HENRY GROUP HOLDINGS LIMITED
鎮科集團控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 859)

UNAUDITED INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

The board of directors (the "Board") of Henry Group Holdings Limited (the "Company") is pleased to present the unaudited condensed financial statements of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2012, together with the comparative figures for the corresponding period in last year as follows:

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 September 2012

		Unaudited Six months ended 30 September	
		2012	2011
	Notes	***HK$'000***	*HK$'000*
Turnover	*3*	**23,572**	18,456
Other income and gains		**1,769**	3,904
Net gain/(loss) in fair value of investment properties		**130,875**	(70,490)
Other operating expenses		**(21,737)**	(11,728)
Profit/(loss) from operations		**134,479**	(59,858)
Finance costs	*4*	**(13,414)**	(20,742)
Profit/(loss) before taxation		**121,065**	(80,600)
Taxation	*5*	**(32,720)**	17,623
Profit/(loss) for the period	*6*	**88,345**	(62,977)

	Notes	Unaudited Six months ended 30 September **2012** ***HK$'000***	 2011 *HK$'000*
Profit/(loss) for the period		**88,345**	(62,977)
Other comprehensive income/(loss)			
Exchange difference arising on translating foreign operations		**833**	11,895
Recognition of hedging reserve of derivative financial instruments		**1,571**	(4,316)
Other comprehensive income for the period, net of tax		**2,404**	7,579
Total comprehensive income/(loss) for the period		**90,749**	(55,398)
Profit/(loss) for the period attributable to:			
— Owners of the Company		**34,596**	(17,334)
— Non-controlling interests		**53,749**	(45,643)
		88,345	(62,977)
Total comprehensive income/(loss) attributable to:			
— Owners of the Company		**36,399**	(18,081)
— Non-controlling interests		**54,350**	(37,317)
		90,749	(55,398)
Earnings/(loss) per share attributable to owners of the Company	*8*		
— Basic (HK cents)		**4.83**	(2.72)
— Diluted (HK cents)		**4.81**	N/A

Condensed Consolidated Statement of Financial Position
At 30 September 2012

	Notes	**Unaudited 30 September 2012 HK$'000**	Audited 31 March 2012 HK$'000 (Restated)	Audited 31 March 2011 HK$'000 (Restated)
ASSETS AND LIABILITIES				
NON-CURRENT ASSETS				
Property, plant and equipment		**952**	1,282	1,617
Investment properties		**4,771,172**	4,472,329	3,848,060
Amount due from a non-controlling shareholder		**30,999**	29,664	25,094
Deferred tax assets		**4,659**	4,969	5,397
		4,807,782	4,508,244	3,880,168
CURRENT ASSETS				
Trade and other receivables	9	**8,253**	10,182	8,556
Available-for-sale financial assets		**74**	74	74
Tax recoverable		**181**	181	—
Pledged bank deposits		**15,000**	10,000	—
Cash and bank balances		**235,019**	143,337	143,069
		258,527	163,774	151,699
Assets classified as held for sale		**80,000**	80,000	79,000
		338,527	243,774	230,699
CURRENT LIABILITIES				
Other payables, rental deposits received and accruals		**24,076**	20,744	26,301
Bank borrowings, current portion (secured)		**28,442**	51,896	73,600
Derivative financial instruments		**3,274**	—	—
Convertible notes		**—**	—	16,759
Amount due to a related party		**—**	—	342
Tax payable		**—**	—	464
		55,792	72,640	117,466
Liabilities directly associated with assets classified as held for sale		**276**	276	323
		56,068	72,916	117,789

	Unaudited 30 September 2012 *HK$'000*	Audited 31 March 2012 *HK$'000* (Restated)	Audited 31 March 2011 *HK$'000* (Restated)
NET CURRENT ASSETS	**282,459**	170,858	112,910
TOTAL ASSETS LESS CURRENT LIABILITIES	**5,090,241**	4,679,102	3,993,078
NON-CURRENT LIABILITIES			
Other payables and rental deposits received	**13,485**	10,077	5,656
Bank borrowings, non-current portion (secured)	**1,743,007**	1,512,072	1,182,558
Convertible notes, non-current portion	**—**	—	160,533
Derivative financial instruments	**10,128**	15,284	12,784
Loan from related parties	**154,592**	150,709	47,625
Amounts due to non-controlling shareholders	**600,284**	555,343	534,597
Loans from shareholders	**164,708**	161,885	192,446
Deferred tax liabilities	**389,781**	357,061	362,374
	3,075,985	2,762,431	2,498,573
NET ASSETS	**2,014,256**	1,916,671	1,494,505
CAPITAL AND RESERVES			
Share capital	**71,642**	71,642	63,638
Reserves	**1,423,114**	1,379,879	926,597
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	**1,494,756**	1,451,521	990,235
Non-controlling interests	**519,500**	465,150	504,270
TOTAL EQUITY	**2,014,256**	1,916,671	1,494,505

