



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

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

2009/2010
Interim Report

* For identification purposes only



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

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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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors of Richfield Group Holdings Limited 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 Richfield Group Holdings Limited. The directors, 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 31 December 2009 together with the comparative unaudited figures for the corresponding periods in 2008 as follows:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months and six months ended 31 December 2009

	Notes	Six months ended 31 December		Three months ended 31 December	
		2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Continuing operations					
REVENUE	4	130,541	39,648	108,283	20,292
Cost of sales		(51,061)	(19,974)	(38,892)	(9,832)
Gross profit		79,480	19,674	69,391	10,460
Other income	4	831	2,003	125	1,177
Selling and distribution expenses		(1,473)	(1,321)	(699)	(596)
Administrative expenses		(18,285)	(10,370)	(15,729)	(4,212)
OPERATING PROFIT		60,553	9,986	53,088	6,829
Finance costs		(1)	–	(1)	–
PROFIT BEFORE INCOME TAX	5	60,552	9,986	53,087	6,829
Income tax expense	6	(10,600)	(2,986)	(9,300)	(1,602)
Profit for the period from continuing operations		49,952	7,000	43,787	5,227
Discontinued operations					
Profit for the period from discontinued operations	7	788	–	788	–
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY		50,740	7,000	44,575	5,227
DIVIDENDS	8	(10,718)	–	(10,718)	–
EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Basic	9				
– Continuing operations		HK1.71 cents	HK0.23 cent	HK1.50 cents	HK0.18 cent
– Discontinued operations		HK0.02 cent	NIL	HK0.02 cent	NIL
Diluted		N/A	N/A	N/A	N/A

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 31 December 2009

	Six months ended 31 December		Three months ended 31 December	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Profit for the period	50,740	7,000	44,575	5,227
Other comprehensive income				
Net fair value gain/(loss) on available-for-sale financial assets	66,552	(9,050)	49,640	(7,149)
Total other comprehensive income/(loss) for the period	66,552	(9,050)	49,640	(7,149)
Total comprehensive income/(loss) attributable to:				
Owners of the Company	117,292	(2,050)	94,215	(1,922)

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

As at 31 December 2009

	Notes	As at 31 December 2009 (Unaudited) HK\$'000	As at 30 June 2009 (Audited) HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		9,115	1,457
Leasehold land		17,373	–
Goodwill	10	474,000	474,000
Available-for-sale financial assets	11	99,816	28,612
Rental and sundry deposits		267	205
Long term trade receivables	12	730	730
		601,301	505,004
Current assets			
Properties held for trading		27,170	40,973
Trade receivables	12	49,192	4,466
Prepayments, deposits and other receivables		3,594	2,875
Financial assets at fair value through profit or loss		3,065	3,002
Restricted bank deposits	13	47,827	–
Cash and bank balances		257,873	247,131
		388,721	298,447
Current liabilities			
Trade payables	14	1,293	1,994
Accrued expenses and other payables		72,279	1,859
Taxes payable		21,999	11,721
		95,571	15,574
Net current assets		293,150	282,873
Net assets		894,451	787,877
EQUITY			
Equity attributable to owners of the Company			
Share capital	15	29,285	29,285
Reserves		865,166	758,592
Total Equity		894,451	787,877

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 31 December 2009

	Six months ended 31 December	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Net cash inflow from operating activities	51,629	5,899
Net cash (outflow)/inflow from investing activities	(30,169)	22,041
Net cash outflow from financing activities	(10,718)	(20,997)
NET INCREASE IN CASH AND CASH EQUIVALENTS	10,742	6,943
Cash and cash equivalents at beginning of period	247,131	203,782
CASH AND CASH EQUIVALENTS AT END OF PERIOD	257,873	210,725
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	257,873	210,725

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2009

	Share capital (Unaudited) HK\$'000	Share premium account (Unaudited) HK\$'000	Revaluation reserve (Unaudited) HK\$'000	Retained profits (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
At 1 July 2008	29,285	747,769	–	12,699	789,753
Profit for the period	–	–	–	7,000	7,000
Other comprehensive loss	–	–	(9,050)	–	(9,050)
Total comprehensive income/(loss) for the period	–	–	(9,050)	7,000	(2,050)
Dividend paid	–	(20,997)	–	–	(20,997)
Transactions with owners	–	(20,997)	–	–	(20,997)
At 31 December 2008	29,285	726,772	(9,050)	19,699	766,706

	Share capital (Unaudited) HK\$'000	Share premium account (Unaudited) HK\$'000	Revaluation reserve (Unaudited) HK\$'000	Retained profits (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
At 1 July 2009	29,285	726,772	3,444	28,376	787,877
Profit for the period	–	–	–	50,740	50,740
Other comprehensive income (note 11)	–	–	66,552	–	66,552
Total comprehensive income for the period	–	–	66,552	50,740	117,292
Dividend paid	–	(10,718)	–	–	(10,718)
Transactions with owners	–	(10,718)	–	–	(10,718)
At 31 December 2009	29,285	716,054	69,996	79,116	894,451

NOTES TO UNAUDITED CONDENSED 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”).

