LAI SUN GARMENT

Lai Sun Garment (International) Limited
(Incorporated in Hong Kong with limited liability)
(Stock Code: 191)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 JANUARY 2010

RESULTS

The Board of Directors of Lai Sun Garment (International) Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 31 January 2010 as follows:

Condensed Consolidated Income Statement
For the six months ended 31 January 2010

	Notes	**Six months ended 31 January** **2010 (Unaudited)** ***HK$'000***	2009 (Unaudited) *HK$'000*
TURNOVER	*3*	**10,008**	7,442
Cost of sales		**(4,455)**	(857)
Gross profit		**5,553**	6,585
Other revenue and gain	*4*	**4,291**	4,432
Administrative expenses		**(11,094)**	(12,172)
Other operating expenses		**-**	(201)
Fair value gain/(loss) on investment properties		**245,590**	(12,402)
PROFIT/(LOSS) FROM OPERATING ACTIVITIES	*5*	**244,340**	(13,758)
Finance costs	*6*	**(7,041)**	(5,932)
Share of profits and losses of associates		**183,208**	25,778
PROFIT BEFORE TAX		**420,507**	6,088
Tax	*7*	**(40,522)**	1,739
PROFIT FOR THE PERIOD ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY		**379,985**	7,827
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*8*		
Basic		**HK 23.49 cents**	HK 0.48 cents
Diluted		**N/A**	N/A

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 31 January 2010

	Six months ended 31 January	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
PROFIT FOR THE PERIOD ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	**379,985**	7,827
OTHER COMPREHENSIVE INCOME/(EXPENSES)		
Changes in fair value of available-for-sale equity investments	**(17,412)**	15,829
Share of exchange fluctuation reserve of an associate	**14,411**	(18,637)
Share of asset revaluation reserve of an associate	**-**	(13,036)
Share of hedging reserve of an associate	**-**	(2,321)
OTHER COMPREHENSIVE EXPENSES FOR THE PERIOD	**(3,001)**	(18,165)
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE PERIOD ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	**376,984**	(10,338)

Condensed Consolidated Statement of Financial Position

As at 31 January 2010

	Notes	**31 January 2010 (Unaudited)** ***HK$'000***	31 July 2009 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**517**	667
Investment properties		**969,100**	194,800
Properties under development		**-**	454,061
Interests in associates		**3,335,959**	3,147,767
Available-for-sale equity investments		**193,110**	210,522
Total non-current assets		**4,498,686**	4,007,817
CURRENT ASSETS			
Promissory note receivable		**167,000**	167,000
Debtors, deposits paid and other receivables	*9*	**6,837**	5,154
Tax recoverable		**687**	-
Cash and cash equivalents		**119,264**	75,657
Total current assets		**293,788**	247,811
CURRENT LIABILITIES			
Creditors, deposits received and accruals	*10*	**97,629**	47,824
Tax payable		**-**	204
Interest-bearing bank borrowings	*11*	**313,000**	247,000
Total current liabilities		**410,629**	295,028
NET CURRENT LIABILITIES		**(116,841)**	(47,217)
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,381,845**	3,960,600
NON-CURRENT LIABILITIES			
Interest-bearing other borrowing		**(31,745)**	(31,745)
Note payable		**(195,000)**	(195,000)
Accrued interest payable		**(72,566)**	(66,851)
Deferred tax liabilities		**(71,679)**	(31,157)
Total non-current liabilities		**(370,990)**	(324,753)
		4,010,855	3,635,847
EQUITY			
Equity attributable to ordinary equity holders of the Company			
Issued capital		**16,174**	16,174
Share premium account		**1,908,840**	1,908,840
Asset revaluation reserve		**74,619**	74,619
Share option reserve		**962**	1,438
Hedging reserve		**-**	-
Investment revaluation reserve		**(7,914)**	9,498
Capital reserve		**146,670**	148,694
Exchange fluctuation reserve		**494,044**	479,633
Retained earnings		**1,377,460**	996,951
		4,010,855	3,635,847

Notes to Condensed Consolidated Interim Financial Statements

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 31 January 2010 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

The condensed consolidated interim financial statements have not been audited by the Company's auditors but have been reviewed by the Company's audit committee.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and basis of presentation used in the preparation of these interim financial statements are the same as those used in the Group's audited consolidated financial statements for the year ended 31 July 2009, except for the application of the following new and revised Hong Kong Financial Reporting Standards ("HKFRS", which also include HKASs and Interpretations) which are applicable to the Group and are effective in the current period.

