



田 生 集 團 有 限 公 司^{*}
RICHFIELD GROUP HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8136)



2007/08
Interim Report

^{*} For identification purposes only

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors of Richfield Group Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

INTERIM RESULTS

The board of directors (the "Board") of Richfield Group Holdings Limited (the "Company") herein presents the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the three months and six months ended 30 September 2007 together with the comparative unaudited figures for the corresponding periods in 2006 as follows:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months and six months ended 30 September 2007

	Notes	Six months ended 30 September		Three months ended 30 September	
		2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000
TURNOVER	4	66,724	25,193	29,551	13,220
Cost of sales		(40,246)	(13,209)	(16,809)	(7,210)
Gross profit		26,478	11,984	12,742	6,010
Other revenue		1,825	991	1,448	833
Selling and distribution costs		(8,191)	(8,851)	(3,115)	(4,501)
Administrative expenses		(6,008)	(5,633)	(2,860)	(2,928)
OPERATING PROFIT/(LOSS)		14,104	(1,509)	8,215	(586)
Finance costs		(5,056)	(38)	(3,438)	(16)
PROFIT/(LOSS) BEFORE INCOME TAX	5	9,048	(1,547)	4,777	(602)
Income tax expense	6	(2,024)	-	(1,097)	-
PROFIT/(LOSS) FOR THE PERIOD		7,024	(1,547)	3,680	(602)
Attributable to:					
Equity holders of the Company		7,024	(1,467)	3,680	(522)
Minority interests		-	(80)	-	(80)
PROFIT/(LOSS) FOR THE PERIOD		7,024	(1,547)	3,680	(602)
DIVIDENDS	7	-	-	-	-
EARNINGS/(LOSS) PER SHARE	8				
Basic		HK0.31 cent	HK(0.25) cent	HK0.14 cent	HK(0.07) cent
Diluted		N/A	N/A	N/A	N/A

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 September 2007

	Notes	As at 30 September 2007 (Unaudited) HK\$'000	As at 31 March 2007 (Audited) HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		594	621
Goodwill	9	558,561	3,555
Rental and sundry deposits		209	411
		<u>559,364</u>	<u>4,587</u>
Current assets			
Inventories		–	1,693
Trade receivables	10	5,611	7,665
Prepayments, deposits and other receivables		2,677	9,634
Financial assets at fair value through profit or loss		–	245
Cash and bank balances		286,249	23,141
		<u>294,537</u>	<u>42,378</u>
Current liabilities			
Trade payables	11	2,107	7,820
Accrued expenses and other payables		2,590	3,340
Taxes payable		4,560	498
Other borrowings		–	83
		<u>9,257</u>	<u>11,741</u>
Net current assets		<u>285,280</u>	<u>30,637</u>
Total assets less current liabilities		844,644	35,224



	Notes	As at 30 September 2007 (Unaudited) HK\$'000	As at 31 March 2007 (Audited) HK\$'000
Non-current liabilities			
Promissory notes	12	82,424	–
Other borrowings		–	500
Net assets		762,220	34,724
Equity attributable to equity holders of the Company			
Share capital	13	29,285	18,000
Reserves		732,935	16,724
Total Equity		762,220	34,724

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Six months ended 30 September 2007 (Unaudited) HK\$'000	Six months ended 30 September 2006 (Unaudited) HK\$'000
Net cash inflow/(outflow) from operating activities	16,257	(8,787)
Net cash outflow from investing activities	(14,952)	(457)
Net cash inflow from financing activities	<u>261,803</u>	<u>19,542</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	263,108	10,298
Cash and cash equivalents at beginning of period	<u>23,141</u>	<u>3,962</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>286,249</u>	<u>14,260</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u>286,249</u>	<u>14,260</u>

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2007

	Issued share capital (Unaudited) HK\$'000	Share premium (Unaudited) HK\$'000	Convertible bonds equity reserve (Unaudited) HK\$'000	Accumulated losses (Unaudited) HK\$'000	Total (Unaudited) HK\$'000	Minority interests (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
At 1 April 2006	4,605	14,918	-	(11,255)	8,268	80	8,348
Issue of new shares	2,493	12,465	-	-	14,958	-	14,958
Issuing costs	-	(1,153)	-	-	(1,153)	-	(1,153)
Exercise of share options	381	5,829	-	-	6,210	-	6,210
Net loss for the period	-	-	-	(1,467)	(1,467)	(80)	(1,547)
At 30 September 2006	<u>7,479</u>	<u>32,059</u>	<u>-</u>	<u>(12,722)</u>	<u>26,816</u>	<u>-</u>	<u>26,816</u>

	Issued share capital (Unaudited) HK\$'000	Share premium (Unaudited) HK\$'000	Convertible bonds equity reserve (Unaudited) HK\$'000	Accumulated losses (Unaudited) HK\$'000	Total (Unaudited) HK\$'000	Minority interests (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
At 1 April 2007	18,000	39,632	-	(22,908)	34,724	-	34,724
Issue of convertible bonds	-	-	149,101	-	149,101	-	149,101
Full conversion of convertible bonds (Note 12)	7,600	450,986	(149,101)	-	309,485	-	309,485
Issue of new shares	3,685	265,320	-	-	269,005	-	269,005
Issuing costs	-	(7,119)	-	-	(7,119)	-	(7,119)
Net profit for the period	-	-	-	7,024	7,024	-	7,024
At 30 September 2007	<u>29,285</u>	<u>748,819</u>	<u>-</u>	<u>(15,884)</u>	<u>762,220</u>	<u>-</u>	<u>762,220</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Richfield Group Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 10 January 2002 as an exempted company with limited liability under the Companies Law (2001 Second Revision) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is Unit 1209, 12th Floor, Silvercord Tower 2, 30 Canton Road, Tsim Sha Tsui, Hong Kong. The Company’s shares are listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Pursuant to a special resolution passed on 26 July 2007 at an annual general meeting, the Company’s name was proposed to be changed from Maxitech International Holdings Limited (Chinese translation being 全美國際集團有限公司, for identification purpose only) to Richfield Group Holdings Limited (Chinese translation being 田生集團有限公司, for identification purpose only). The change of name of the Company was approved by the Registrar of Companies in the Cayman Islands and Hong Kong on 10 August and 29 August 2007, respectively.

