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WANG ON GROUP LIMITED
(宏安集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1222)

ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010

INTERIM RESULTS

The board of directors (the “**Board**”) of Wang On Group Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim results of the Company, its subsidiaries and its jointly-controlled entities (collectively referred to as the “**Group**”) for the six months ended 30 September 2010, together with the comparative figures for the corresponding period in 2009. These interim condensed consolidated financial statements were not audited, but have been reviewed by the Company’s audit committee (the “**Audit Committee**”).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2010

		For the six months ended	
		30 September	
		2010	2009
		(Unaudited)	(Unaudited)
	<i>Notes</i>	HK\$’000	<i>HK\$’000</i>
REVENUE	3	218,349	280,864
Cost of sales		<u>(145,017)</u>	<u>(200,808)</u>
Gross profit		73,332	80,056
Other income and gains	4	68,745	22,984
Selling and distribution costs		(387)	(1,267)
Administrative expenses		(37,742)	(30,854)
Other expenses		(34,326)	(18,453)
Finance costs	6	(5,535)	(3,682)
Fair value gains/(losses) of equity investments at fair value through profit and loss, net		(11,477)	10,569
Fair value gains on revaluation of investment properties, net		50,605	33,045
Share of profits and losses of associates		<u>–</u>	<u>(6,120)</u>

* *For identification purpose only*

		For the six months ended	
		30 September	
		2010	2009
		(Unaudited)	(Unaudited)
	<i>Notes</i>	HK\$'000	HK\$'000
PROFIT BEFORE TAX	5	103,215	86,278
Income tax expenses	7	<u>(20,388)</u>	<u>(16,552)</u>
PROFIT FOR THE PERIOD		<u>82,827</u>	<u>69,726</u>
OTHER COMPREHENSIVE INCOME			
Available-for-sale assets:			
Changes in fair value		(48,046)	20,003
Impairment loss		<u>25,402</u>	<u>–</u>
		(22,644)	20,003
Other reserve:			
Share of other comprehensive income of an associate		–	117
Release upon disposal of an associate		<u>(4,912)</u>	<u>–</u>
		(4,912)	117
Exchange fluctuation reserve:			
Translation of foreign operations		5,653	211
Release upon disposal of an associate		<u>(3,769)</u>	<u>–</u>
		<u>1,884</u>	<u>211</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		<u>(25,672)</u>	<u>20,331</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u><u>57,155</u></u>	<u><u>90,057</u></u>
Profit/(loss) attributable to:			
Owners of the parent		82,827	69,727
Non-Controlling interests		<u>–</u>	<u>(1)</u>
		<u>82,827</u>	<u>69,726</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:			
Owners of the parent		57,155	90,058
Non-Controlling interests		<u>–</u>	<u>(1)</u>
		<u>57,155</u>	<u>90,057</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
			(Restated)
Basic		<u>HK2.54 cents</u>	<u>HK10.81 cents</u>
Diluted		<u>HK2.54 cents</u>	<u>HK10.81 cents</u>

Details of dividends are disclosed in note 9 to the financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2010

		30 September	31 March
		2010	2010
		(Unaudited)	(Audited)
	<i>Notes</i>	HK\$'000	HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		12,940	12,292
Prepaid land lease payments		3,086	3,086
Investment properties		854,005	749,704
Properties under development		565,725	383,882
Goodwill		1,376	1,376
Available-for-sale investments		44,486	92,532
Held-to-maturity financial assets		45,407	28,912
Other intangible asset		9,090	12,120
Loans and interests receivable		57,470	142,371
Rental deposits paid		13,947	12,306
Deferred tax assets		377	377
		<hr/>	<hr/>
Total non-current assets		1,607,909	1,438,958
CURRENT ASSETS			
Properties held for sale		578,823	604,309
Trade receivables	<i>10</i>	2,782	6,313
Prepayments, deposits and other receivables		333,631	223,553
Held-to-maturity financial assets		12,432	4,018
Equity investments at fair value through profit or loss		64,295	90,412
Tax recoverable		459	237
Cash and cash equivalents		439,734	484,026
		<hr/>	<hr/>
		1,432,156	1,412,868
Non-current asset classified as held for sale		<hr/> –	<hr/> 88,873
Total current assets		<hr/> 1,432,156	<hr/> 1,501,741
CURRENT LIABILITIES			
Trade payables	<i>11</i>	12,672	18,132
Other payables and accruals		22,225	26,424
Deposits received and receipts in advance		71,977	74,418
Interest-bearing bank loans		148,422	108,661
Provisions for onerous contracts		–	200
Tax payable		27,509	16,932
		<hr/>	<hr/>