Impact of new and revised HKFRSs

The Group has adopted the following new and revised HKFRSs, applicable to the Group, for the first time for the current period's unaudited condensed consolidated interim financial statements:

Improvements to HKFRSs	
HKAS 1 (Revised)	*Presentation of Financial Statements*
HKAS 23 (Revised)	*Borrowing Costs*
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*
HKFRS 1 & HKAS 27 (Amendments)	*Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
HKFRS 2 (Amendments)	*Share-based Payment – Vesting Conditions and Cancellations*
HKFRS 3 (Revised)	*Business Combinations*
HKFRS 7 (Amendments)	*Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
HKFRS 8	*Operating Segments*
HK(IFRIC)-Int 15	*Agreements for the Construction of Real Estate*

The adoption of the above new and revised HKFRSs has had no material impact on the reported results or financial position of the Group, except for HKAS 1 (Revised) "Presentation of Financial Statements" and HKFRS 8 "Operating Segments" as described below, which has resulted in changes in presentation and disclosure on the financial statements.

HKAS 1 (Revised) Presentation of Financial Statements

HKAS 1 (Revised) introduces a number of terminology changes (including revised titles for the financial statements) and changes in format and content of the financial statements. The revised standard requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from non-owner changes in equity (i.e. comprehensive income). All non-owner changes in equity are required to be presented in (i) a single statement of comprehensive income or (ii) two statements (a separate income statement displaying items of income and expenses recognised as profit or loss and a second statement beginning with net profit or loss as shown in the income statement and displaying components of other comprehensive income). The Group has elected to present two statements. Comparative amounts have been restated to conform to the new presentation.

HKFRS 8 Operating Segments

HKFRS 8, which replaces HKAS 14 "Segment Reporting", specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The adoption of this standard has no effect on the financial position or results of operations of the Group. It does, however, result in certain changes in the presentation and disclosure of interim financial statements, including change in basis of measurement of segment profit or loss and new disclosure of total assets by reportable segment.

3. SEGMENT INFORMATION

The following tables present revenue and profit/(loss) for the Group's reportable segments:

	Property development Six months ended 31 January		**Property investment Six months ended 31 January**		**Consolidated Six months ended 31 January**	
	2010	2009	**2010**	2009	**2010**	2009
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:						
Sales to external customers	**–**	–	**10,008**	7,442	**10,008**	7,442
Segment results	**–**	(52)	**5,553**	6,384	**5,553**	6,332
Interest income and unallocated other revenue and gain					**4,291**	4,432
Fair value gain/(loss) on investment properties	**–**	–	**245,590**	(12,402)	**245,590**	(12,402)
Unallocated expenses					**(11,094)**	(12,120)
Profit/(loss) from operating activities					**244,340**	(13,758)
Finance costs					**(7,041)**	(5,932)
Share of profits and losses of associates					**183,208**	25,778
Profit before tax					**420,507**	6,088
Tax					**(40,522)**	1,739
Profit for the period					**379,985**	7,827

The following table presents the total assets for the Group's reportable segments:-

	Property development		**Property investment**		**Consolidated**	
	31 January 2010 (Unaudited)	31 July 2009 (Audited)	**31 January 2010 (Unaudited)**	31 July 2009 (Audited)	**31 January 2010 (Unaudited)**	31 July 2009 (Audited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets	**–**	454,324	**970,204**	195,067	**970,204**	649,391
Interests in associates					**3,335,959**	3,147,767
Unallocated assets					**486,311**	458,470
Total assets					**4,792,474**	4,255,628

4. OTHER REVENUE AND GAIN

	Six months ended 31 January	
	2010 (Unaudited)	2009 (Unaudited)
	HK$'000	*HK$'000*
Interest income from bank deposits	**4**	35
Other interest income	**4,287**	4,397
	4,291	4,432

5. PROFIT/(LOSS) FROM OPERATING ACTIVITIES

The Group's profit/(loss) from operating activities is arrived at after charging:

	Six months ended 31 January	
	2010 (Unaudited)	2009 (Unaudited)
	HK$'000	*HK$'000*
Depreciation	**263**	517
Provision for doubtful debts *	**-**	201

* This item is included in "other operating expenses" on the face of the condensed consolidated income statement.