The principal activity of the Company is investment holding. The subsidiaries (together with the Company referred to as the “Group”) are principally engaged in provision of property brokerage services, provision of schemes for property consolidation, assembly and redevelopment and property trading in Hong Kong (the “Property Assembly and Brokerage Business”). The Group has suspended the businesses of trading of recycled computers from 1 September 2009. The business of trading of bags and accessories was disposed of to an independent third party on 13 November 2009.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 31 December 2009 (the “Condensed Financial Report”) have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

The Condensed Financial Report should be read in conjunction with the annual financial statements of the Company for the 15 months ended 30 June 2009 (the “2009 Annual Financial Statements”).

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

The Condensed Financial Report have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and available-for-sale financial assets which are stated at fair value.

The Condensed Financial Report are presented in Hong Kong Dollars (“HK\$”) which is also the functional currency of the Company and all values are rounded to the nearest thousands (“HK\$’000”) unless otherwise stated.

Principal accounting policies

The accounting policies and methods of computation adopted in the preparation of the Condensed Financial Report are consistent with those adopted in the 2009 Annual Financial Statements, except for in the current period, the Group has applied for the first time the new standards, amendments and interpretations issued by the HKICPA in which HKFRS 1 (Revised 2007) Presentation of financial statements is relevant to and effective for the Group’s financial statements for the annual period beginning on 1 July 2009.

In the current period, the Group has applied for the first time the following new and revised HKFRSs issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual financial period beginning on 1 January 2009.

- HKAS 1 (Revised 2007) Presentation of financial statements
- HKFRS 8 Operating segments

The adoption of these new and revised HKFRSs has had no material effect on the Condensed Financial Report.

HKAS 1 (Revised 2007) Presentation of financial statements

The adoption of HKAS 1 (Revised 2007) makes certain changes to the format and titles of the primary financial statements and to the presentation of some items within these statements. It also gives rise to additional disclosures. The measurement and recognition of the Group's assets, liabilities, income and expenses is unchanged. However, some items that were recognised directly in equity are now recognised in other comprehensive income, for example fair value change on available-for-sale financial assets. HKAS 1 only affects the presentation of owner changes in equity and introduces a "Statement of comprehensive income". It has had no impact on the reported results or financial position of the Group. Comparatives have been restated to conform with the revised standard.

HKFRS 8 Operating segments

The adoption of HKFRS 8 has not affected the identified and reportable operating segments for the Group. However, reported segment information is now based on internal management reporting information that is regularly reviewed by the chief operating decision maker. In the previous annual financial statements, segments were identified by reference to the dominant source and nature of the Group's risks and returns. Comparatives have been provided on a basis consistent with the revised segment information.

Leasehold land

Upfront payments made to acquire land held under an operating lease are stated at costs less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated on a straight line basis over the term of the lease except where an alternative basis is more representative of the time pattern of benefits to be derived by the Group from use of the land.

3. SEGMENT INFORMATION

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1 July 2009. The operating segments are reported in a manner consistent with the way in which information is reported internally to the Group's senior management for the purposes of resource allocation and assessment of segment performance. The Group has identified the following reportable segments.

- (a) the Property Assembly and Brokerage Business, details of which have been set out in note 1;
- (b) Trading of recycled computers segment (the "Recycled Computer Business"). This business has been suspended since 1 September 2009; and
- (c) Trading of bags and accessories segment represents the selling of bags and accessories via retail shops, department store counters, overseas agents and distributors. This business has been disposed of in November 2009 and regarded as "discontinued operations".

The directors consider the adoption of HKFRS 8 had not changed the identified operating segments for the Group compared to the 2009 annual financial statements.

Under HKFRS 8, reported segment information is based on internal management reporting information that is regularly reviewed by the chief operating decision-maker, i.e. the Chief Executive. The Chief Executive assesses segment profit or loss using a measure of operating profit. The measurement policies the Group uses for segment reporting under HKFRS 8 are the same as those used in its HKFRS financial statements, except that certain items are not included in arriving at the operating results of the operating segments (mainly corporate income and expenses).

Segment assets include all assets with the exception of corporate assets, including available-for-sale financial asset, bank balances and cash and other assets which are not directly attributable to the business activities of operating segments as these assets are managed on a group basis.

Information regarding the Group's reportable segments is set out below:

	Continuing operations			Discontinued operations
	Property Assembly and Brokerage Business HK\$'000	Recycled Computer Business HK\$'000	Total HK\$'000	Trading of bags and accessories HK\$'000
Six months ended 31 December 2009				
(Unaudited)				
Reportable segment revenue*	128,418	2,123	130,541	–
Reportable segment profit/(loss)	62,439	(1,463)	60,976	–
Corporate income			615	788
Corporate expenses			(1,039)	–
Profit before income tax			60,552	788
			Total HK\$'000	Total HK\$'000
As at 31 December 2009 (Unaudited)				
Reportable segment assets	666,153	40	666,193	–
			Total HK\$'000	Total HK\$'000
Six months ended 31 December 2008				
(Unaudited)				
Reportable segment revenue*	31,465	8,183	39,648	–
Reportable segment profit/(loss)	16,392	(2,421)	13,971	–
Corporate income			711	–
Corporate expenses			(4,696)	–
Profit before income tax			9,986	–
			Total HK\$'000	Total HK\$'000
As at 31 December 2008 (Unaudited)				
Reportable segment assets	573,056	1,919	574,975	2
As at 30 June 2009 (Audited)				
Reportable segment assets	575,303	1,768	577,071	2

* There were no inter-segment sales between different business segments.