The principal activity of the Company is investment holding. The subsidiaries (together with the Company referred to as the “Group”) are principally engaged in the provision of property brokerage services, carrying out schemes for property consolidation, assembly and redevelopment, property trading in Hong Kong, the trading of recycled computers and the retail and wholesale of bags and accessories.

2. BASIS OF PREPARATION

The unaudited consolidated results have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRS”), Hong Kong Accounting Standards (“HKAS”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The interim report also includes the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (“GEM Listing Rules”). The unaudited consolidated results have been prepared under the historical convention.

The accounting policies adopted in the preparation of the unaudited consolidated results are consistent with those used in the annual financial statements of the Group for the year ended 31 March 2007 except for those mentioned in the note 3 “Principal Accounting Policies” below.

All significant transactions and balances within the Group have been eliminated on consolidation.

3. PRINCIPAL ACCOUNTING POLICIES

In the current interim period, the Group has applied, for the first time, a number of new standards, amendments and interpretations (new “HKFRSs”) issued by the HKICPA, which are effective for accounting periods beginning either on or after 1 April 2007. The adoption of the new HKFRSs had no material effect on how the results for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

i. New or amended HKFRSs that have been issued but are not yet effective

The Group has not early adopted the following HKFRSs that have been issued but are not yet effective. The directors of the Company are currently assessing the impact of these HKFRSs but are not yet in a position to state whether they would have material financial impact on the Group’s financial statements.

HKAS 23 (Revised)	Borrowing Cost ¹
HKFRS 8	Operating Segments ¹
HK(IFRIC)-Interpretation 12	Service Concession Arrangements ²
HK(IFRIC)-Interpretation 13	Customer Loyalty Programmes ³
HK(IFRIC)-Interpretation 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ²

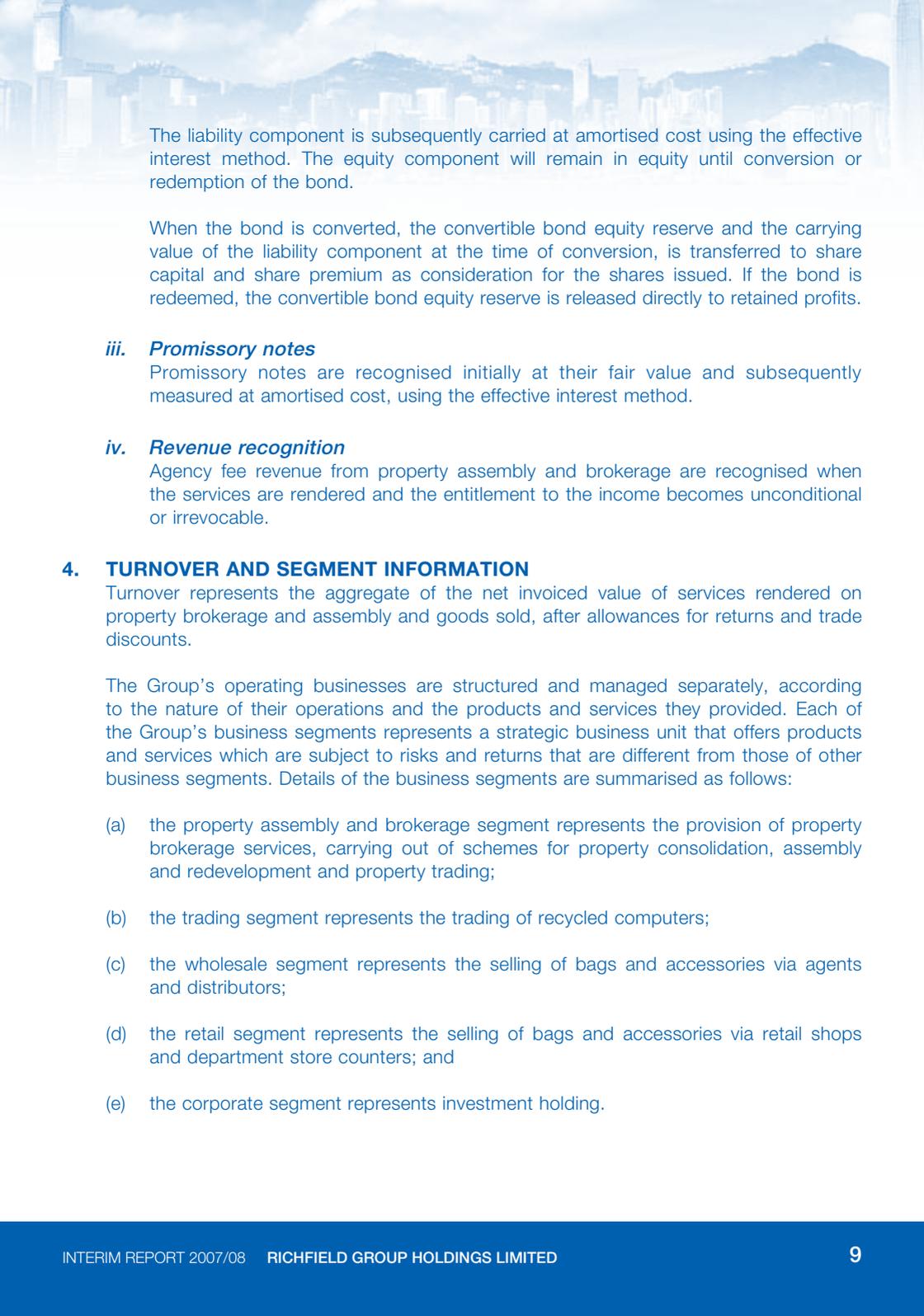
Notes:

- 1 Effective for annual periods beginning on or after 1 January 2009
- 2 Effective for annual periods beginning on or after 1 January 2008
- 3 Effective for annual periods beginning on or after 1 July 2008

ii. Convertible bonds

Convertible bonds that can be converted to equity share capital at the option of the holder, where the number of shares that would be issued on conversion and the value of the consideration that would be received at that time do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

Convertible bonds issued by the Company that contain both financial liability and equity components are classified separately into respective liability and equity components on initial recognition. On initial recognition, the fair value of the liability component is determined using the prevailing market interest rate for similar non-convertible debts. The difference between the proceeds of the issue of the convertible bonds and the fair value assigned to the liability component, representing the call option for conversion of the bond into equity, is included in equity as convertible bond equity reserve.



The liability component is subsequently carried at amortised cost using the effective interest method. The equity component will remain in equity until conversion or redemption of the bond.

When the bond is converted, the convertible bond equity reserve and the carrying value of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the bond is redeemed, the convertible bond equity reserve is released directly to retained profits.

iii. Promissory notes

Promissory notes are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

iv. Revenue recognition

Agency fee revenue from property assembly and brokerage are recognised when the services are rendered and the entitlement to the income becomes unconditional or irrevocable.

4. TURNOVER AND SEGMENT INFORMATION

Turnover represents the aggregate of the net invoiced value of services rendered on property brokerage and assembly and goods sold, after allowances for returns and trade discounts.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provided. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other business segments. Details of the business segments are summarised as follows:

- (a) the property assembly and brokerage segment represents the provision of property brokerage services, carrying out of schemes for property consolidation, assembly and redevelopment and property trading;
- (b) the trading segment represents the trading of recycled computers;
- (c) the wholesale segment represents the selling of bags and accessories via agents and distributors;
- (d) the retail segment represents the selling of bags and accessories via retail shops and department store counters; and
- (e) the corporate segment represents investment holding.

(i) **Business segments**

The following tables present revenue, results and certain assets, liabilities and expenditure information for the Group's business segments.

	Six months ended 30 September											
	Property assembly and brokerage		Trading		Retail		Wholesale		Corporate		Consolidated	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Segment revenue:												
Turnover for external customers	<u>20,481</u>	-	<u>23,330</u>	-	<u>15,425</u>	15,348	<u>7,488</u>	9,845	-	-	<u>66,724</u>	25,193
Segment results	<u>13,727</u>	-	<u>112</u>	-	<u>(274)</u>	1,161	<u>167</u>	1,486	-	(4,156)	<u>13,732</u>	(1,509)
Unallocated cost and income											<u>372</u>	-
Operating profit/(loss)											<u>14,104</u>	(1,509)
Finance costs											<u>(5,056)</u>	(38)
Profit/(Loss) before income tax											<u>9,048</u>	(1,547)
Income tax expense											<u>(2,024)</u>	-
Profit/(loss) for the period											<u>7,024</u>	(1,547)
Balance Sheet												
ASSETS												
Segment assets	<u>576,325</u>	-	<u>9,330</u>	-	-	735	<u>383</u>	6,253	-	28,386	<u>586,038</u>	35,374
Unallocated assets	-	-	-	-	-	-	-	-	-	-	<u>267,863</u>	-
Total assets											<u>853,901</u>	<u>35,374</u>
LIABILITIES												
Segment liabilities	<u>6,579</u>	-	<u>1,430</u>	-	-	-	<u>940</u>	6,023	-	2,535	<u>8,949</u>	8,558
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	<u>82,732</u>	-
Total liabilities											<u>91,681</u>	<u>8,558</u>
Other segment information:												
Depreciation	<u>47</u>	-	<u>3</u>	-	<u>210</u>	280	-	240	-	2	<u>260</u>	522
Capital expenditure	<u>324</u>	-	<u>42</u>	-	-	<u>329</u>	-	-	-	-	<u>366</u>	329

(ii) Geographical segments

The following table presents revenue, certain assets and expenditure information for the Group's geographical segments.

	Six months ended 30 September															
	Hong Kong		People's Republic of China ("PRC") (not including Hong Kong)				Taiwan		Singapore		Other		Unallocated		Consolidated	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
HK\$'000																
Segment revenue:																
Turnover for external customers	60,873	19,600	3,317	3,113	785	1,062	845	1,231	904	187	-	-	66,724	25,193		
Other segment information:																
Segment assets	586,038	34,365	-	-	-	1,009	-	-	-	-	267,863	-	853,901	35,374		
Capital expenditure	366	329	-	-	-	-	-	-	-	-	-	-	366	329		

5. PROFIT/(LOSS) BEFORE INCOME TAX

The Group's profit/(loss) before income tax is arrived at after charging the following:

	Six months ended 30 September		Three months ended 30 September	
	2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000
Effective interest expense on convertible bonds	2,586	-	1,453	-
Effective interest expense on promissory notes	2,468	-	1,868	-
Interest on overdrafts and bank loans	2	38	2	16
Depreciation	260	522	124	132

6. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 17.5% (three and six months ended 30 September 2006: Nil) on the estimated assessable profit arising in Hong Kong for the current period. Taxes on profits assessable in other jurisdictions have been calculated at the rates of tax prevailing in the places in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

Deferred tax had not been provided for the Group because the Group had no significant temporary differences at the balance sheet date (30 September 2006: Nil).

7. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2007 (six months ended 30 September 2006: Nil).