	30 September 2010 (Unaudited) HK\$'000	31 March 2010 (Audited) HK\$'000
Total current liabilities	<u>282,805</u>	<u>244,767</u>
NET CURRENT ASSETS	<u>1,149,351</u>	<u>1,256,974</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>2,757,260</u>	<u>2,695,932</u>
NON-CURRENT LIABILITIES		
Interest-bearing bank loans	739,925	724,299
Deferred tax liabilities	<u>26,293</u>	<u>18,015</u>
Total non-current liabilities	<u>766,218</u>	<u>742,314</u>
Net assets	<u><u>1,991,042</u></u>	<u><u>1,953,618</u></u>
EQUITY		
Equity attributable to owners of the parent		
Issued capital	163,123	163,123
Reserves	<u>1,827,523</u>	<u>1,790,099</u>
	1,990,646	1,953,222
Non-controlling interests	<u>396</u>	<u>396</u>
Total equity	<u><u>1,991,042</u></u>	<u><u>1,953,618</u></u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2010

1. BASIS OF PRESENTATION

The unaudited interim condensed consolidated financial statements of the Group have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

These unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2010.

2. PRINCIPAL ACCOUNTING POLICIES

The unaudited interim condensed consolidated financial statements have been prepared under the historical cost convention, except for investment properties, certain derivative financial instruments and equity investments, which have been measured at fair value.

The accounting policies and basis of preparation adopted in the preparation of these unaudited interim condensed consolidated financial statements are consistent with those used in the preparation of the Group’s annual financial statements for the year ended 31 March 2010 and in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, HKASs, and Interpretations) issued by the HKICPA, except that the Group has in the current period applied, for the first time, the following new and revised HKFRSs:

HKFRS 1 (Revised)	<i>First-time Adoption of Hong Kong Financial Reporting Standards</i>
HKFRS 1 Amendments	<i>Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters</i>
HKFRS 2 Amendments	<i>Amendments to HKFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions</i>
HKFRS 3 (Revised)	<i>Business Combinations</i>
HKAS 27 (Revised)	<i>Consolidated and Separate Financial Statements</i>
HKAS 32 Amendment	<i>Amendment to HKAS 32 Financial Instruments: Presentation – Classification of Rights Issues</i>
HKAS 39 Amendment	<i>Amendment to HKAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items</i>
HK(IFRIC)-Int 17	<i>Distributions of Non-cash Assets to Owners</i>
Amendments to HKFRS 5 included in <i>Improvements to HKFRSs</i> issued in October 2008	<i>Amendments to HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations – Plan to sell the controlling interest in a subsidiary</i>
HK Interpretation 4 (Revised in December 2009)	<i>Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases</i>

Apart from the above, the Group has also adopted *Improvements to HKFRSs 2009** which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording.

* *Improvement to HKFRSs 2009* contain amendments to HKFRS 2, HKFRS 5, HKAS 1, HKAS 7, HKAS 17, HKAS 36, HKAS 38, HKAS 39, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 16.

The adoption of these new interpretations and amendments has had no significant financial effect on these unaudited interim condensed consolidated financial statements and there have been no significant changes to the accounting policies applied in these unaudited interim condensed consolidated financial statements, except for the following revised standards which the Group applies from 1 April 2010 prospectively:

(a) HKFRS 3 (Revised) *Business Combinations*

HKFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after 1 April 2010. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

(b) HKAS 27 (Revised) *Consolidated and Separate Financial Statements*

HKAS 27 (Revised) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to gains or losses. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these unaudited interim condensed consolidated financial statements.