4. REVENUE AND OTHER INCOME

Revenue represents the net invoiced value of goods sold and net value of services rendered, after allowances for returns and trade discounts. All significant transactions amongst the companies comprising the Group have been eliminated on consolidation. Revenue and other income recognised during the period are as follows:

	Six months ended 31 December		Three months ended 31 December	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Revenue				
Continuing operations				
Sales of goods	2,123	8,183	–	3,449
Sales of properties	15,000	–	15,000	–
Commission income	113,418	31,465	93,283	16,843
	130,541	39,648	108,283	20,292
Other income				
Interest income	583	1,372	6	884
Dividend income	–	331	–	134
Fair value gain on financial assets at fair value through profit and loss	32	–	–	21
Sundry income	216	300	119	138
	831	2,003	125	1,177
	131,372	41,651	108,408	21,469

5. PROFIT BEFORE INCOME TAX

The Group's profit before income tax is arrived at after charging and crediting the following:

	Six months ended 31 December		Three months ended 31 December	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Fair value loss on financial assets at fair value through profit or loss	–	3,448	30	–
Depreciation	458	278	225	153

6. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (three months and six months ended 31 December 2008: 16.5%) on the estimated assessable profit arising in Hong Kong for the current period.

Deferred tax had not been provided for the Group because the Group had no material temporary differences at the balance sheet date (30 June 2009: Nil).

7. DISCONTINUED OPERATIONS

As mentioned in note 1, the business of trading of bags and accessories was disposed of to an independent third party on 13 November 2009. As this business had been suffering persistent losses and there will be no significant improvement in the near future, the Group entered into a sale and purchase agreement on 13 November 2009 to dispose of this business to an independent third party and the disposal was completed on the same date. This business segment is presented as the discontinued operations in accordance with HKFRS 5.

Profit for the period from the discontinued operations is analysed as follows:

	Six months ended 31 December		Three months ended 31 December	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Profit for the period: Discontinued trading of bags and accessories business (note a)	-	-	-	-
Gain on disposals (note 16)	788	-	788	-
Profit for the period from the discontinued operations	788	-	788	-

Note a:

An analysis of the results and cash flows of the discontinued operations included in the consolidated income statement and the consolidated cash flow statement is as follows:

	Six months ended 31 December		Three months ended 31 December	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Revenue	-	-	-	-
General and administrative expenses	-	-	-	-
Loss for the period from discontinued operations	-	-	-	-
Operating cash flows	-	-	-	-
Investing cash flows	-	-	-	-
Total cash flow	-	-	-	-

8. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the three months and the six months ended 31 December 2009 (three months and six months ended 31 December 2008: Nil).

Dividend payable to owners attributable to the previous financial period, approved and paid during the interim period of HK0.366 cent per share.

9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the following:

	Six months ended 31 December		Three months ended 31 December	
	2009 (Unaudited)	2008 (Unaudited)	2009 (Unaudited)	2008 (Unaudited)
Profit for the period, attributable to owners of the Company (HK\$'000)				
– from continuing operations	49,952	7,000	43,787	5,227
– from discontinued operations	788	–	788	–
	50,740	7,000	44,575	5,227
Weighted average number of ordinary shares in issue ('000)	2,928,500	2,928,500	2,928,500	2,928,500
Basic earnings per share (HK cents)				
– from continuing operations	1.71	0.23	1.50	0.18
– from discontinued operations	0.02	–	0.02	–
	1.73	0.23	1.52	0.18

Diluted earnings per share from continuing operations and from discontinued operations for the three months and the six months ended 31 December 2009 and the corresponding periods in 2008 are not presented as no dilutive events existed during those periods.

10. GOODWILL

Goodwill arose from the acquisition of Richfield Realty Limited ("Richfield Realty") in previous years. The net carrying amount of goodwill can be analysed as follows:

	31 December 2009 (Unaudited) HK\$'000	30 June 2009 (Audited) HK\$'000
Attributable to the Property Assembly and Brokerage Business	474,000	474,000

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	31 December 2009 (Unaudited) HK\$'000	30 June 2009 (Audited) HK\$'000
Listed equity securities – Hong Kong	85,000	19,700
Unlisted investment funds	14,816	8,912
	99,816	28,612

Movements of the available-for-sale financial assets are as follows:

	31 December 2009 (Unaudited) HK\$'000
Carrying amount as at 1 July 2009	28,612
Additions	4,652
Fair value gains, net	66,552
Carrying amount as at 31 December 2009	99,816

12. TRADE RECEIVABLES

For the trading of bags and accessories and the Recycled Computer Business, the Group's trading terms with its trade customers were mainly on credit, which generally have credit terms of up to 90 days (30 June 2009: 90 days). For the Property Assembly and Brokerage Business, the Group generally allows a credit period from 1 month to 3 years to its customers, in accordance with the terms of the mutual agreements after individual negotiations. 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 invoice dates is as follows:

	31 December 2009 (Unaudited) HK\$'000	30 June 2009 (Audited) HK\$'000
Within 90 days	49,600	5,196
91–180 days	322	–
	49,922	5,196

13. RESTRICTED BANK DEPOSITS

Restricted bank deposits were temporarily received from the buyers of the property assembly projects. These deposits were held on behalf of them for the purpose of the payment of initial deposits to the owners of the properties in accordance with the provisional sales and purchase agreements.