8. EARNINGS/(LOSS) PER SHARE

The calculations of basic earnings per share for the three and six months ended 30 September 2007 are based on the unaudited consolidated net profit attributable to equity holders for the three and six months ended 30 September 2007 of approximately HK\$3,680,000 and HK\$7,024,000 respectively (three and six months ended 30 September 2006: net loss attributable to equity holders of approximately HK\$522,000 and HK\$1,467,000 respectively) and on the weighted average number of 2,604,423,913 and 2,274,081,967 shares during the three and six months ended 30 September 2007 (three and six months ended 30 September 2006: 718,098,152 shares and 597,499,967 respectively).

Diluted earnings/(loss) per share for the three and six months ended 30 September 2007 and the corresponding periods in 2006 have not been disclosed as no dilutive events existed during those periods.

9. GOODWILL

Goodwill arising during the period results from the acquisition of Richfield Realty Limited ("Richfield Realty"). The net carrying amount of goodwill can be analysed as follows:

	30 September 2007 (Unaudited) HK\$'000	31 March 2007 (Audited) HK\$'000
Net carrying amount at 1 April	3,555	–
Acquisition of subsidiaries	555,006	6,622
Impairment	–	(3,067)
Net carrying amount at the end of period/year	<u>558,561</u>	<u>3,555</u>

The carrying amount of goodwill as at 31 March 2007 comprises net carrying value of the goodwill arising from the acquisition of the trading of recycled computers cash-generating unit. The carrying amount of goodwill generated for the period is allocated to the provision of property assembly and brokerage cash-generating unit.

10. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit, which generally have credit terms of up to 90 days (six months ended 30 September 2006: 90 days). The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management.

Ageing analysis of the Group's trade receivables as at the balance sheet dates based on the goods delivery date is as follows:

	30 September 2007 (Unaudited) HK\$'000	31 March 2007 (Audited) HK\$'000
Within 90 days	4,876	7,647
91–180 days	481	4
181–365 days	254	–
Over 1 year	–	14
	<u>5,611</u>	<u>7,665</u>

11. TRADE PAYABLES

Ageing analysis of the Group's trade payables as at the balance sheet dates based on the goods receipt date is as follows:

	30 September 2007 (Unaudited) HK\$'000	31 March 2007 (Audited) HK\$'000
Within 90 days	1,274	7,318
91–180 days	196	491
181–365 days	473	–
Over 1 year	164	11
	<u>2,107</u>	<u>7,820</u>

12. CONVERTIBLE BONDS AND PROMISSORY NOTES

On 29 May 2007, the Company issued an aggregate of HK\$456,000,000 1% convertible bonds ("Convertible Bonds") and HK\$120,000,000 promissory notes, which are both due to May 2012, as part of the consideration for the acquisition of Richfield Realty. The Convertible Bonds holders have the right to convert into new shares at an initial conversion price of HK\$0.6 per share during its conversion period of five years from 29 May 2007. During the period under review, the Convertible Bonds were fully converted in 760,000,000 new shares of the Company at the conversion price of HK\$0.6 per share.

13. SHARE CAPITAL

	Number of shares	(Unaudited) HK\$'000
Authorised		
10,000,000,000 ordinary shares of HK\$0.01 each	<u>10,000,000,000</u>	<u>100,000</u>
Issued and fully paid		
At 1 April 2007	1,800,000,000	18,000
Issue of new shares on full conversion of convertible bonds (Note 12)	760,000,000	7,600
Issue of new shares on share placement	<u>368,500,000</u>	<u>3,685</u>
At 30 September 2007	<u>2,928,500,000</u>	<u>29,285</u>

The Company has a share option scheme for Directors and eligible employees and consultants of the Group. There were no outstanding share options at the beginning and end of the period.

During the period, no share options were granted and exercised.

14. RELATED PARTY TRANSACTIONS

The Group had the following material transactions with related parties during the period and the balances with related parties at the end of the periods:

	Six months ended 30 September	
	2007 HK\$'000	2006 HK\$'000
Operating lease rental expenses in respect of office premises to a related company	<u>260</u>	<u>–</u>

The Group entered into a lease agreement with a related company, in which a Director of a subsidiary of the Group has beneficial interests, on terms mutually agreed by both parties.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in the provision of property brokerage services, carrying out schemes for property consolidation, assembly and redevelopment, property trading in Hong Kong, the trading of recycled computers and the retail and wholesale of bags and accessories.

The Group is currently engaged in property assembly schemes for approximately 90 redevelopment projects in Hong Kong. Those projects engaged are all residential and commercial properties which are located in Hong Kong Island and Kowloon side.

The bags sold by the Group consist principally of business bags, sports bags, backpacks, handbags and wallets. The accessories sold by the Group include belts, watches, spectacles and umbrellas. The trading of recycled computers by the Group includes PCs, laptops and computer parts (such as RAM modules, LCD panels, hard disks, DVD-ROMs, plastic covers, and keyboards etc.).

