managed directly by the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

	Department stores		Property investment		Total	
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
For the six months ended 30 June						
Revenue from external customers	**540,193**	553,060	**146,554**	152,000	**686,747**	705,060
Inter-segment revenue (note)	**-**	-	**40,077**	38,353	**40,077**	38,353
Reportable segment revenue	**540,193**	553,060	**186,631**	190,353	**726,824**	743,413
Reportable segment profit	**53,407**	73,448	**142,228**	140,048	**195,635**	213,496
Balance at 30 June /31 December						
Reportable segment assets	**137,729**	138,986	**6,660,914**	6,301,403	**6,798,643**	6,440,389
Additions to non-current segment assets during the period	**5,498**	9,665	**15,190**	35,596	**20,688**	45,261
Reportable segment liabilities	**213,012**	248,527	**850,781**	730,550	**1,063,793**	979,077

Note: Inter-segment revenue includes income from property investment paid by the department stores operation of HK$39,557,000 (2008:HK$37,847,000).

(b) Reconciliations of reportable segment profit, assets and liabilities

	Six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
Profit		
Reportable segment profit derived from the Group's external customers	**195,635**	213,496
Share of profits of associates	**3,440**	1,294
Other revenue	**20,357**	35,943
Other net gain/(loss)	**40,969**	(23,632)
Finance costs	**(16,169)**	(39,265)
Net valuation gain on investment properties	**90,112**	582,417
Unallocated head office and corporate expenses	**(16,754)**	(19,389)
Consolidated profit before taxation	**317,590**	750,864

	At	At
	30 June	31 December
	2009	2008
	HK$'000	HK$'000
Assets		
Reportable segment assets	**6,798,643**	6,440,389
Elimination of inter-segment receivables	**(8,915)**	(8,799)
	6,789,728	6,431,590
Goodwill	**1,178**	1,178
Interest in associates	**690,571**	669,482
Available-for-sale securities	**24,449**	22,989
Trading securities	**128,022**	176,419
Current tax recoverable	**-**	3,100
Deferred tax assets	**39,823**	40,966
Unallocated head office and corporate assets	**1,569,906**	1,254,594
Consolidated total assets	**9,243,677**	8,600,318
Liabilities		
Reportable segment liabilities	**1,063,793**	979,077
Elimination of inter-segment payables	**(8,915)**	(8,799)
	1,054,878	970,278
Amounts due to fellow subsidiaries	**2,307**	1,999
Amount due to an associate	**13,264**	12,936
Current tax payable	**11,333**	729
Deferred tax liabilities	**842,198**	804,083
Unallocated head office and corporate liabilities	**75,497**	30,786
Consolidated total liabilities	**1,999,477**	1,820,811

4. Turnover

The principal activities of the Group during the period were the operation of department stores and property investment.

The Group's turnover for the period comprised the invoiced value of goods sold to customers less returns, net income from concession sales and income from property investment and is analysed by principal activities as follows:

	Six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
Sale of goods	**438,533**	445,309
Net income from concession sales	**101,660**	107,751
Department stores	**540,193**	553,060
Property investment	**146,554**	152,000
	686,747	705,060

5. Other revenue and other net gain/(loss)

	Six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
Other revenue		
Interest income from bank deposits	**9,535**	30,002
Interest income from loans to an associate	**211**	-
Dividend income from listed securities	**1,438**	2,948
Dividend income from unlisted securities	**468**	540
Compensation received on early termination of leases	**449**	1,303
Forfeiture of unclaimed dividends	**7,530**	-
Others	**726**	1,150
	20,357	35,943
Other net gain/(loss)		
Net gain/(loss) on remeasurement to fair value of:		
- trading securities	**19,295**	(40,428)
- derivative financial instruments	**40**	(141)
Net foreign exchange gain	**10,573**	7,017
Net realised gain on disposal of:		
- trading securities	**8,758**	494
- derivative financial instruments	**1,575**	6,328
Net gain/(loss) on disposal of other fixed assets	**728**	(1)
Impairment of available-for-sale securities transferred from the investment revaluation reserve	**-**	(17,249)
Release of exchange reserve upon return on investments in overseas subsidiaries	**-**	19,911
Net gain on dissolution of a subsidiary	**-**	437
	40,969	(23,632)

6. Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
(a) Finance costs:		
Interest on bank loan repayable within five years	**16,169**	39,265
(b) Staff costs (excluding directors' remuneration):		
Contributions to defined contribution retirement plans	**5,170**	5,203
Salaries, wages and other benefits	**86,474**	87,868
	91,644	93,071
(c) Rentals received and receivable from investment properties:		
Gross rentals	**(146,554)**	(152,000)
Less: direct outgoings	**25,264**	32,037
	(121,290)	(119,963)
(d) Other items:		
Depreciation and amortisation		
- owned assets	**21,978**	21,200
- lease incentives	**4,770**	5,832
Impairment losses recognised		
- available-for-sale securities	**-**	17,249
- trade and other debtors	**354**	32
Operating lease charges		
- minimum lease payments for hire of land and buildings	**17,447**	15,739
- contingent rentals for hire of land and buildings	**341**	517
Cost of inventories sold	**298,555**	301,570

7. Income tax in the consolidated income statement

	Six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
Current tax – Hong Kong Profits Tax		
Provision for the period	**16,409**	11,536
Current tax – Overseas		
Provision for the period	**5,422**	2,892
(Over)/under-provision in respect of prior periods	**(10)**	677
	5,412	3,569
Deferred tax		
Effect on deferred tax balances at 1 January resulting from a decrease in tax rate		
- changes in fair value of investment properties	**-**	(38,056)
- other temporary differences	**-**	78
Origination and reversal of temporary differences		
- changes in fair value of investment properties	**4,131**	92,803
- other temporary differences	**4,954**	1,455
	9,085	56,280
Total income tax expense	**30,906**	71,385

The provision for Hong Kong Profits Tax is calculated at 16.5% (2008: 16.5%) of the estimated assessable profits for the six months ended 30 June 2009. Taxation for overseas subsidiaries is charged similarly at the appropriate current rates of taxation ruling in the relevant countries.

8. Dividends

(a) Dividends payable to shareholders of the Company attributable to the interim period:

	Six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
Interim dividend declared and payable after the interim period end of 22 HK cents (2008: 17 HK cents) per share	**64,965**	50,205

The interim dividend declared after the interim period end has not been recognised as a liability at the end of the reporting period.

(b) Dividends payable to shareholders of the Company attributable to the previous financial year, approved and payable during the interim period:

	Six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
Final dividend in respect of the financial year ended 31 December 2008, approved and payable during the following interim period of 17 HK cents (31 December 2007: 52 HK cents) per share	**50,205**	153,570

9. Basic earnings per share

(a) The calculation of basic earnings per share is based on the consolidated profit attributable to shareholders of the Company for the six months ended 30 June 2009 of HK$285,977,000 (six months ended 30 June 2008: HK$679,207,000) divided by the weighted average of 295,316,000 shares (2008: 295,326,000 shares) in issue during the interim period.

There were no outstanding potential shares throughout the periods presented.

(b) Adjusted basic earnings per share excluding the net valuation gain on investment properties and related deferred tax thereon

For the purpose of assessing the underlying performance of the Group, the management is of the view that the profit for the period should be adjusted for the net valuation gain on investment properties and related deferred tax thereon in arriving at the "underlying profit attributable to shareholders of the Company".

The difference between the underlying profit attributable to shareholders of the Company and profit attributable to shareholders of the Company as shown in the consolidated income statement for the period is reconciled as follows:

	Six months ended 30 June			
	2009		2008	
		Amount per share		Amount per share
	HK$'000	**HK cents**	HK$'000	HK cents
Profit attributable to shareholders of the Company as shown in the consolidated income statement	**285,977**	**96.8**	679,207	230.0
Net valuation gain on investment properties	**(90,112)**	**(30.5)**	(582,417)	(197.2)
Increase in deferred tax liabilities in relation to the net valuation gain on investment properties	**4,131**	**1.4**	92,803	31.4
	199,996	**67.7**	189,593	64.2
Effect on deferred tax balances at 1 January resulting from a decrease in tax rate	**-**	**-**	(38,056)	(12.9)
Underlying profit attributable to shareholders of the Company	**199,996**	**67.7**	151,537	51.3

10. Debtors, deposits and prepayments

	At 30 June 2009 HK$'000	At 31 December 2008 HK$'000
Trade and other debtors	**50,232**	138,238
Less: Allowance for bad and doubtful debts	**(375)**	(21)
	49,857	138,217
Deposits and prepayments	**27,724**	27,494
	77,581	165,711

The ageing analysis of trade and other debtors, net of allowance for bad and doubtful debts, is as follows:

	At 30 June 2009 HK$'000	At 31 December 2008 HK$'000
Current or less than one month past due	**48,419**	136,709
One to three months past due	**511**	698
More than three months but less than twelve months past due	**756**	201
More than twelve months past due	**171**	609
	49,857	138,217

Trade and other debtors are normally due within 30 days from the date of billing.