14. TRADE PAYABLES

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

	31 December 2009 (Unaudited) HK\$'000	30 June 2009 (Audited) HK\$'000
Over 365 days	1,293	1,994

15. SHARE CAPITAL

	Number of shares	(Unaudited) HK\$'000
Authorised		
10,000,000,000 ordinary shares of HK\$0.01 each	10,000,000,000	100,000
Issued and fully paid		
At 1 July 2009 and 31 December 2009	2,928,500,000	29,285

The Company has a share option scheme for the 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.

16. DISPOSALS OF SUBSIDIARIES

For the three months and the six months ended 31 December 2009, the Group's subsidiaries, FX International Limited, Multi Merchant Investments Limited and Solid Wealth Limited were disposed of. Details of the disposals and its impact on the consolidated cash flow statements were summarised as follows:

	Three months and six months ended 31 December 2009 (Unaudited) HK\$'000
Net liabilities disposed of:	
Cash and bank balances	2
Accrued expenses and other payables	(463)
Tax payables	(322)
	(783)
Total consideration	5
Gain on disposals of subsidiaries (note 7)	788

Cash inflow on disposals:

	Three months and six months ended 31 December 2009 (Unaudited) HK\$'000
Sale consideration settled in cash	5
Cash and cash equivalents in a subsidiary disposed	(2)
Cash inflow on disposals	3

There were no disposals of subsidiaries during the three months and the six months ended 31 December 2008.

17. RELATED PARTY TRANSACTIONS

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

	Six months ended 31 December		Three months ended 31 December	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Operating lease rental expenses paid to a related company owned by one of the key management personnel of the Group	484	469	243	238
Operating lease rental expenses paid to a related company owned by one of the director of the Company	310	–	310	–
Professional fees paid to a related company in which one director of the Company is a partner	–	497	–	335
Financial printing services fees paid to a related company in which one director of the Company is a substantial shareholder	140	–	126	–
	934	966	679	573

These transactions were conducted at pre-determined prices in accordance with terms mutually agreed between the Group and those related parties. These transactions are conducted in the normal course of business.

Key management personnel compensation.

	Six months ended 31 December		Three months ended 31 December	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Short-term employee benefits	5,000	–	5,000	–



INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2009 (six months ended 31 December 2008: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in provision of property brokerage services, carrying out schemes for property consolidation, assembly and redevelopment, property trading in Hong Kong. The Group has suspended the business of trading of recycled computers from 1 September 2009. The business of trading of bags and accessories was disposed of to an independent third party on 13 November 2009.

The Group is also currently engaged in property assembly schemes for approximately 220 redevelopment projects in Hong Kong. Those engaged projects are all residential and commercial properties which are located in Hong Kong Island and Kowloon.

FINANCIAL REVIEW RESULTS

During the six months ended 31 December 2009, the Group recorded a turnover of approximately HK\$130,541,000, representing an increase of approximately 229% compared with the corresponding period last year of approximately HK\$39,648,000. The increase in turnover was mainly attributed to the increase in turnover of the Property Assembly and Brokerage Business. In respect of the Property Assembly and Brokerage Business, it contributes approximately HK\$128,418,000 to the turnover of the Group for the period and this represents an increase of approximately 308% compared with the corresponding period last year of approximately HK\$31,465,000 because of the completion of more property assembly projects during the period due to the improved market condition in Hong Kong property market since the mid of 2009.

Profit before income tax of the Group for the six months ended 31 December 2009 was approximately HK\$61,340,000, representing an increase of approximately 514% when compared with the corresponding period last year of approximately HK\$9,986,000. Due to the increase of turnover for the six months ended 31 December 2009, profit attributable to owners for the period was increased to approximately HK\$50,740,000 compared with that of approximately HK\$7,000,000 for the corresponding period last year.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the six months ended 31 December 2009, the Group mainly financed its operations with its own working capital.

As at 31 December 2009, the Group had net current assets of approximately HK\$293,150,000 (30 June 2009: approximately HK\$282,873,000), including cash and bank balances of approximately HK\$257,873,000 (30 June 2009: approximately HK\$247,131,000).

As at 31 December 2009, the Group had no secured loans (30 June 2009: Nil).

As at 31 December 2009, the gearing ratio (defined as the ratio between total bank borrowings and total assets) was zero (30 June 2009: zero), since the Group has no bank borrowings.

There is no material change in capital structure of the Company during the six months ended 31 December 2009.

SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save for those disclosed in this interim report, there were no significant investment held, material acquisitions or disposals of subsidiaries and affiliated companies during the six months ended 31 December 2009 and there is no plan for material investments or capital assets as at the date of this interim report.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 December 2009.