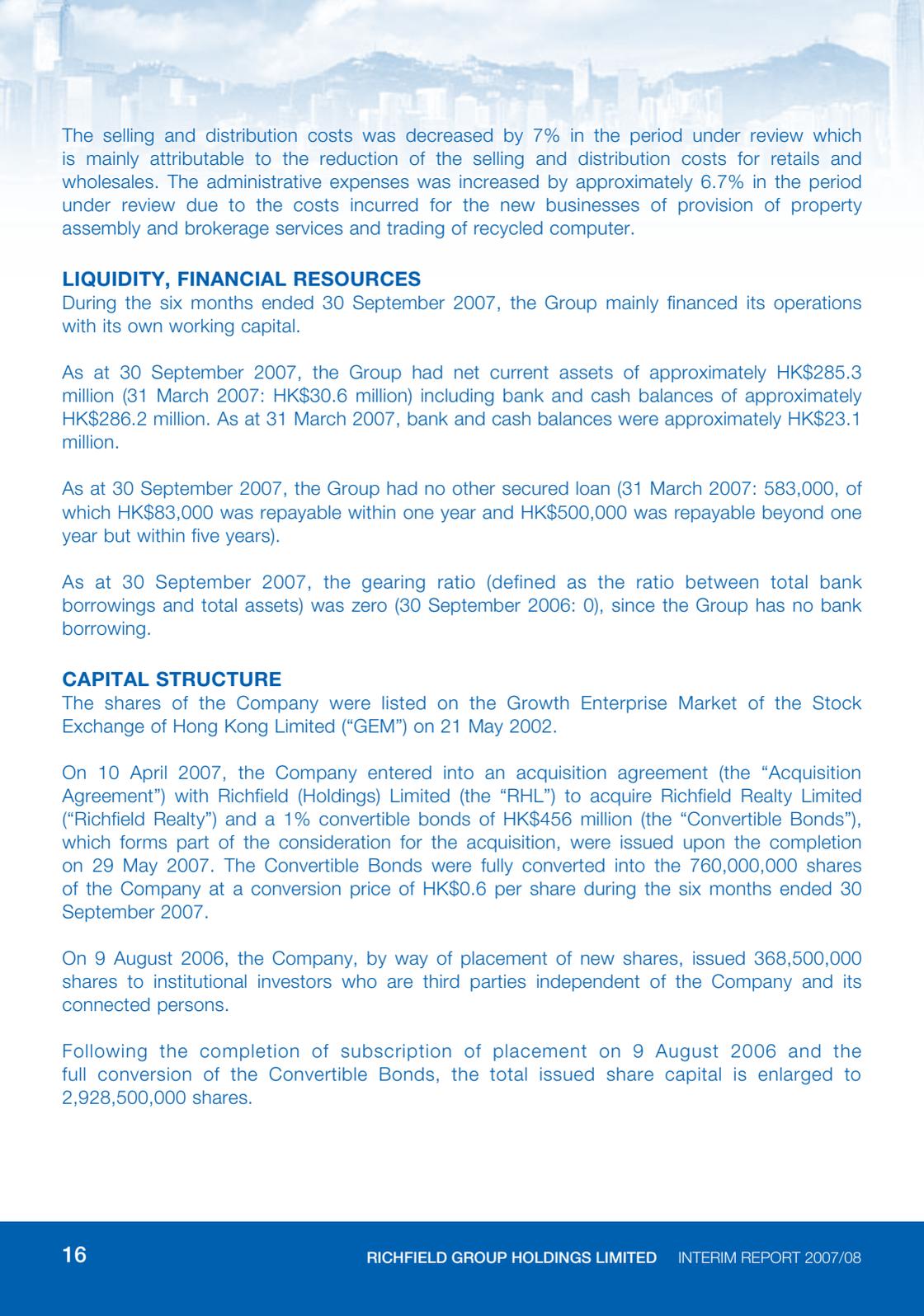
FINANCIAL REVIEW

RESULTS

During the six months ended 30 September 2007, the Group recorded a turnover of approximately HK\$66.7 million (six months ended 30 September 2006: approximately HK\$25.2 million), representing an increase of approximately 164.7% as compared with the corresponding period last year. The increase was mainly attributable to the contribution of the new businesses of provision of property assembly and brokerage services and trading of recycled computer, which accounted for 31% and 35% respectively of the Group's total turnover for the current period. The turnover for retails and wholesales of bag and accessories remain steady as compared with the corresponding period last year.

The Group recorded a profit attributable to equity holders of approximately HK\$7 million, revealing a significant improvement when compared to the loss of approximately HK\$1.5 million in the corresponding period last year. The improvement was also mainly derived from the new business of provision of property assembly and brokerage services which was acquired on 29 May 2007. On the other hand, the new business of trading of recycled computer recorded an operating profit of approximately HK\$112,000 only for the six months ended 30 September 2007 because of the decreasing profit margin due to high competition. The retail and wholesales of bag and accessories recorded an operating loss for the six months ended 30 September 2007, which was mainly attributable to the decrease in turnover and dramatic cost increase.

The gross margin was increased by 121% for the six month ended 30 September 2007 because of the new business of property assembly and brokerage, which generated a gross profit of approximately 58% of the Group's total gross profit for the period. On the contrary, the gross profit margin was decreased from approximately 47.6% to 39.7% for the six month ended 30 September 2007, which is attributable to the extreme low gross profit margin for the new business of provision of trading of recycled computer.



The selling and distribution costs was decreased by 7% in the period under review which is mainly attributable to the reduction of the selling and distribution costs for retails and wholesales. The administrative expenses was increased by approximately 6.7% in the period under review due to the costs incurred for the new businesses of provision of property assembly and brokerage services and trading of recycled computer.

LIQUIDITY, FINANCIAL RESOURCES

During the six months ended 30 September 2007, the Group mainly financed its operations with its own working capital.

As at 30 September 2007, the Group had net current assets of approximately HK\$285.3 million (31 March 2007: HK\$30.6 million) including bank and cash balances of approximately HK\$286.2 million. As at 31 March 2007, bank and cash balances were approximately HK\$23.1 million.

As at 30 September 2007, the Group had no other secured loan (31 March 2007: 583,000, of which HK\$83,000 was repayable within one year and HK\$500,000 was repayable beyond one year but within five years).

As at 30 September 2007, the gearing ratio (defined as the ratio between total bank borrowings and total assets) was zero (30 September 2006: 0), since the Group has no bank borrowing.

CAPITAL STRUCTURE

The shares of the Company were listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (“GEM”) on 21 May 2002.