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2012

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements (the "Interim Financial Statements") have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and 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").

These Interim Financial Statements should be read in conjunction with the annual report for the year ended 31 March 2012.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Interim Financial Statements have been prepared under the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values.

The accounting policies used in the Interim Financial Statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2012.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations issued by the HKICPA, which are effective for the annual reporting period beginning on or after 1 April 2012.

HKAS 12 (Amendment)	Deferred Tax — Recovery of Underlying Assets
HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Date for first-time Adopters
HKFRS 7 (Amendments)	Disclosures — Transfer of Financial Assets

Except as describe below, the adoption of these new and revised HKFRSs had no significant financial effect on these Interim Financial Statements.

Amendments to HKAS 12 Deferred Tax: Recovery of Underlying Assets

The amendment to HKAS 12, introduce a presumption that an investment properties measured at fair value is recovered entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefit embodied in the investment properties over time, rather than through sale. Prior to the amendment, deferred taxation on investment properties at fair value is measured to reflect the tax consequences of recovering the carrying amounts of investment properties through use. Therefore based on the amendment, the Group's investment properties in Hong Kong do not have to provide deferred tax on fair value changes arising from revaluation of investment properties or arising from a business combination, unless the presumption is rebutted. The change in policy has been applied retrospectively by restating the opening balance at 1 April 2010, with consequential adjustments to comparatives for the year ended 31 March 2012.

No effect of change in accounting policies on the consolidated statement of comprehensive income.

Effect of the changes in the accounting policies on the consolidated statement of financial position:

	As at 1 April 2010 (Audited)		
	Originally stated	HKAS 12 Adjustments	After prior year adjustments stated
	HK$'000	*HK$'000*	*HK$'000*
Deferred tax liabilities	482,298	(94,800)	387,498
(Accumulated losses)/retained profits	(139,971)	94,800	45,171

	As at 31 March 2011 (Audited)		
	Originally stated	HKAS 12 Adjustments	After prior year adjustments stated
	HK$'000	*HK$'000*	*HK$'000*
Deferred tax liabilities	494,464	(132,090)	362,374
Retained profits	7,738	132,090	139,828

	As at 31 March 2012 (Audited)		
	Originally stated	HKAS 12 Adjustments	After prior year adjustments stated
	HK$'000	*HK$'000*	*HK$'000*
Deferred tax liabilities	549,541	(192,480)	357,061
Retained profits	371,173	192,480	563,653

The Group has not early applied the following new or revised standards, amendments or interpretations that have been issued but are not yet effective.

HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[1]
HKAS 19 (Revised in 2011)	Employee Benefits[2]
HKAS 27 (Revised in 2011)	Separate Financial Statements[2]
HKAS 28 (Revised in 2011)	Investments in Associates and Joint Ventures[2]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[3]
HKFRS (Amendments)	Annual Improvements 2009–2011 Cycle[2]
HKFRS 1 (Amendments)	Government loan[2]
HKFRS 7 (Amendments)	Disclosures — Offsetting Financial Assets and Financial Liabilities[2]
HKFRS 9 and HKFRS 7 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[4]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
HK(IFRIC) — Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]

1 Effective for annual periods beginning on or after 1 July 2012
2 Effective for annual periods beginning on or after 1 January 2013
3 Effective for annual periods beginning on or after 1 July 2014
4 Effective for annual periods beginning on or after 1 January 2015

The directors of the Company anticipate that the application of the other new and revised standards and amendments will have no material impact on the results and financial position of the Group.

3. SEGMENT INFORMATION

The Group has three reportable segments, (i) property leasing and development; (ii) provision of property agency and consultancy services for the retail property sale and leasing market; and (iii) securities investment. The segmentations are based on the information about the operation of the Group that management uses to make decisions.