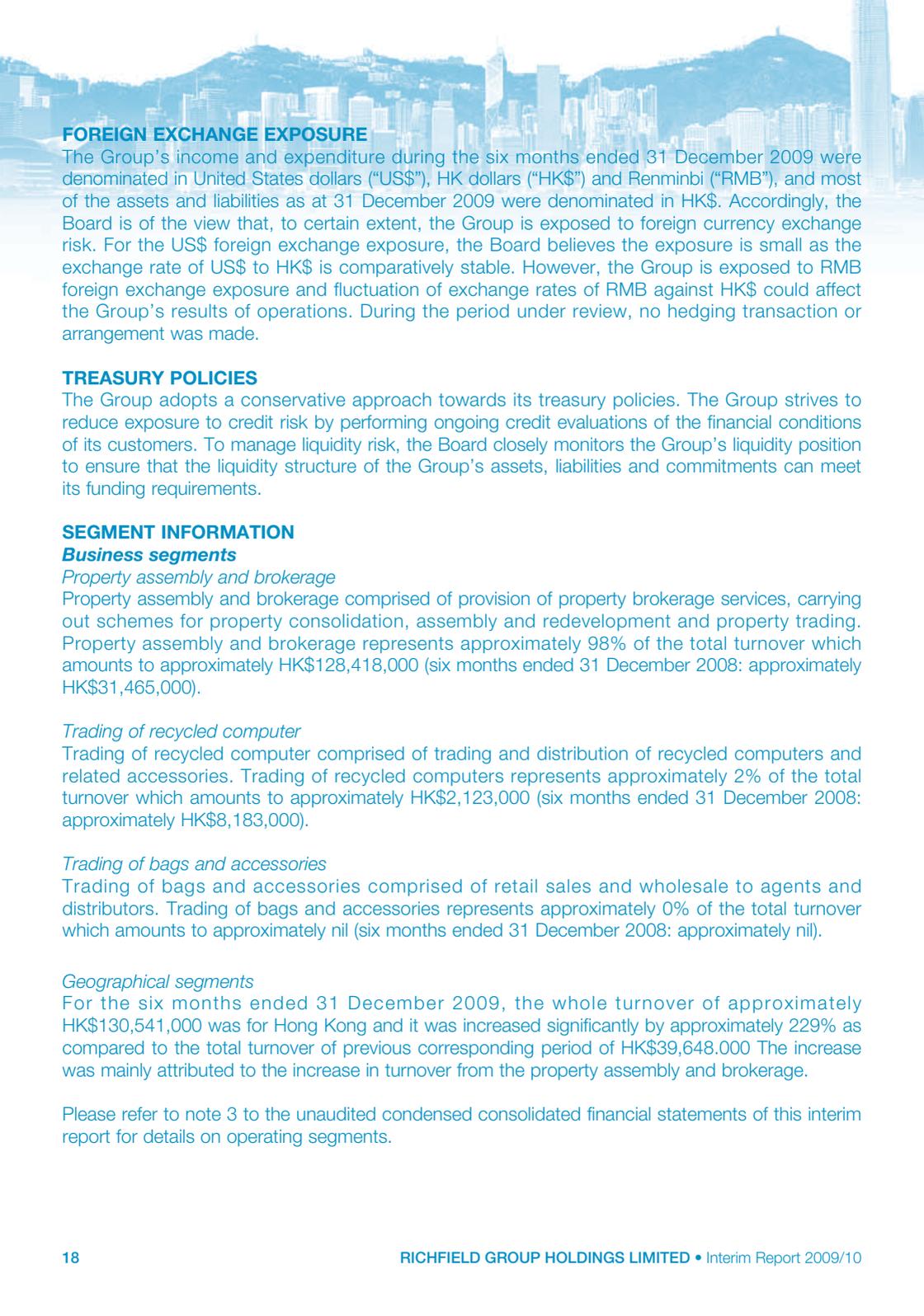
LEASE AND CONTRACTED COMMITMENTS

The Group leases certain of its office premises under non-cancellable operating lease arrangements with lease terms ranging from one to three years.

At 31 December 2009, the Group had total future minimum lease payments in respect of non-cancellable operating leases falling due as follows:

	31 December 2009 (Unaudited) HK\$'000	30 June 2009 (Audited) HK\$'000
Land and buildings expiring:		
Within one year	1,777	1,190
In the second to fifth years, inclusive	142	273
	1,919	1,463

Save for the above commitment, as at 31 December 2009, 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 31 December 2009 were denominated in United States dollars ("US\$"), HK dollars ("HK\$") and Renminbi ("RMB"), and most of the assets and liabilities as at 31 December 2009 were denominated in HK\$. Accordingly, the Board is of the view that, to certain extent, the Group is exposed to foreign currency exchange risk. For the US\$ foreign exchange exposure, the Board believes the exposure is small as the exchange rate of US\$ to HK\$ is comparatively stable. However, the Group is exposed to RMB foreign exchange exposure and fluctuation of exchange rates of RMB against HK\$ 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 98% of the total turnover which amounts to approximately HK\$128,418,000 (six months ended 31 December 2008: approximately HK\$31,465,000).

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 2% of the total turnover which amounts to approximately HK\$2,123,000 (six months ended 31 December 2008: approximately HK\$8,183,000).

Trading of bags and accessories

Trading of bags and accessories comprised of retail sales and wholesale to agents and distributors. Trading of bags and accessories represents approximately 0% of the total turnover which amounts to approximately nil (six months ended 31 December 2008: approximately nil).