On 10 April 2007, the Company entered into an acquisition agreement (the “Acquisition Agreement”) with Richfield (Holdings) Limited (the “RHL”) to acquire Richfield Realty Limited (“Richfield Realty”) and a 1% convertible bonds of HK\$456 million (the “Convertible Bonds”), which forms part of the consideration for the acquisition, were issued upon the completion on 29 May 2007. The Convertible Bonds were fully converted into the 760,000,000 shares of the Company at a conversion price of HK\$0.6 per share during the six months ended 30 September 2007.

On 9 August 2006, the Company, by way of placement of new shares, issued 368,500,000 shares to institutional investors who are third parties independent of the Company and its connected persons.

Following the completion of subscription of placement on 9 August 2006 and the full conversion of the Convertible Bonds, the total issued share capital is enlarged to 2,928,500,000 shares.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

On 29 May 2007, the Company completed the acquisition of the entire issued share capital of Richfield Realty, a company principally engaged in the provision of property brokerage services and carrying out schemes for property assembly and property trading in Hong Kong, from RHL for a total consideration of HK\$597 million. The consideration was satisfied as to HK\$456 million by the Company issuing the Convertible Bonds in the principal amount of HK\$456 million, as to HK\$120 million by the Company issuing promissory notes in the principal amount of HK\$120 million and as to HK\$21 million by cash. Following the abovementioned completion, Richfield Realty has become a wholly-owned principal operating subsidiary of the Company.

Apart from the acquisition above, there were no material acquisitions or disposals of subsidiaries and affiliated companies during the period.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 September 2007.

LEASE AND CONTRACTED COMMITMENTS

The Group leases certain of its office premises, warehouses, retail shops and department store counters under non-cancellable operating lease arrangements with lease terms ranging from one to three years.

At 30 September 2007, the Group had total future minimum lease payments in respect of non-cancellable operating leases falling due as follows:

	30 September 2007 (Unaudited) HK\$'000	31 March 2007 (Audited) HK\$'000
Land and buildings expiring:		
Within one year	941	7,876
In the second to fifth years, inclusive	202	4,178
	<u>1,143</u>	<u>12,054</u>

Save for the above commitment, as at 30 September 2007, neither the Group nor the Company had any other significant commitments.

FOREIGN EXCHANGE EXPOSURE

The Group's income and expenditure during the six months ended 30 September 2007 were denominated in United States ("US") dollars, HK dollars and Renminbi ("RMB"), and most of the assets and liabilities as at 30 September 2007 were denominated in HK dollars and RMB. Accordingly, the Board is of the view that, to certain extent, the Group is exposed to foreign currency exchange risk. For the US dollars foreign exchange exposure, the Board believes the exposure is small as the exchange rate of US dollars to HK dollars is comparatively stable. However, the Group is exposed to RMB foreign exchange exposure and fluctuation of exchange rates of RMB against HK dollars could affect the Group's results of operations. During the period under review, no hedging transaction or arrangement was made.

TREASURY POLICIES

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluations of the financial conditions of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

SEGMENT INFORMATION

Business segments

Property assembly and brokerage

Property assembly and brokerage comprised of provision of property brokerage services, carrying out schemes for property consolidation, assembly and redevelopment and property trading. Property assembly and brokerage represents approximately 31% of the total turnover which amounts to approximately HK\$20.5 million (six months ended 30 September 2006: Nil).

Trading of recycled computer

Trading of recycled computer comprised of trading and distribution of recycled computers and related accessories. Trading of recycled computers represents approximately 35% of the total turnover which amounts to approximately HK\$23.3 million (six months ended 30 September 2006: Nil).

Retail sales

Retail sales was slightly increased by approximately 0.5%, as compared to the previous corresponding period, to approximately HK\$15.4 million (six months ended 30 September 2006: approximately HK\$15.3 million) The small increase was mainly attributed to the high competition and decrease in the number of retail outlets and the level of sales in the outlets.

Wholesale sales

Wholesale sales comprised sales to agents and sales to distributors, which was decreased by approximately 24% as compared to the previous corresponding period, to approximately HK\$7.5 million (six months ended 30 September 2006: approximately HK\$9.8 million). The decrease was mainly attributed to the decrease in orders from existing customers.

Geographical segments

For the six months ended 30 September 2007, turnover in Hong Kong was increased significantly by approximately 211% as compared to the previous corresponding period. The increase was mainly attributed to the turnover from the new business of property assembly and brokerage and the trading of recycled computers.

For the six months ended 30 September 2007, turnover for the PRC customers was increased by approximately 6.6% as compared to the previous corresponding period. The increase was mainly attributed to the increase in wholesales to the Group's agents in the PRC.

For the six months ended 30 September 2007, turnover for Taiwan customers was decreased by approximately 26.1% as compared to the previous corresponding period. The decrease was mainly attributed to the close of the retail outlets in Taiwan in previous year.

For the six months ended 30 September 2007, turnover for Singapore customers was also decreased by approximately 31.4% as compared to the previous corresponding period. The decrease was attributed to the decrease in wholesales to the Group's agent in Singapore.

For the six months ended 30 September 2007, turnover for customers in other countries was increased by approximately 383% as compared to the previous corresponding period. The increase was mainly attributed to the increase in sales orders from countries other than above.

Please refer to note 4 to the unaudited results of this interim report for details on business and geographical segments.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2007, the Group had 101 (31 March 2007: 86) employees, including directors. Total staff costs (including directors' emoluments) were approximately HK\$5.6 million for the six months ended 30 September 2007 as compared to approximately HK\$4.6 million for the six months ended 30 September 2006. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme to its employees in Hong Kong and share option scheme.