(a) Segment turnover and results

An analysis of the Group's turnover and results by reportable segment is presented below:

	Unaudited Six months ended 30 September							
	Property leasing and development		Provision of property agency and consultancy services		Securities investment		Consolidated total	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
GROSS PROCEEDS	**23,572**	18,456	**—**	—	**—**	—	**23,572**	18,456
TURNOVER	**23,572**	18,456	**—**	—	**—**	—	**23,572**	18,456
RESULTS								
Segment profit	**16,448**	16,435	**—**	—	**—**	—	**16,448**	16,435
Net gain/(loss) in fair value of investment properties							**130,875**	(70,490)
Unallocated corporate income							**30**	113
Unallocated corporate expenses							**(12,874)**	(5,916)
Profit/(loss) from operations							**134,479**	(59,858)
Finance costs							**(13,414)**	(20,742)
Profit/(loss) before taxation							**121,065**	(80,600)

Turnover reported above represents revenue generated from external customers. There were no inter-segment sales during the period (six months ended 30 September 2011: Nil).

(b) Segment assets and liabilities

An analysis of the Group's assets and liabilities by reportable segment is presented below:

	Property leasing and development		Provision of property agency and consultancy services		Securities investment		Consolidated total	
	Unaudited	Audited	**Unaudited**	Audited	**Unaudited**	Audited	**Unaudited**	Audited
	30.9.2012	31.3.2012	**30.9.2012**	31.3.2012	**30.9.2012**	31.3.2012	**30.9.2012**	31.3.2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)		(Restated)		(Restated)		(Restated)
ASSETS								
Segment assets	**4,971,160**	4,590,400	**40**	40	**79**	79	**4,971,279**	4,590,519
Unallocated corporate assets							**175,030**	161,499
Consolidated total assets							**5,146,309**	4,752,018
LIABILITIES								
Segment liabilities	**2,631,254**	2,175,347	**34**	34	**—**	—	**2,631,288**	2,175,381
Unallocated corporate liabilities							**500,765**	659,966
Consolidated total liabilities							**3,132,053**	2,835,347

For the purpose of monitoring segment performance and allocating resources between reportable segments:

— all assets are allocated to reportable segments other than corporate assets and assets classified as held for sale.

— all liabilities are allocated to reportable segments other than corporate liabilities, convertible notes and deferred tax liabilities and liabilities directly associated with assets classified as held for sale.

(c) Geographical segments

The Group's operations are located in Hong Kong and the PRC.

For the six months ended 30 September 2012, all of the Group's turnover are derived from Hong Kong. The following is an analysis of the carrying amount of non-current assets analysed by the geographical area in which the assets are located:

	Non-current assets*	
	Unaudited At 30 September 2012	Audited At 31 March 2012
	HK$'000	*HK$'000*
The PRC	**3,201,320**	2,901,261
Hong Kong	**1,601,803**	1,602,014
	4,803,123	4,503,275

* Non-current assets excluding deferred tax assets.

4. FINANCE COSTS

	Unaudited Six months ended 30 September **2012** ***HK$'000***	 2011 *HK$'000*
Interest charge on bank borrowings		
— wholly repayable within five years	**5,977**	4,200
— wholly repayable after five years	**31,046**	23,243
Imputed interest on convertible notes	**—**	10,421
Imputed interest on interest-free loan from a related party	**2,359**	2,133
Interest on loan from a related party	**1,455**	—
Interest on amounts due to non-controlling shareholders	**11,558**	10,799
Interest on loans from shareholders	**3,923**	4,263
Interest on advance from a shareholder	**—**	25
	56,318	55,084
Less: amount capitalised into investment properties under construction	**(42,904)**	(34,342)
	13,414	20,742

5. TAXATION

	Unaudited Six months ended 30 September **2012** ***HK$'000***	 2011 *HK$'000*
The charge/(credit) comprises:		
Hong Kong profits tax for the period	**—**	—
Deferred taxation		
— Change in fair value of investment properties	**32,720**	(17,623)
— Others	**—**	—
	32,720	(17,623)
	32,720	(17,623)

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2011: 16.5%) on the estimated assessable profits for the period.