Geographical segments

For the six months ended 31 December 2009, the whole turnover of approximately HK\$130,541,000 was for Hong Kong and it was increased significantly by approximately 229% as compared to the total turnover of previous corresponding period of HK\$39,648,000. The increase was mainly attributed to the increase in turnover from the property assembly and brokerage.

Please refer to note 3 to the unaudited condensed consolidated financial statements of this interim report for details on operating segments.



EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2009, the Group had 145 (30 June 2009: 105) employees, including directors of the Company. Total staff costs (including directors' emoluments) were approximately HK\$25,128,000 for the six months ended 31 December 2009 as compared to approximately HK\$9,757,000 for the six months ended 31 December 2008. 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.

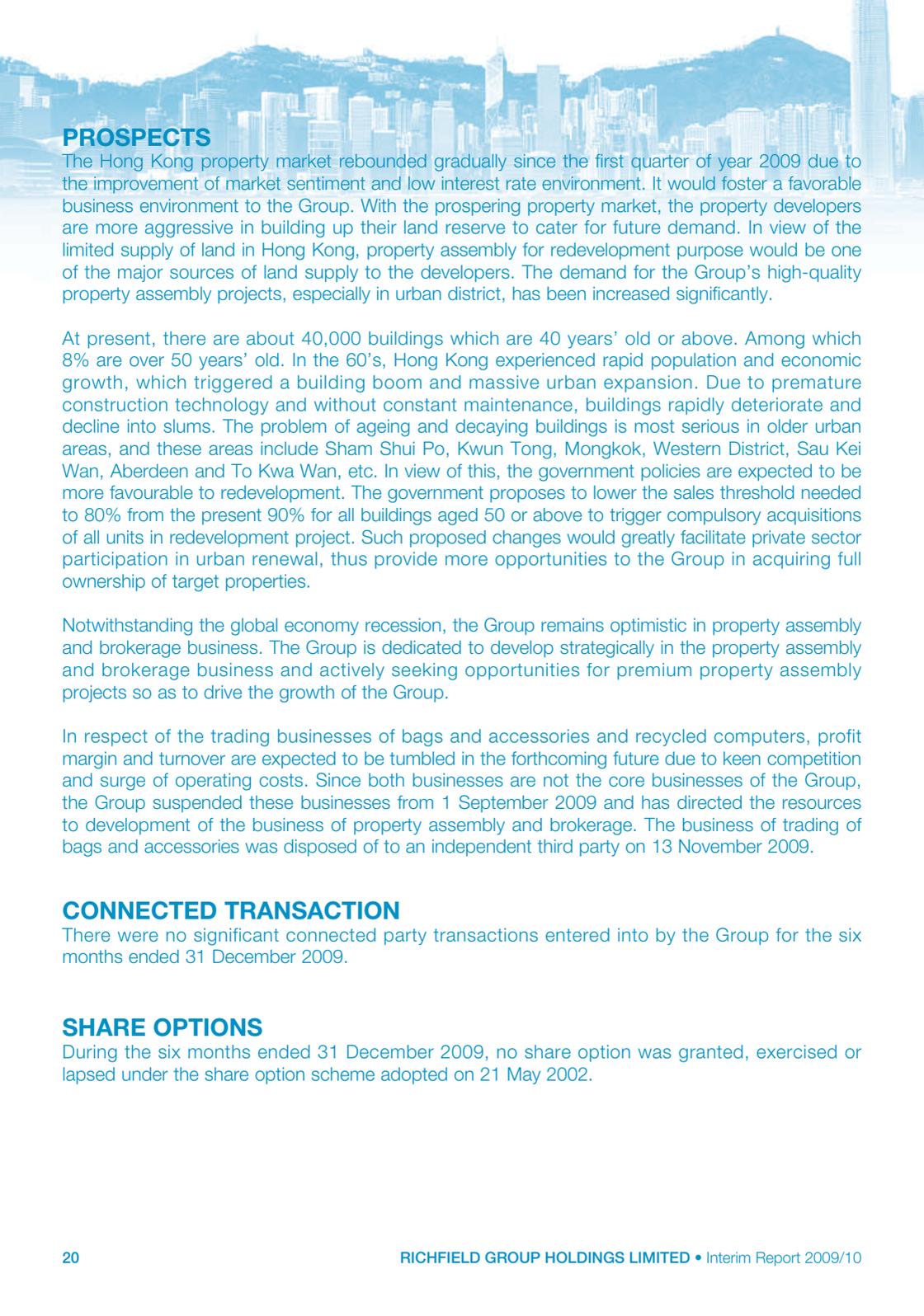
BUSINESS REVIEW

During the six months ended 31 December 2009, the economy and property market were improved gradually due to the improvement of market sentiment, the Group continued to expand its core business, the provision of property assembly, brokerage and trading of property. Turnover from the Property Assembly and Brokerage Business for the six months ended 31 December 2009 was approximately HK\$128,418,000, representing an increase of approximately 308% (six months ended 31 December 2008: approximately HK\$31,465,000). Operating profit for the Property Assembly and Brokerage Business was approximately HK\$62,439,000 which was increased by approximately 281% compared with that of approximately HK\$16,392,000 for the corresponding period last year.

During the period under review, the Group has completed 11 assembly projects, which are mainly located in the densely populated areas in Hong Kong Island and Kowloon, such as Causeway Bay, Western District, Mongkok, Aberdeen and Tai Kok Tsui, etc., with the total contract sum and the total gross profit of approximately HK\$2,606,141,000 and approximately HK\$75,000,000 respectively.