11. Creditors and accrued charges

	At 30 June 2009 HK$'000	At 31 December 2008 HK$'000
Trade and other creditors	**294,070**	285,828
Accrued charges	**33,135**	31,319
Derivative financial instruments	**252**	-
	327,457	317,147

The ageing analysis of trade and other creditors is as follows:

	At 30 June 2009 HK$'000	At 31 December 2008 HK$'000
Amounts not yet due	**264,530**	225,012
On demand or less than one month overdue	**25,858**	55,385
One to three months overdue	**915**	1,322
Three to twelve months overdue	**254**	780
More than twelve months overdue	**2,513**	3,329
	294,070	285,828

INTERIM RESULTS AND DIVIDEND

For the six months ended 30 June 2009, the Group's turnover decreased slightly by 2.6% to HK$686.7 million (2008: HK$705.1 million). This was due to a decrease in the Group's department stores business turnover and reduced rental income from the Group's investment properties in Australia.

Profit attributable to shareholders for the first half of 2009 was HK$286.0 million (2008: HK$679.2 million), a decrease of 57.9% due primarily to the decrease in net valuation gain on investment properties as compared to the same period last year. Excluding this non-cash item and related deferred tax thereon, the Group achieved an increase in its underlying profit attributable to shareholders of 32.0% to HK$200.0 million (2008: HK$151.5 million). This increase was mainly attributable to improvement in results from investments in securities.

Earnings per share decreased by 57.9% to 96.8 HK cents per share from the 230.0 HK cents per share achieved for the same period last year. Excluding the net valuation gain on investment properties and related deferred tax thereon, underlying earnings per share for the period increased by 32.0% to 67.7 HK cents per share (2008: 51.3 HK cents per share).

The directors have decided to pay an interim dividend of 22 HK cents (2008: 17 HK cents) per share, absorbing a total amount of HK$64,965,000 (2008: HK$50,205,000). The interim dividend will be paid on 21 October 2009 (Hong Kong time) to shareholders whose names appear on the Register of Members of the Company on 16 October 2009 (Hong Kong time). The Register of Members will be closed from 12 October 2009 to 16 October 2009 (Hong Kong time), both dates inclusive, during which period no share transfer will be accepted.

To qualify for the interim dividend, transfers to be dealt with must be lodged with the Company's Share Registrars, Tricor Progressive Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Friday, 9 October 2009 (Hong Kong time).

LIQUIDITY AND FINANCIAL RESOURCES

Overall Financial Position

Shareholders' equity at 30 June 2009 was HK$7.2 billion, an increase of 6.9% compared to that at 31 December 2008. With cash and listed marketable securities at 30 June 2009 of about HK$1.6 billion as well as available banking facilities, the Group has sufficient liquidity to meet its current commitments and working capital requirements.

Borrowings and Charges on Group Assets

At 30 June 2009, the Group's total borrowings amounted to HK$802.9 million, an increase of about HK$119.0 million, due entirely to exchange differences, as compared to that at 31 December 2008. The Group's total borrowings of HK$802.9 million relate to a mortgage loan for Australian investment properties; most of which will be repayable after two years but within five years. In view of this maturity profile of the borrowings, the repayment pressure is low. Certain assets, comprising principally property interests with a book value of HK$5.5 billion, have been pledged to banks as collateral security for banking facilities granted to the extent of HK$0.9 billion. In view of the existing strong cash position, the Group does not anticipate any liquidity problems.

Gearing Ratio

The gearing ratio, which is computed as the total borrowings of the Group divided by shareholders' equity of the Group at 30 June 2009, was 11.1% as compared with 10.1% at 31 December 2008.

Funding and Treasury Policies

The Group adopts a prudent funding and treasury policy. To minimise exposure to foreign exchange fluctuations, the Group's borrowings in Australia for its Melbourne investment property are denominated in Australian dollars. Hence, the foreign exchange exposure is limited to the net investments in overseas subsidiaries of approximately HK$1.5 billion at 30 June 2009 (at 31 December 2008: HK$1.4 billion).

The Group's borrowings are on a floating rate basis. For overseas borrowings, when appropriate and at times of interest rate uncertainty or volatility, hedging instruments including swaps and forwards may be used to assist in the Group's management of interest rate exposure. The Group's cash and bank balances are mainly denominated in Hong Kong, United States and Australian dollars.

Capital Commitments and Contingent Liabilities

At 30 June 2009, the total amount of the Group's capital expenditure commitments was HK$4,747,000 (at 31 December 2008: HK$2,188,000). The Company has issued corporate guarantees to a financial institution in respect of banking facilities granted to a jointly controlled entity of an associate of the Group and a wholly-owned subsidiary of the associate, which expire within one year. The associate has also issued a corporate guarantee to a financial institution in respect of financial facility granted to the jointly controlled entity of the associate, which expires within one year. At 30 June 2009, the maximum contingent liability shared by the Group was HK$26,097,000 (at 31 December 2008: HK$25,175,000).