6. FINANCE COSTS

	Six months ended 31 January	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interests on:		
Bank loans wholly repayable within five years	**1,442**	1,414
Other borrowings and note payable wholly repayable within five years	**5,715**	5,858
Total interest expenses	**7,157**	7,272
Bank financing charges	**481**	391
	7,638	7,663
Less: Amount capitalised in properties under development	**(597)**	(1,731)
	7,041	5,932

7. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (Six months ended 31 January 2009: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

	Six months ended 31 January	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current tax	**-**	307
Deferred tax	**40,522**	(2,046)
Tax charge/(credit) for the period	**40,522**	(1,739)

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

The calculation of basic earnings per share is based on the profit for the period attributable to ordinary equity holders of the Company of HK$379,985,000 (Six months ended 31 January 2009: HK$7,827,000) and the weighted average number of 1,617,423,423 (Six months ended 31 January 2009: 1,617,423,423) ordinary shares in issue during the period.

The diluted earnings per share amounts for the six months ended 31 January 2010 and 2009 have not been disclosed as no diluting events existed during both periods.

9. DEBTORS, DEPOSITS PAID AND OTHER RECEIVABLES

The Group's major businesses are property development and property investment. The major income generated during the period is rental income. Rent and related charges derived from the leasing of properties are receivable from tenants, and are normally payable in advance with rental deposits received in accordance with the terms of the tenancy agreements.

An ageing analysis of the debtors, based on payment due date, as at the end of the reporting period is as follows:

	31 January 2010 (Unaudited) ***HK$'000***	31 July 2009 (Audited) *HK$'000*
Debtors:		
Less than 90 days past due	**159**	237
91 to 180 days past due	**-**	27
181 to 365 days past due	**-**	3
	159	267
Deposits paid and other receivables	**6,678**	4,887
	6,837	5,154

10. CREDITORS, DEPOSITS RECEIVED AND ACCRUALS

An ageing analysis of the creditors, based on payment due date, as at the end of the reporting period is as follows:

	31 January 2010 (Unaudited) ***HK$'000***	31 July 2009 (Audited) *HK$'000*
Creditors less than 90 days past due	**36,514**	18,457
Deposits received and accruals	**61,115**	29,367
	97,629	47,824

11. INTEREST-BEARING BANK BORROWINGS

	31 January 2010 (Unaudited) *HK$'000*	31 July 2009 (Audited) *HK$'000*
Bank loan, secured	**313,000**	247,000

Included in secured bank loans is a bank loan of HK$298,000,000 (31 July 2009: HK$232,000,000) borrowed under an agreement for a HK$361 million term loan facility (the "Loan Facility") which was entered into by a wholly-owned subsidiary of Crocodile Garments Limited (the "CGL Subsidiary") with a bank in Hong Kong on 8 February 2007. The Loan Facility is for financing in full the estimated construction costs of a property situated at 79 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong (the "Property") and is secured by, inter alia, a building mortgage on the Property. Pursuant to an undertaking entered into between Unipress Investment Limited ("Unipress"), a wholly-owned subsidiary of the Company, and the bank on 8 February 2007 (the "Undertaking"), Unipress undertook to pay to the bank as the principal obligor each amount due and payable under the Loan Facility. In addition, the Company entered into a guarantee with the bank on 8 February 2007 pursuant to which the Company guaranteed to the bank the due and prompt payment by CGL Subsidiary and Unipress of the amounts payable by CGL Subsidiary and Unipress under the Loan Facility. The bank loan bears interest at prevailing market rate and the entire interest in Unipress is pledged to the bank as security.