Pursuant to the income tax rules and regulations of the PRC, provision for PRC Enterprise Income Tax is calculated based on a statutory rate of 25% on the assessable profits of the PRC subsidiary. No provision for the PRC income tax for the period has been made as the PRC subsidiary sustained a loss during the period (six months ended 30 September 2011: Nil).

6. PROFIT/(LOSS) FOR THE PERIOD

	Unaudited Six months ended 30 September 2012 HK$'000	2011 HK$'000
Profit/(loss) for the period has been arrived at after charging/(crediting) the followings:		
Directors' remuneration	**9,200**	2,100
Other staff costs	**3,498**	3,693
Total staff costs	**12,698**	5,793
Depreciation of property, plant and equipment	**330**	321
Imputed interest income generated from amount due from a non-controlling shareholder	**(1,298)**	(1,028)
Interest income on bank deposits	**(279)**	(224)
Property rental income under operating leases, net of direct outgoings of approximately HK$849,000 (six months ended 30 September 2011: HK$32,000)	**(22,723)**	(18,424)

7. DIVIDENDS

The Directors do not recommend the payment of interim dividend for the six months ended 30 September 2012 (six months ended 30 September 2011: Nil).

8. EARNINGS/(LOSS) PER SHARE

The calculation of basic and diluted earnings/(loss) per share attributable to owners of the Company is based on the following data:

	Unaudited Six months ended 30 September 2012 HK$'000	2011 HK$'000
Earnings/(loss)		
Profit/(loss) for the period attributable to owners of the Company for the purpose of calculating basic and diluted earnings/(loss) per share	**34,596**	(17,334)

	Unaudited Six months ended 30 September 2012 *Number of ordinary shares*	2011 *Number of ordinary shares*
Weighted average number of ordinary shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	**716,419,399**	636,816,505
Effect of dilutive potential ordinary shares:		
Share options	**2,851,902**	—
Weighted average number of ordinary shares for the purpose of calculating diluted earnings/(loss) per share	**719,271,301**	636,816,505

Diluted loss per share for the six months ended 30 September 2011 is not presented as the share options and convertible notes outstanding had an anti-dilutive effect on the basic loss per share.

9. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables were trade receivables of approximately HK$2,484,000 (net of provisions). The trade receivables represented rental receivables. The aging analysis of the Group's trade receivables (net of provisions) is as follows:

	Unaudited 30 September 2012 *HK$'000*	Audited 31 March 2012 *HK$'000*
Up to 30 days	**2,129**	2,216
31–60 days	**105**	1
61–90 days	**173**	7
More than 90 days	**77**	6
	2,484	2,230

The Group maintains a defined credit policy to assess the credit quality of each counterparty. The collection is closely monitored to minimise any credit risk associated with these trade receivables. The trade receivables mainly consist of rental receivables. The rental receivables are due for settlement upon the completion of the relevant agreements and payable in advance by tenants.

MANAGEMENT DISCUSSION AND ANALYSIS

The Board takes great pleasure to present the unaudited interim results of the Group for the six months ended 30 September 2012 ("Interim Period").

Hong Kong

During the Interim Period, the Group's niche property management acumen has been clearly demonstrated by the steady growth it has achieved in its pillar properties in Hong Kong L'hart and Jardine Center within its portfolio. The Group's turnover for the Interim Period was mainly contributed by revenue from Jardine Center and L'hart which was increased by around 28% to HK$23.6 million (six months ended 30 September 2011: HK$18.5 million). The portfolio's occupancy rate was about 100% as at 30 September 2012 (30 September 2011: 98%). Leveraging a strategic advantage of core locations of Causeway Bay, one of the most vibrant retail and entertainment areas of Hong Kong and Asia, the Group's success in terms of tenant mix and rental income has been achieved for its two iconic ginza-style buildings in Causeway Bay through proactive management initiatives and the continued implementation of proven business planning principles in early 2012. Tenants of these two buildings showed keen interest to build on their successful retailing business background to launch new dining concepts or health and beauty services in these two buildings during the past six months. This bullish development has been abetted by the skillful selection of tenants which match the 50/50 ratio leasing principle the Group implemented in early 2012. As a result, both visitors from overseas and Hong Kong residents recognise well L'hart and Jardine Center as preferred spots for fine dining as well as health and beauty needs. The notable leasing performance is underscored by full occupancy along with a strong rental growth rate of around or above 50% during the Interim Period.