HKFRS 1 Amendment	Amendment to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters</i> ¹
HKFRS 9	<i>Financial Instruments</i> ³
HKAS 24 (Revised)	<i>Related Party Disclosures</i> ²
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 <i>Prepayments of a Minimum Funding Requirement</i> ²
HK(IFRIC)-Int 19	<i>Extinguishing Financial Liabilities with Equity Instruments</i> ¹

¹ Effective for annual periods beginning on or after 1 July 2010

² Effective for annual periods beginning on or after 1 January 2011

³ Effective for annual periods beginning on or after 1 January 2013

In addition, *Improvements to HKFRSs* were issued in May 2010 by the HKICPA which contain amendments to HKFRS 1, HKFRS 3, HKFRS 7, HKAS 1, HKAS 27, HKAS 34 and HK(IFRIC)-Int 13. Except for the amendments to HKFRS 3 and HKAS 27 which are effective for annual periods beginning on or after 1 July 2010, other amendments are effective for annual periods beginning on or after 1 January 2011 although there is separate transitional provision for each standard or interpretation.

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that except for the adoption of HKFRS 9 which may result in a change in accounting policy, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

3. OPERATING SEGMENT INFORMATION

Information regarding these reportable segments is presented below for the six months ended 30 September 2010 and 2009, respectively.

Reportable segment information

For the six months ended 30 September 2010

	Property development (Unaudited) <i>HK\$'000</i>	Property investment (Unaudited) <i>HK\$'000</i>	Chinese wet markets (Unaudited) <i>HK\$'000</i>	Shopping centres and carparks (Unaudited) <i>HK\$'000</i>	Agricultural by-products wholesale markets (Unaudited) <i>HK\$'000</i>	Trading of agricultural by-products (Unaudited) <i>HK\$'000</i>	Consolidated (Unaudited) <i>HK\$'000</i>
Segment revenue:							
Sales to external customers	48,884	34,947	107,125	6,595	9,665	11,133	218,349
Other revenue	55	50,665	5,027	638	-	7,201	63,586
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	48,939	85,612	112,152	7,233	9,665	18,334	281,935
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Segment results	3,874	68,650	15,064	842	3,436	6,710	98,576
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Corporate and unallocated expenses, net							(1,577)
Interest income							11,751
Finance costs							(5,535)
							<hr/>
Profit before tax							103,215
Income tax expenses							(20,388)
							<hr/>
Profit for the period							<u>82,827</u>

For the six months ended 30 September 2009

	Property development (Unaudited) <i>HK\$'000</i>	Property investment (Unaudited) <i>HK\$'000</i>	Chinese wet markets (Unaudited) <i>HK\$'000</i>	Shopping centres and carparks (Unaudited) <i>HK\$'000</i>	Agricultural by-products wholesale markets (Unaudited) <i>HK\$'000</i>	Trading of agricultural by-products (Unaudited) <i>HK\$'000</i>	Consolidated (Unaudited) <i>HK\$'000</i>
Segment revenue:							
Sales to external customers	115,761	15,500	100,628	6,658	11,316	31,001	280,864
Other revenue	67	33,350	7,432	351	12	994	42,206
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	115,828	48,850	108,060	7,009	11,328	31,995	323,070
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Segment results	28,248	44,465	17,650	1,281	4,189	(737)	95,096
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Corporate and unallocated expenses, net							(8,182)
Interest income							9,166
Finance costs							(3,682)
Share of profits and losses of associates							<hr/> (6,120)
Profit before tax							86,278
Income tax expenses							<hr/> (16,552)
Profit for the period							<hr/> <hr/> 69,726

4. OTHER INCOME AND GAINS

	For the six months ended 30 September	
	2010	2009
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Bank interest income	2,160	600
Other interest income	9,591	8,566
Compensation received in respect of a fire accident	–	4,500
Gain on disposal of equity investments at fair value through profit or loss	737	615
Gain on disposal of a subsidiary	6,704	–
Gain on disposal of an associate, net	39,790	–
Dividend income from listed securities	814	131
Recognition of a deferred gain	–	403
Exchange gains, net	2,350	541
Others	6,599	7,628
	<u>68,745</u>	<u>22,984</u>