Pursuant to the terms of the Loan Facility, the outstanding loan principal under the Loan Facility was repayable in full in December 2009. The Group received and accepted the offer term sheet from the same bank to refinance the Loan Facility by a new property term loan facility ("New Term Loan Facility"). In December 2009, the bank agreed to extend the repayment date of the Loan Facility to March 2010 in order to allow sufficient time for finalisation of the relevant loan facility documents of the New Term Loan Facility. In March 2010, the documentation of the New Term Loan Facility was concluded and the Loan Facility was refinanced by the New Term Loan Facility.

INTERIM DIVIDEND

As at 31 January 2010, the Company did not have any reserves available for distribution in accordance with the provisions of Section 79B of the Companies Ordinance. The Directors do not recommend the payment of an interim dividend for the financial year ending 31 July 2010. No interim dividend was declared in respect of the previous corresponding period.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview of Interim Results

For the six months ended 31 January 2010, the Group recorded a turnover of HK$10,008,000 (2009: HK$7,442,000) and a gross profit of HK$5,553,000 (2009: HK$6,585,000), representing an increase of approximately 34.5% and a decrease of approximately 15.7% respectively from the previous corresponding period. The decrease in gross profit was mainly due to higher agency commission expenses paid in securing new tenants for the newly opened Crocodile Center retail podium. The Group derived its turnover and gross profit mainly from rental and related income from industrial properties held for investment and the newly opened Crocodile Center retail podium.

During the period, the Group booked a fair value gain on investment properties of HK$245,590,000 (2009: a loss of HK$12,402,000). The substantial increase in fair value gain on investment properties was due to the completion of the Group's Crocodile Center retail podium. Mainly as a result of the substantial increase in fair value of investment properties, the Group recorded a profit from operating activities of HK$244,340,000 for the six months ended 31 January 2010 as compared to the loss from operating activities of HK$13,758,000 for the previous corresponding period.

Share of profits from associates was HK$183,208,000 (2009: HK$25,778,000), up by 610.7% from the previous corresponding period. The change in share of profits from associates was mainly due to the substantial increase in share of profits from Lai Fung Holdings Limited ("Lai Fung") and a reversal of provision for impairment in value of properties under development held by Lai Fung made in the Group's condensed consolidated income statement at the Group level.

For the six months ended 31 January 2010, the Group recorded a consolidated profit attributable to equity holders of HK$379,985,000 (2009: HK$7,827,000), representing an increase of approximately 4,754.8% from the previous corresponding period. Shareholders' equity as at 31 January 2010 amounted to HK$4,010,855,000, up by 10.3% from HK$3,635,847,000 as at 31 July 2009. Net asset value per share as at 31 January 2010 was HK$2.48, as compared to HK$2.25 as at 31 July 2009.

Business Review

Crocodile Center, 79 Hoi Yuen Road, Kwun Tong, Kowloon

This joint office and commercial development project with Crocodile Garments Limited was completed in September 2009. Following the completion, the Group has retained the retail portion of this development with a gross floor area of approximately 100,000 square feet. Since completion, the Group has leased most of the retail levels to mainly restaurant operators. Most tenants opened for business by the end of 2009. As of 31 January 2010, the retail portion was 88% leased.

Lai Fung

As at 31 January 2010, the Group held an effective 40.58% interest in Lai Fung. Lai Fung is principally engaged in property development and investment in China. Lai Fung currently has property projects in Shanghai, Guangzhou and Zhongshan.

For the six months ended 31 January 2010, Lai Fung recorded a turnover of HK$877,341,000 (2009: HK$148,092,000) and a gross profit of HK$639,112,000 (2009: HK$109,488,000), representing an increase of approximately 492.4% and 483.7% respectively from the previous corresponding period.

Out of its total turnover, gross rental income decreased by 34.8% from HK$120,147,000 to HK$78,291,000, which was mainly due to closure and renovation of shopping arcades and serviced apartments portions of Shanghai Hong Kong Plaza. Owing to further contribution from the sales of residential units of Shanghai Regents Park Phase II during the six months ended 31 January 2010, its turnover from sales of properties increased substantially from HK$27,945,000 to HK$799,050,000. Lai Fung's gross profit margin remained stable at 72.8%, compared to 73.9% in the previous corresponding period.

During the period, Lai Fung recorded a profit from operating activities of HK$815,233,000 (2009: HK$203,389,000) and profit attributable to its equity holders of HK$356,678,000 (2009: HK$140,716,000), representing an increase of approximately 300.8% and 153.5% respectively from the previous corresponding period.