The recent opening of Hysan Place, a new comprehensive office and commercial project in Causeway Bay has set in motion a positive ripple effect throughout Causeway Bay. It has attracted more new retailers making the latest commitment to expand their businesses, and the locations of the Group's Causeway Bay portfolio have become more vibrant and diversified. Almost 40% of the traditional retailers in Jardine's Bazaar and its surrounding shopping area have been revamped. With a greater variety of merchandise, including cosmetics, apparel, and home accessories shops besides gold jewellery or luxury goods on Kai Chiu Road or Yun Ping Road, the shopping atmosphere has become more lively than in the past. The changed environment is evidenced in the extended business hours from the previous norm of 8 p.m. to 10 p.m. to midnight or even longer during Friday or holidays. The sales performance of retailers in Jardine Bazaar are also reaping the benefits of the exciting shopping atmosphere with a better tenant mix and longer business hours.

The PRC

The development of the joint venture project in Shanghai ("JV Project") is proceeding according to schedule without any unforeseen obstacles. The project has been designed by top international architects and its project management is under the supervision of leading international professional firms to ensure its building quality and services match and attract the top class of tenants from around the world while implementing strict cost controls. A more detailed review and study is in progress for the future marketing and leasing to targeted tenants especially during the current climate when the relevant sectors of the Shanghai property market could be sensitive to the effects brought about by the general economic situation in the PRC as well as Europe.

PROSPECTS

The growth of retailing business in prime retail shopping locations such as Causeway Bay is still promising despite emerging concerns about the shopping behavior of tourists. The retail property sector demonstrates a much more stable performance in line with the pace of economic development in contrast to the residential sector which is exposed to the risk of changes in Government housing or monetary policies. The management is bullish about the long term development trend of its current portfolio especially as there are very healthy benefits brought about by synergies through a strong and balanced tenant mix.

FINANCIAL REVIEW

The group's turnover for the Interim Period increased by 28% to approximately HK$23.6 million (six months ended 30 September 2011: HK$18.5 million) which primarily contributed by its revenue generated from Hong Kong properties investment business segment due to the favourable rental growth.

The gain in fair value of the JV Project amounted to approximately HK$130.9 million had been recognised in accordance with prevailing accounting standard.

Other operating expenses increased by 85.5% to approximately HK$21.7 million. It was mainly attributable to the share based payments of approximately HK$6.8 million.

Finance costs decreased by 35.3% to approximately HK$13.4 million. It was primarily due to a decrease in imputed interest on convertible notes as a result of all outstanding convertible notes had been fully discharged in the financial year ended 31 March 2012.

Profit attributable to owners of the Company for the Interim Period amounted to approximately HK$34.6 million (six months ended 30 September 2011: loss of HK$17.3 million). Basic earnings per share was HK$4.83 cents, based on weighted average of approximately 716 million shares after taking the effect of the new issue as a result of partial conversion of convertible notes (six months ended 30 September 2011: loss per share HK$2.72 cents). Excluding the effect of gain in fair value of investment properties, the loss attributable to the owners of the Company for the Interim Period was approximately HK$0.2 million.

Liquidity and Financial Resources

During the Interim Period, the Group's operation was financed by internal financial resources, loans from shareholders, amounts due to a non-controlling shareholder for JV Project and banking facilities. The Board is of the view that, after taking into account these available resources, the Group has sufficient financial resources to satisfy its commitments, capital expenditure and working capital requirements.

As at the Interim Period end date, the Group's bank borrowings of approximately HK$1,771,449,000 (31 March 2012: HK$1,563,968,000) and the Group's gearing ratio, expressed as total liabilities over total assets was approximately 61.0% (31 March 2012: 63.7%). Cash and bank balances (excluding pledged bank deposits) of approximately HK$235,019,000 (31 March 2012: HK$143,337,000). The increase in bank borrowings was primarily due to the financing of the JV Project. Whilst the Group's bank borrowings bear interest at prevailing market floating rates, the Group entered into interest rate swap arrangements denominated in Hong Kong dollars with a bank for an aggregate notional amount of HK$240 million to mitigate the risk of interest rate upward trends.