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 September	
	2010	2009
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Cost of inventories sold	8,870	32,348
Cost of services provided	100,486	88,208
Cost of properties sold	35,661	80,252
Depreciation	3,298	3,134
Amortisation of other intangible asset	3,030	3,030
Amount released from onerous contracts, net	(200)	(750)
Loss on deemed disposal of an associate	–	18,445
Impairment of an available-for-sale investment	25,402	–
Impairment of properties under development	8,921	–
	<u>8,921</u>	<u>–</u>

6. FINANCE COSTS

	For the six months ended 30 September	
	2010	2009
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest on bank loans and overdrafts	<u>5,535</u>	<u>3,682</u>

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2009: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rate of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

	For the six months ended 30 September	
	2010	2009
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Group:		
Current tax charge for the period:		
Hong Kong	11,084	10,928
Mainland China	1,026	172
Deferred	<u>8,278</u>	<u>5,452</u>
Total tax charge for the period	<u>20,388</u>	<u>16,552</u>

During the six months ended 30 September 2009, share of tax attributable to associates amounting to HK\$322,000 was included in "Share of profits and losses of associates" on the face of the unaudited condensed consolidated statement of comprehensive income.

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

The calculation of basic and diluted earnings per share attributable to the ordinary equity holders of the parent is based on the following data:

	For the six months ended 30 September	
	2010	2009
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Earnings		
Earnings for the purpose of basic earnings per share		
Profit attributable to ordinary equity holders of the parent used in the basic earning per share calculation	<u>82,827</u>	<u>69,727</u>
	Number of shares	
	For the six months ended 30 September	
	2010	2009
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	<u>3,262,467,540</u>	<u>644,979,125*</u> (Restated)

* The weighted average numbers of ordinary shares in 2010 and 2009 have been retrospectively adjusted for the five-to-one share consolidation taken place on 23 February 2010, the open offer and its associated bonus issue taken place on 7 May 2009, and the rights issue and its associated bonus issue taken place on 18 March 2011.

No adjustment has been made to the basic earnings per share amount presented for the year ended 31 March 2010 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings per share amount presented.

9. DIVIDENDS

	For the six months ended 30 September	
	2010	2009
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Dividend declared and paid during the six month period:		
Final dividend for 2010 of HK0.6 cents (2009: HK0.5 cents) per ordinary share	<u>19,575</u>	<u>11,329</u>
Dividend proposed for approval:		
Interim dividend for 2010: HK0.3 cents (2009: HK0.3 cents) per ordinary share	<u>9,787</u>	<u>8,156</u>

10. TRADE RECEIVABLES

An aged analysis of the trade receivables as at the end of reporting period, based on invoice date, is as follows:

	30 September 2010 (Unaudited) HK\$'000	31 March 2010 (Audited) HK\$'000
Within 90 days	2,479	6,065
91 days to 180 days	240	155
Over 180 days	<u>231</u>	<u>212</u>
	2,950	6,432
Less: Impairment	<u>(168)</u>	<u>(119)</u>
	<u>2,782</u>	<u>6,313</u>

The Group generally grants 15 to 30 days credit period to customers for its sub-leasing business. The Group generally does not grant any credit to customers of other businesses.

11. TRADE PAYABLES

An aged analysis of the trade payables as at the end of reporting period, based on the invoice date, is as follows:

	30 September 2010 (Unaudited) HK\$'000	31 March 2010 (Audited) HK\$'000
Within 90 days	<u>12,672</u>	<u>18,132</u>

The trade payables are non-interest bearing and have an average terms of 30 days. The carrying amounts of the trade payables approximate to their fair values.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK0.3 cents (six months ended 30 September 2009: HK0.3 cents) per share for the six months ended 30 September 2010. The interim dividend will be payable on 17 December 2010 to those shareholders whose names appear on the register of members of the Company on 7 December 2010.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 6 December 2010 to Tuesday, 7 December 2010, both days inclusive. During this period, no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited of 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Friday, 3 December 2010.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the period ended 30 September 2010, the Group achieved a turnover of approximately HK\$218.3 million (six months ended 30 September 2009: approximately HK\$280.9 million), representing a decrease of approximately HK\$62.6 million.