As at 31 December 2009, the Group had approximately 220 property assembly projects in progress with a total site area of approximately 2,800,000 square feet. Among those projects in progress, approximately 110 projects are located in Hong Kong Island, mainly in the Mid-Levels, Sheung Wan, Causeway Bay, Western District, Shau Kei Wan, Quarry Bay and Aberdeen, etc.. Approximately 110 projects are located in Kowloon, mainly in Tsim Sha Tsui, Sham Shui Po, Mong Kok, Tai Kok Tsui, Ho Man Tin, To Kwa Wan and Kowloon City, etc..

The business of trading of recycled computers contributed approximately HK\$2,123,000 to the Group's turnover for the six months ended 31 December 2009, representing approximately 2% of the Group's turnover for the reporting period and a substantial decrease compared with the corresponding period last year (six months ended 31 December 2008: approximately HK\$8,183,000). An operating loss of approximately HK\$1,463,000 was recorded for the reporting period. Because of the unsatisfactory results, the Group has suspended the business of the trading of recycled computers from 1 September 2009 and would consider to terminate if the loss persisted. There was no turnover for the business of trading of bag and accessories during the six months ended 31 December 2009. The business of trading of bag and accessories was disposed of to an independent third party on 13 November 2009.



PROSPECTS

The Hong Kong property market rebounded gradually since the first quarter of year 2009 due to the improvement of market sentiment and low interest rate environment. It would foster a favorable business environment to the Group. With the prospering property market, the property developers are more aggressive in building up their land reserve to cater for future demand. In view of the limited supply of land in Hong Kong, property assembly for redevelopment purpose would be one of the major sources of land supply to the developers. The demand for the Group's high-quality property assembly projects, especially in urban district, has been increased significantly.

At present, there are about 40,000 buildings which are 40 years' old or above. Among which 8% are over 50 years' old. In the 60's, Hong Kong experienced rapid population and economic growth, which triggered a building boom and massive urban expansion. Due to premature construction technology and without constant maintenance, buildings rapidly deteriorate and decline into slums. The problem of ageing and decaying buildings is most serious in older urban areas, and these areas include Sham Shui Po, Kwun Tong, Mongkok, Western District, Sau Kei Wan, Aberdeen and To Kwa Wan, etc. In view of this, the government policies are expected to be more favourable to redevelopment. The government proposes to lower the sales threshold needed to 80% from the present 90% for all buildings aged 50 or above to trigger compulsory acquisitions of all units in redevelopment project. Such proposed changes would greatly facilitate private sector participation in urban renewal, thus provide more opportunities to the Group in acquiring full ownership of target properties.

Notwithstanding the global economy recession, the Group remains optimistic in property assembly and brokerage business. The Group is dedicated to develop strategically in the property assembly and brokerage business and actively seeking opportunities for premium property assembly projects so as to drive the growth of the Group.

In respect of the trading businesses of bags and accessories and recycled computers, profit margin and turnover are expected to be tumbled in the forthcoming future due to keen competition and surge of operating costs. Since both businesses are not the core businesses of the Group, the Group suspended these businesses from 1 September 2009 and has directed the resources to development of the business of property assembly and brokerage. The business of trading of bags and accessories was disposed of to an independent third party on 13 November 2009.

CONNECTED TRANSACTION

There were no significant connected party transactions entered into by the Group for the six months ended 31 December 2009.

SHARE OPTIONS

During the six months ended 31 December 2009, no share option was granted, exercised or lapsed under the share option scheme adopted on 21 May 2002.

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

As at 31 December 2009, 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")	352,176,000	936,794,000 (Note)	1,288,970,000	44.01%

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 31 December 2009, 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 31 December 2009, other than the interests of certain directors and chief executive of the Company 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 interests or short positions of person in the shares, 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	1,288,970,000	44.01%
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%
Vastwood Limited (Note 3)	Beneficial owner	760,000,000	25.95%
Richfield Group Holdings Limited (Note 3)	Interest in controlled corporation	760,000,000	25.95%
Ms. Kong Pik Fan (Note 4)	Family interest	760,000,000	25.95%

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. On 12 June 2008, Richfield (Holdings) Limited as a chargor has executed a share charge in favour of Vastwood Limited, a wholly-owned subsidiary of Richfield Group Holdings Limited, as a chargee in respect of the fixed charge over these 760,000,000 shares. Therefore, Richfield Group Holdings Limited deemed to be interested in the shares owned by Vastwood 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.

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

Save as disclosed above, as at 31 December 2009, 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.

CHANGES OF DIRECTOR'S INFORMATION

Pursuant to Rule 17.50A (1) of the GEM Listing Rules, the changes of information on directors of the Company are as follows:

Mr. Lung Hung Cheuk has appointed as independent non-executive director of iOne Holdings Limited, a company listed on the Main Board of the Stock Exchange of Hong Kong, on 18 September 2009.

Mr. Koo Fook Sun has resigned as the vice chairman and chief financial officer of 2020 ChinaCap Acqui, Inc., a company listed on New York Stock Exchange Amex, on 19 October 2009. He has also resigned as independent non-executive director of China Communications Construction Company Limited on 29 December 2009.