Lai Sun Development Company Limited ("LSD")

As at 31 January 2010, the Group held an effective 11.18% interest in LSD. LSD is principally engaged in property development and investment in Hong Kong, as well as hotel and restaurant operations in the region.

For the six months ended 31 January 2010, LSD recorded a turnover of HK$341,933,000 (2009: HK$326,726,000) and a gross profit of HK$230,628,000 (2009: HK$231,263,000), representing an increase of approximately 4.7% and a slight decrease of approximately 0.3% respectively from the previous corresponding period.

During the period, LSD booked a fair value gain on investment properties of HK$782,772,000 (2009: a loss of HK$356,448,000) as a result of the improving macro economic conditions from the global financial turmoil since the fourth quarter of 2008. During this year, LSD recorded an additional provision for tax indemnity of approximately HK$34,352,000 (2009: a reversal of provision of HK$72,668,000). Mainly as a result of the above exceptional items, LSD recorded a profit from operating activities of HK$824,652,000 during the six months ended 31 January 2010, versus a loss from operating activities of HK$216,592,000 in the previous corresponding period.

LSD currently holds a 36.08% interest in eSun Holdings Limited ("eSun"), which in turn holds a 36.72% interest in LSD. LSD also holds a 50% interest in Diamond String Limited, which is the joint venture company between LSD and a wholly-owned subsidiary of China Construction Bank Corporation for the purpose of the redevelopment project at 3 Connaught Road Central, Hong Kong.

During the period, LSD's share of profits from associates was HK$671,533,000, compared to share of losses from associates of HK$95,624,000 in the previous corresponding period. Substantially, most of LSD's share of profits from associates recognised during the period was due to LSD's share of the fair value gain of an investment property under development, which is the 3 Connaught Road Central office redevelopment project.

For the six months ended 31 January 2010, LSD recorded a consolidated net profit attributable to its equity holders of HK$1,308,667,000, compared to a consolidated net loss of HK$328,235,000 from the previous corresponding period.

Prospects

Going into 2010, Hong Kong's economy and property market continues to benefit from the global low interest rate environment and China's continued effort to stimulate domestic economy. Strong liquidity and low interest environment has fostered favourable operating conditions for most business sectors in Hong Kong and China. There are now varying views in the market on potential effects when China and other central banks around the world retract those previously imposed stimulus and credit easing policies. Under these macro-economic circumstances, the Group and its associate companies will manage their operations on a prudent basis, and will thrive to position their businesses for future growth.

Crocodile Center

Up to the latest practicable date of this announcement, the Group has leased out 90% of the gross floor area of the retail podium of this property. The tenants signed under the leases are mainly renowned restaurants as well as food and beverage outlets. This property will contribute to the rental income of the Group in this financial year.

Lai Fung

Since early 2009, the abundance of liquidity with a low bank lending rate, plus the relaxation of control measures, encouraged the resurfacing of housing demand in China. Starting from the second quarter of 2009, there has been a broad-based significant surge in property transaction volume and selling prices across China.

However, certain risks within today's China's property market should not be neglected. Government policy is still a key to market development. Due to the faster-than-expected surges in property prices in certain cities, especially the first-tier cities in China, it would not be surprising to see further implementation of government policies on curbing market irregularities and misbehavior as well as suppressing speculative demand in housing. These government measures, if they turn out to be drastic, could cause short term fluctuation in the property market in China.

In the medium and long term, ongoing urbanisation and demand for living improvement will foster healthy growth of the real estate market in China. Overall, Lai Fung is still cautiously optimistic about the China property market and believes that Lai Fung is well positioned for growth in the coming years. Lai Fung's net gearing level was low by industry standard. In addition, Lai Fung will keep its construction schedules of existing development projects to fuel growth in turnover and profits for future financial years. Furthermore, Lai Fung will continue to grow its recurrent income base through upgrade of existing rental properties and addition of new venues through completion of commercial property portions of the new development projects.

With the macro-economic condition as mentioned above, Lai Fung will monitor the market closely and expand its landbank at appropriate time should there be a correction in land prices.