Property Development

For the first half of the current financial year, the turnover for this division amounted to approximately HK\$48.9 million (six months ended 30 September 2009: approximately HK\$115.8 million), representing a decrease of approximately HK\$66.9 million against the same period last year as only one house in our Godi development was sold and completed. Subsequent to the period ended 30 September 2010, another two Godi houses were sold at total consideration of approximately HK\$84.9 million and will be delivered by the end of December 2010 and March 2011, respectively.

For the first half of the current financial year, the Hong Kong residential market performance was encouraging. Recent public land auctions were extremely well received by property developers. Record-breaking land prices were achieved through land auctions.

In August 2010, the Group completed the acquisition of a residential building with a site area of approximately 4,000 square feet in Hung Hom, Kowloon, which the Group intends to redevelop into a residential cum commercial complex.

By the end of November 2010, the Group will further complete the acquisition of a 13-storey composite building with a site area of approximately 3,000 square feet in Mongkok, Kowloon. The entire building is planned to be demolished and re-developed into a Ginza-type complex.

Property Investment

Gross rental income for the period ended 30 September 2010 received from the Group's investment property portfolio climbed to approximately HK\$34.9 million. During the period, the Group invested approximately HK\$60.1 million on the acquisition of retail shops and residential premises in Hong Kong.

As at 30 September 2010, the Group maintained an investment property portfolio comprising retail and residential premises in Hong Kong with a net book value of approximately HK\$780.9 million (31 March 2010: approximately HK\$677.9 million).

The Group will continue to replenish and enhance its existing investment property portfolio by locating prospective retail acquisition targets. The Group believes a well-balanced portfolio provides a steady income stream and a potential for capital appreciation.

Management and Sub-licensing of Chinese Wet Markets

Revenue for this division for the period ended 30 September 2010 amounted to approximately HK\$107.1 million (six months ended 30 September 2009: approximately HK\$100.6 million), representing an increase of approximately HK\$6.5 million. This was chiefly contributed by the additional revenue generated from the management of a new Chinese wet market at Heng On Estate.

As of today, the Group manages a portfolio of approximately 1,100 stalls spread over 16 Chinese wet markets with a gross floor area of over 350,000 square feet. The Group also manages a portfolio of approximately 1,100 stalls occupying a total gross floor area of over 273,000 square feet in 16 "Humin" brand Chinese wet markets in various districts in Shenzhen.

In November 2010, the Group commenced the management of a new Chinese wet market in Shenzhen.

The Group intends to secure more management contracts for profitable Chinese Wet Markets both in Hong Kong and the People's Republic of China (the "PRC").

Agricultural By-products Wholesale Markets

The turnover of this division for the period ended 30 September 2010 amounted to approximately HK\$9.7 million (six months ended 30 September 2009: approximately HK\$11.3 million), representing a decrease of approximately HK\$1.6 million against the same period last year. This was mainly attributable to the slight decline of trading activities in the agricultural by-products wholesale market at Fanling.

In June 2010, the Group completed the disposal of its entire 50% interest in an agricultural by-products wholesale market at Changzhou. Following this disposal of its last remaining interest in agricultural by-products wholesale markets in the PRC, the Group will focus its resources in this segment on its operation in Hong Kong.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2010, the Group had cash resources and short term investments of approximately HK\$504.0 million (31 March 2010: approximately HK\$574.4 million). The aggregate borrowings as at 30 September 2010 amounted to approximately HK\$888.3 million (31 March 2010: approximately HK\$833.0 million).