HALF YEAR BUSINESS REVIEW

Department Store Operations

As a consequence of the global financial tsunami, the business environment for the Group's department stores has been challenging and difficult during the period under review. Consumer confidence was weak and spending power reduced. Management had to launch more promotional events with deeper discounts offered. Hence, compared to the same period last year, the Group's department stores business recorded a decrease in turnover of 2.3% to HK$540.2 million (2008: HK$553.1 million) whilst its operating profit decreased by 27.2% to HK$53.4 million (2008: HK$73.4 million).

Property Investment

The Group's overall property investment income for the period under review increased slightly by 1.6% to HK$142.2 million (2008: HK$140.0 million). Notwithstanding the weakened local economy, the Group managed to achieve a 12.4% increase in rental income from its investment properties in Hong Kong to HK$88.1 million (2008: HK$78.4 million) while maintaining an overall occupancy rate of over 95%. Income from the Group's commercial investment properties in Australia decreased by 17.0% to HK$49.5 million (2008: HK$59.6 million). Despite the higher rents in Australian dollar terms achieved for renewals and new lettings during the period under review, a decrease in net rental income was recorded when translating the net rental income from Australian dollars to Hong Kong dollars. The overall occupancy rate for the commercial investment properties in Australia remained stable at above 95%.

Automobile Dealership Business

As stated in the Group's 2008 Annual Report, its automobile dealership associate in the United States was adversely affected by the credit crunch in the United States in 2008, which triggered a sharp decline in demand for cars in the latter part of 2008 and in the period under review. In response to the economic downturn in the United States and the poor market sentiment, the associate's dealership management implemented measures to drastically reduce operating costs. These actions helped the associate conserve sufficient financial resources to weather the storm. Benefiting from the various cost reduction and streamlining measures, the associate was able to remain profitable.

Others

During the first half of 2009, the Group recorded a net exchange gain of HK$10.6 million (2008: HK$7.0 million) mainly from its Australian dollar deposits. The Group's investments in securities recorded a profit of HK$31.1 million compared to a loss of HK$47.8 million in the corresponding period last year.

Staff

As at 30 June 2009, the Group had a total staff of 960 (at 30 June 2008: 948). The Group's remuneration policies, bonus schemes, Mandatory Provident Fund Schemes, etc., have not changed materially from the information disclosed in the 2008 Annual Report.

OUTLOOK FOR THE REMAINDER OF 2009

As the timing of a recovery of the global economy remains uncertain, the Board remains cautious about the local economic environment in the second half of the 2009. Barring unforeseen adverse changes in the global economy, the Group's commercial investment properties and department stores business will continue to be the main contributors to the Group's income for the remainder of the year. The Group's department stores management will continue to seek further improvement in operational and cost efficiency while reinforcing its promotions to increase sales. While there are early signs of a car market recovery as light vehicle sales in the United States have started to increase in the second quarter, it is still uncertain as to when the car market in the United States will fully recover. The Group's automobile dealership associate in the United States will continue to operate under difficult and challenging conditions. Despite uncertainties ahead, the Group is financially sound with a strong net cash position to take on the challenge.

CORPORATE GOVERNANCE

The Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2009.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as its code of conduct regarding directors' securities transactions. The Company has made specific enquiries of all directors and all directors have confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30 June 2009.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the six months ended 30 June 2009, the Company purchased its own shares on the Stock Exchange as follows:

Month / year	Number of shares purchased	Highest price paid per share HK$	Lowest price paid per share HK$	Aggregate price paid HK$'000
May 2009	31,000	7.70	7.57	237

Pursuant to section 42A of the Bermuda Companies Act 1981, the above purchased shares were cancelled upon purchase and accordingly the issued share capital of the Company was reduced by the nominal value of these shares. The premium paid on the purchase of the shares of HK$234,000 (2008: HK$ nil) was charged against retained earnings.

Saved as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed shares of the Company during the period.

By Order of the Board
Karl C. Kwok
Chairman

Hong Kong, 9 September 2009

As at the date of this announcement, the executive directors of the Company are Mr. Karl C. Kwok (Chairman), Mr. Lester Kwok (Deputy Chairman and Chief Executive Officer) and Mr. Mark Kwok, the non-executive directors are Dr. Bill Kwok and Dr. Philip Kwok, and the independent non-executive directors are Miss Maria Tam Wai Chu, Mr. Ignatius Wan Chiu Wong, Mr. Iain Ferguson Bruce and Mr. Anthony Francis Martin Conway.