Mr. Li Chi Chung has appointed as Company Secretary of Sino Gas Group Limited, a company listed on the Main Board of the Stock Exchange of Hong Kong, on 23 September 2009.

DIRECTOR'S RIGHTS TO ACQUIRE SHARE OR DEBENTURES

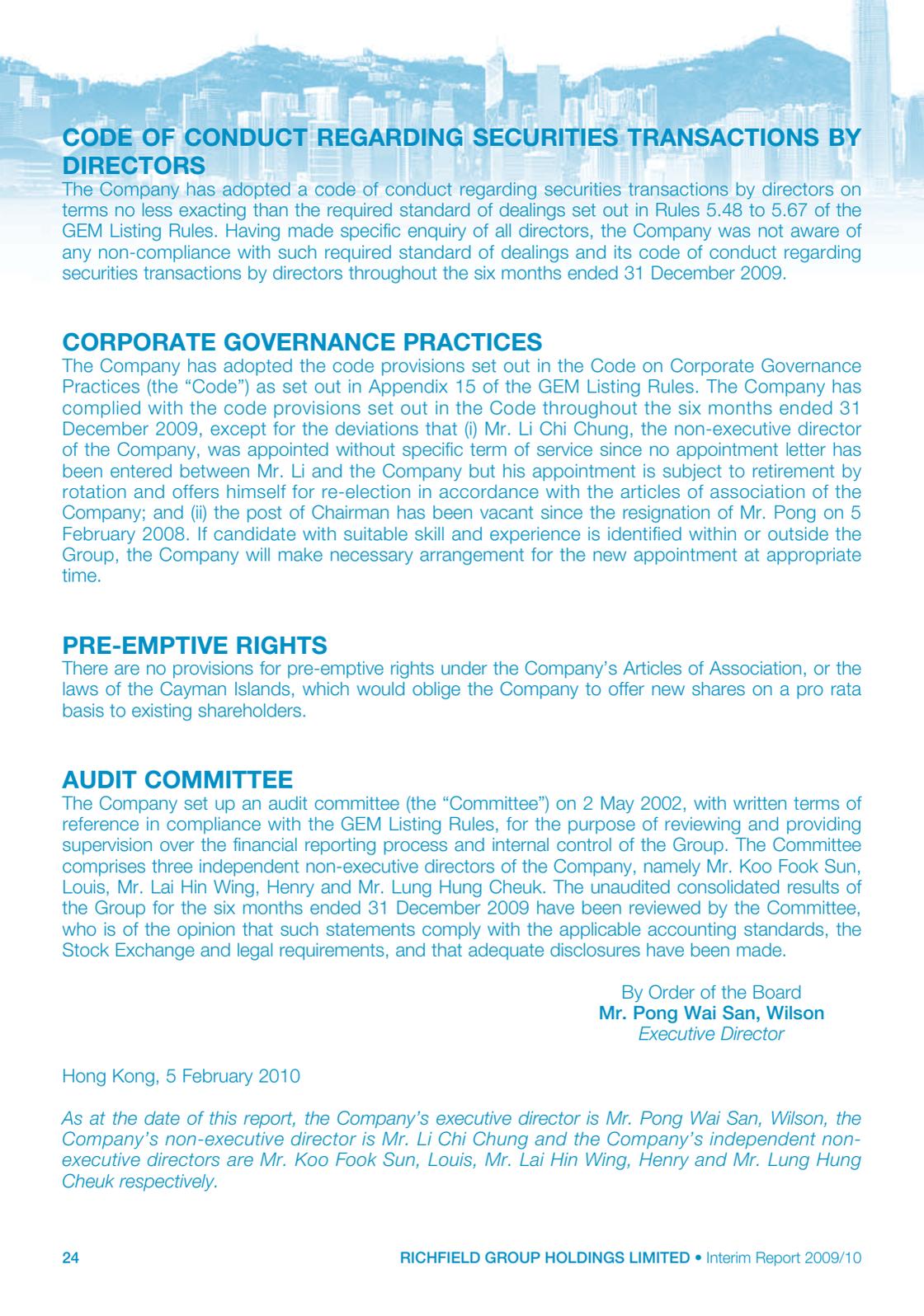
Apart from as disclosed under the heading "Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the company or any associated corporation" above, at no time during the reporting period were rights to acquire benefits by means of the acquisition 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 31 December 2009.

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. Having made specific enquiry of all directors, the Company was not aware of any non-compliance with such required standard of dealings and its code of conduct regarding securities transactions by directors throughout the six months ended 31 December 2009.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 15 of the GEM Listing Rules. The Company has complied with the code provisions set out in the Code throughout the six months ended 31 December 2009, except for the deviations that (i) Mr. Li Chi Chung, the non-executive director of the Company, was appointed without specific term of service since no appointment letter has been entered between Mr. Li and the Company but his appointment is subject to retirement by rotation and offers himself for re-election in accordance with the articles of association of the Company; and (ii) the post of Chairman has been vacant since the resignation of Mr. Pong on 5 February 2008. If candidate with suitable skill and experience is identified within or outside the Group, the Company will make necessary arrangement for the new appointment at appropriate time.

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 31 December 2009 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
Executive Director

Hong Kong, 5 February 2010

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.