BUSINESS REVIEW AND PROSPECTS

In the second quarter, the Group's business continued to growth with the new income stream from business of the provision of property brokerage services, carrying out schemes for property consolidation, assembly and redevelopments and property trading in Hong Kong, after the acquisition of Richfield Realty. In the first six months, the turnover and the operating profit of property assembly and brokerage accounted for approximately 31% and 97% of the Group's total revenue and operating profit, respectively.



Through business acquisition of Richfield Realty, the business of provision of property assembly and brokerage services and property trading has become the core business and the major income stream of the Group. The scale and business potential of our business has been substantially promoted. Since the acquisition of Richfield Realty and the share placement was completed on 29 May 2007 and 9 August 2007 respectively, the interim report cannot reflect the full results and potential of property assembly business for the period under review. Furthermore, because of the seasonal factors and the characteristic of business of the property assembly and brokerage, majority of the revenue cannot be recognised until the completion of the property assembly agreement, which will be normally in the second half year of the financial year.

As at 30 September 2007, the Group has approximately 90 property assembly projects in progress with a total site area of approximately 870,000 square feet. Among those projects in progress, there are approximately 60 projects located in Hong Kong island, which are mainly located in Midlevel, Sheung Wan and Quarry Bay, etc. and approximately 30 projects in Kowloon side, which are mainly situated in Ho Man Tin, Sham Shui Po, Mongkok, etc. The Group expects to complete a number of property assembly projects in the current financial year which are all in prime location in Hong Kong Island and Kowloon side.

In fact, the property market in Hong Kong performed strongly in 2007. The growth trend continued because of the favorable economic conditions and the strong demand from development sites in urban districts in Hong Kong. Benefited from encouraging economic environment and atmosphere and increasing demand for urban redevelopment, the Group will continue to expand its property assembly business and actively seek opportunities for potential redevelopment projects.

The business of trading of recycled computer recorded a turnover of approximately HK\$23.3 million with a net profit margin of 0.48% only during the reporting period. The turnover and net profit margin (before the impairment loss) for the period from 3 November 2006 (date of acquisition) to 31 March 2007 are HK\$37.8 million and 2.7% respectively. The low profit margin and decreasing turnover was mainly due to the high competition in the market of electric consumer products and the increasing costs of good sold.

The business of retail and wholesales of bags and accessories recorded approximately the same level of turnover in the reporting period as compared to the corresponding period last year, with a sustained operating loss. The unsatisfactory results for the reporting period was mainly attributable to the lower pricing of goods as a result of the increase of competitive and challenging business environment and the increase in operating cost and rental expenses.

Considering the competitive and challenging business environment in the business of retail and wholesale of bags and trading of recycled computer, the prospect of both businesses are challenging and they are expected to provide limited future growth and contribution to results of the Group. As a result, the Group decided to restrain from making further investments.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September 2007, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the required standards of dealings by directors as referred to in Rules 5.46 of the GEM Listing Rules, were as follows:

Director	Number of Shares		Total	Approximate percentage of shareholding
	Personal interest	Corporate interest		
Mr. Pong Wai San, Wilson ("Mr. Pong")	306,000,000	936,794,000 (Note)	1,242,794,000	42.44%

Note: These shares are beneficially owned by Virtue Partner Group Limited, a company wholly owned by Mr. Pong.

All the interests disclosed above represent long position in the shares of the Company.

Save as disclosed above, as at 30 September 2007, none of the directors and chief executives of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

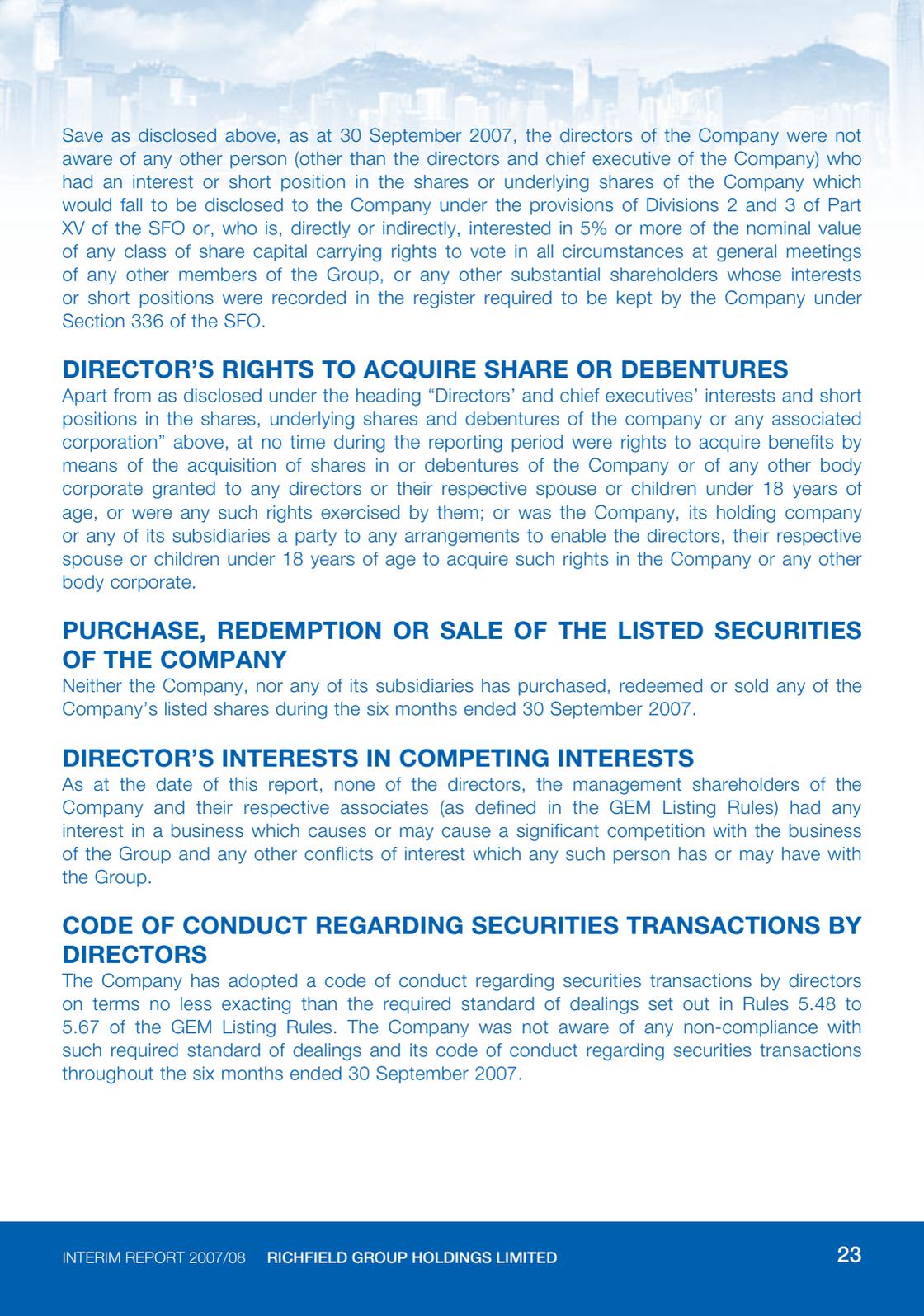
As at 30 September 2007, other than the interests of certain directors as disclosed under the section headed "Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the company or any associated corporation" above, the interest or short positions of person in the shares and underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholder	Capacity in which shares are held	Number of issued shares	Percentage of the issued share capital
Ms. Tung Ching Yee, Helena (Note 1)	Family interest	1,242,794,000	42.44%
Virtue Partner Group Limited (Note 2)	Beneficial owner	936,794,000	31.99%
Richfield (Holdings) Limited (Note 3)	Beneficial owner	760,000,000	25.95%
Mr. Au Wing Wah ("Mr. Au") (Note 3)	Interest in controlled corporation	760,000,000	25.95%
Ms. Kong Pik Fan (Note 4)	Family interest	760,000,000	25.95%
Integrated Asset Management (Asia) Limited (Note 5)	Beneficial owner	195,420,000	6.67%
Mr. Yam Tak Cheung ("Mr. Yam") (Note 5)	Interest in controlled corporation	195,420,000	6.67%