During the period under review, the Group's gearing ratio was approximately 22.5% (31 March 2010: approximately 17.9%), calculated with reference to the Group's total borrowings net of cash and cash equivalents and the equity attributable to equity holders of the parent of approximately HK\$448.6 million and approximately HK\$2 billion, respectively.

As at 30 September 2010, the Group's investment properties with an aggregate carrying value of approximately HK\$725.9 million (31 March 2010: approximately HK\$651.9 million) were pledged to secure general banking facilities totaling approximately HK\$318.7 million (31 March 2010: approximately HK\$349.4 million).

CAPITAL COMMITMENT

The Group's capital commitment as at 30 September 2010 amounted to approximately HK\$289.7 million (31 March 2010: approximately HK\$7.0 million).

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 30 September 2010 (31 March 2010: nil).

FOREIGN EXCHANGE

The Board is of the opinion that the Group has no material foreign exchange exposure. All bank borrowings are denominated in Hong Kong dollars. The revenue of the Group, being mostly denominated in Hong Kong dollars, matches the currency requirements of the Group's operating expenses. The Group does not engage in any hedging activities.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2010, the Group had 223 (31 March 2010: 250) full time employees, around 91.48% (31 March 2010: 81.6%) of whom were located in Hong Kong.

The Group remunerates its employees mainly based on industry practices and individual performance and experience. Apart from the regular remuneration, discretionary bonus and share options may be granted to selected staff by reference to the Group's performance as well as the individual's performance. Other benefits, such as medical and retirement benefits and structured training programs, are also provided. The Group operates a Mandatory Provident Fund Scheme for those employees in Hong Kong who are eligible to participate.

PROSPECTS

The Hong Kong property market is promising for the first half of this financial year. With the recent introduction of measures to increase the land supply by the Hong Kong government, the residential property market will become more healthy and stable in the long run. The continual influx of mainland investors also provide a strong demand for residential property market. In addition, The Hong Kong property market is further fuelled up by the prevailing low mortgage interest rate, the strong liquidity with the banking system and satisfactory job market.

The Group targets to enlarge its existing property development land banks by locating and selecting potential sites. In addition, the Group continues to replenish its property investment portfolio which will strengthen its revenue and profitability as a whole.

As a key player in the Chinese Wet Market, the Group aims to secure more management contracts both in Hong Kong and the PRC and takes advantage of the economies of scale in the long run.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 September 2010.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has complied with the code provisions of the Code on Corporate Governance Practices set out in Appendix 14 of the Listing Rules throughout the period for the six months ended 30 September 2010.

The Group will continue to seek to its management and control level to enhance the Company's competitiveness and operating efficiency, to ensure its sustainable development and to generate greater returns for the shareholders of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

AUDIT COMMITTEE

The Company has established an Audit Committee in compliance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee has reviewed the unaudited condensed consolidated financial statements for the six months ended 30 September 2010 of the Group. The Audit Committee comprises three independent non-executive directors of the Company, namely Messrs. Siu Yim Kwan, Sidney, Wong Chun, Justein and Siu Kam Chau. Mr. Siu Yim Kwan, Sidney was elected as the chairman of the Audit Committee.

PUBLICATION OF RESULTS ANNOUNCEMENT AND DESPATCH OF INTERIM REPORT

The interim results announcement is published on the websites of The Stock Exchange of Hong Kong Limited at <http://www.hkex.com.hk> and the Company at <http://www.wangon.com>. The 2010 interim report containing all the information required by the Listing Rules will be despatched to the Company's shareholders and available on the above websites in due course.

By Order of the Board
WANG ON GROUP LIMITED
(宏安集團有限公司)*
Tang Ching Ho
Chairman

Hong Kong, 17 November 2010

As at the date of this announcement, the Board comprises three executive directors of the Company, namely Mr. Tang Ching Ho, Ms. Yau Yuk Yin, Mr. Chan Chun Hong, Thomas, and four independent non-executive directors of the Company, namely Dr. Lee Peng Fei, Allen, Mr. Wong Chun, Justein, Mr. Siu Yim Kwan, Sidney and Mr. Siu Kam Chau.

* *For identification purpose only*