The Group's bank borrowings as at the Interim Period end date were summarised as follows:

Currency of bank loans	Total	Due within one year	Due more than one year but not exceeding two years	Due more than two years but not exceeding five years	Due after five years
	HK$ million	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*
USD	62.03	1.69	2.90	5.70	51.74
RMB	869.42	—	38.86	297.28	533.28
HK$	840	26.75	26.75	145.25	641.25
	1,771.45	28.44	68.51	448.23	1,226.27

As at the end of Interim Period, the net assets attributable to owners of the Company of approximately HK$1,494,756,000 (31 March 2012 (restated): HK$1,451,521,000). With the total number of ordinary shares in issue of 716,419,399 as at 30 September 2012 (31 March 2012: 716,419,399 shares), the unaudited net assets value per share was approximately HK$2.0 (31 March 2012 (restated): HK$2.0).

CHARGE ON ASSETS

At the Interim Period end date, the Group has pledged:

a. Investment properties and assets classified as held for sale in Hong Kong in aggregate fair value of approximately HK$1,681 million for securing general banking facilities granted from several banks to its subsidiaries;

b. Investment properties under construction in the PRC at fair value of approximately HK$2,874 million for securing general banking facilities limited to the extent of approximately RMB710 million from a bank in the PRC to its non-wholly subsidiary for meeting its local working capital and capital expenditures needs;

c. Pledged deposit of approximately HK$15 million for securing banking facilities; and

d. Several subsidiaries' entire issued shares for securing its respective general banking facilities.

DIVIDEND

The Board does not recommend the payment of an interim dividend for the period (six months ended 30 September 2011: Nil).

CONTINGENT LIABILITIES

At the Interim Period end date, the Group has provided several corporate guarantees for securing banking facilities granted to certain subsidiaries amounted to HK$1,085 million (31 March 2012: HK$803.5 million).

COMMITMENTS

Capital commitments outstanding at the end of Interim Period not provided for in the Interim Financial Statements were as follows:

	Unaudited 30 September 2012 *HK$'000*	Audited 31 March 2012 *HK$'000*
Construction cost of investment properties under construction		
Contracted for	**138,905**	236,415

EMPLOYEES AND REMUNERATION POLICY

As at the end of Interim Period, the Group had about 23 employees based in Hong Kong and the PRC. The Group offers its employees competitive remuneration packages which commensurate with their performance, experience and job nature. The Group also provides other benefits including medical insurance and contribution to Mandatory Provident Fund Schemes. A share option scheme was adopted by the Company on 3 September 2003 to enable the Directors to grant share options to staff and Directors as incentive.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITION AND DISPOSALS

The Group did not have any significant investments, material acquisitions or disposals during the Interim Period.

EVENT AFTER THE REPORTING PERIOD

On 14 November 2012, High Fly Investments Limited, an indirectly non-wholly owned subsidiary, entered into a sale and purchase agreement in relation to, among others, the disposal of its entire interest in High Luck International Limited ("High Luck"). The principal asset of High Luck is the property development project in Shanghai. Further details regarding the transaction will be announced by the Company in due course.

CORPORATE GOVERNANCE

Compliance with the Code on Corporate Governance Practices

The Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules throughout the Interim Period.

Review by Audit Committee

The audit committee comprises an non-executive director and two independent non-executive directors, namely, Mr. Mak Wah Chi, Mr. Li Kit Chee (Chairman of the Audit Committee) and Mr. Chan Kam Man. The audit committee had reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited Interim Financial Statements for the Interim Period.

Compliance with the Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by directors of the Company (the "Directors"). All Directors have confirmed, following specific enquiry by the Company, that they have fully complied with the required standard as set out in the Model Code throughout the interim period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the website of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk) as well as the website of the Company (www.henrygroup.hk). The 2012/2013 interim report will be despatched to shareholders and will be published on the aforementioned websites in due course.

By order of the Board
Henry Group Holdings Limited
Ng Ian
Chief Executive Officer

Hong Kong, 30 November 2012

As at the date of this announcement, the Board comprises Mr. Ng Chun For, Henry, Mr. Ng Ian and Mr. Lee Kwan Yee, Herrick as executive directors, Mr. Mak Wah Chi as non-executive director and Mr. Li Kit Chee, Mr. Chan Kam Man and Mr. Chu Tak Sum as independent non-executive Directors.

* *for identification purpose only*