Notes:

- Ms. Tung Ching Yee, Helena is the wife of Mr. Pong and accordingly deemed to be interested in the shares beneficially owned by Mr. Pong in his own capacity and through his controlled corporation, Virtue Partner Group Limited, under SFO.
- These shares are beneficially owned by Virtue Partner Group Limited, a company wholly owned by Mr. Pong.
- These shares are beneficially owned by Richfield (Holdings) Limited, a company wholly owned by Mr. Au, and therefore Mr. Au deemed to be interested in the shares owned by Richfield (Holdings) Limited, under SFO.
- Ms. Kong Pik Fan is the wife of Mr. Au and accordingly deemed to be interested in the shares beneficially owned by Mr. Au in his own capacity and through his controlled corporation, Richfield (Holdings) Limited, under SFO.
- These shares are beneficially owned by Integrated Asset Management (Asia) Limited, a company wholly owned by Mr. Yam, and therefore Mr. Yam deemed to be interested in the shares owned by Integrated Asset Management (Asia) Limited, under SFO.

All the interests disclosed above represent long position in shares of the Company.



Save as disclosed above, as at 30 September 2007, the directors of the Company were not aware of any other person (other than the directors and chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTOR'S RIGHTS TO ACQUIRE SHARE OR DEBENTURES

Apart from as disclosed under the heading "Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the company or any associated corporation" above, at no time during the reporting period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the directors, their respective spouse or children under 18 years of age to acquire such rights in the Company or any other body corporate.

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

Neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed shares during the six months ended 30 September 2007.

DIRECTOR'S INTERESTS IN COMPETING INTERESTS

As at the date of this report, none of the directors, the management shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had any interest in a business which causes or may cause a significant competition with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company was not aware of any non-compliance with such required standard of dealings and its code of conduct regarding securities transactions throughout the six months ended 30 September 2007.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code on Corporate Governance Practices (the “CG Code”) as set out in Appendix 15 of the GEM Listing Rules throughout the six months ended 30 September 2007, except with deviations from Code provisions A.2.1 regarding the separate role of chairman and chief executive officer of the Company. The reasons for such deviation had been stated in the Company’s 2007 Annual Report.

Under recommended best practices A.4.4 of the CG Code, the listed issuers should establish a nomination committee. At present, the Company is in the progress of forming a nomination committee which is expected to be established in accordance with the GEM Listing Rules as and when appropriate.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company’s Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

AUDIT COMMITTEE

The Company set up an audit committee (the “Committee”) on 2 May 2002, with written terms of reference in compliance with the GEM Listing Rules, for the purpose of reviewing and providing supervision over the financial reporting process and internal control of the Group. The Committee comprises three independent non-executive directors of the Company, namely Mr. Koo Fook Sun, Louis, Mr. Lai Hin Wing, Henry and Mr. Lung Hung Cheuk. The unaudited consolidated results of the Group for the six months ended 30 September 2007 have been reviewed by the Committee, who is of the opinion that such statements comply with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

By Order of the Board
Mr. Pong Wai San, Wilson
Chairman

Hong Kong, 12 November 2007

As at the date of this report, the Company’s executive director is Mr. Pong Wai San, Wilson, the Company’s non-executive director is Mr. Li Chi Chung and the Company’s independent non-executive directors are Mr. Koo Fook Sun, Louis, Mr. Lai Hin Wing, Henry and Mr. Lung Hung Cheuk respectively.