LSD

Rentals for office and commercial properties in prime locations in Hong Kong have shown signs of stablisation since the middle of 2009. In the coming year, LSD will target to maintain high occupancy rates and rental cashflows from its investment properties.

Since the middle of 2009, bullish sentiment in Hong Kong's residential property market continued with surges in transaction prices and volume. Recent primary sales launch of new residential projects in Hong Kong signaled strong demand for residential properties. The Hong Kong property market should continue to benefit from low interest rate, strong affordability and tight supply in the pipeline. LSD currently holds a number of residential projects under development in Hong Kong. To capture the strong sentiment in the Hong Kong residential property market, LSD will start the active marketing and sale/pre-sale of residential units at Emerald 28 at Tai Po Road, Kowloon and Oakhill at Wood Road, Wanchai, Hong Kong in the second and third quarters of 2010.

Liquidity and Financial Resources

The Group has diverse sources of financing comprising internal funds generated from the Group's business operations, interest income generated from the promissory note, dividend income from investment in a listed associate and loan facilities provided by banks and others.

As at 31 January 2010, total borrowings, comprising secured bank loans of HK$313 million, a note payable of HK$195 million and a loan of HK$32 million payable to the late Mr. Lim Por Yen, amounted to a total of HK$540 million. As at the same date, consolidated net assets of the Group amounted to HK$4,011 million. The debt to equity ratio as expressed in a percentage of total borrowings to consolidated net assets as at that date was approximately 13%. All of the Group's borrowings were maintained as floating rate debts.

The note payable of HK$195 million and the loan of HK$32 million payable to the late Mr. Lim Por Yen have maturity dates on 30 April 2006 and 30 November 2005, respectively. The Group has received confirmation from the executor of the estate of the late Mr. Lim Por Yen that such note and loan payables are not repayable within one year from the end of the reporting period.

The secured bank loans of HK$313 million are repayable within one year. Included in the secured bank loans is an amount of HK$298 million drawn under a construction loan facility which was refinanced as mentioned below.

As at 31 January 2010, certain investment properties with carrying value of approximately HK$964 million and share in a subsidiary were pledged to banks to secure banking facilities granted to the Group.

As at 31 January 2010, the Group had cash and bank balances amounting to approximately HK$119 million and unutilised banking facility of HK$108 million (including HK$63 million unutilised construction loan facility for financing the construction costs of a property redevelopment project), which was considered adequate to cover the working capital requirement of the Group. The abovementioned construction loan facility was refinanced by a new property term loan facility granted by the same bank in March 2010.

The Group's monetary assets and liabilities and transactions are principally denominated in Hong Kong dollar. The Group does not have any significant exposure to exchange rate risk.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 31 January 2010, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed securities.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the accounting period covered by the Interim Report save for deviation from code provision A.4.1.

Under code provision A.4.1, non-executive directors should be appointed for a specific term and be subject to re-election. None of the existing non-executive directors of the Company was appointed for a specific term. However, all directors of the Company are subject to the retirement provisions in the Articles of Association of the Company which provide that the directors for the time being shall retire from office by rotation once every three years since their last election at each annual general meeting and a retiring director shall be eligible for re-election.

REVIEW OF INTERIM RESULTS

The interim results of the Company for the six months ended 31 January 2010 have been reviewed by the audit committee of the Company. The audit committee comprises the three independent non-executive directors of the Company, namely Messrs. Wan Yee Hwa, Edward, Leung Shu Yin, William and Chow Bing Chiu.

By Order of the Board
Lam Kin Ming
Chairman

Hong Kong, 16 April 2010

As at the date of this announcement, the executive directors of the Company are Mr. Lam Kin Ming, Mr. Lam Kin Ngok, Peter, Mr. Shiu Kai Wah, Mr. Lam Kin Hong, Matthew, Mr. Tam Kin Man, Kraven, Mr. Lam Hau Yin, Lester (also alternate to Madam U Po Chu) and Miss Leung Churk Yin, Jeanny; the non-executive directors are Madam U Po Chu and Mr. Chiu Wai; and the independent non-executive directors are Mr. Wan Yee Hwa, Edward, Mr. Leung Shu Yin, William and Mr. Chow Bing Chiu.