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 2011

INTERIM RESULTS

The board of directors (the "**Board**") of Wang On Group Limited (the "**Company**", together with its subsidiaries and its jointly-controlled entity, collectively referred to as the "**Group**") is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended 30 September 2011, together with the comparative figures for the corresponding period in 2010. These interim condensed consolidated financial statements were not audited, but have been reviewed by the Company's audit committee (the "**Audit Committee**").

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2011

		For the six months ended 30 September	
		2011	2010
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
REVENUE	*3*	**300,393**	218,349
Cost of sales		**(177,724)**	(145,017)
Gross profit		**122,669**	73,332
Other income and gains	*4*	**36,051**	68,745
Selling and distribution costs		**(4,223)**	(387)
Administrative expenses		**(47,055)**	(37,742)
Other expenses		**(26,654)**	(34,326)
Finance costs	*5*	**(5,871)**	(5,535)
Fair value losses of financial assets at fair value through profit and loss, net		**(58,805)**	(11,477)
Fair value gains on investment properties, net		**85,395**	50,605
PROFIT BEFORE TAX	*6*	**101,507**	103,215
Income tax expenses	*7*	**(28,068)**	(20,388)
PROFIT FOR THE PERIOD		**73,439**	82,827

* *For identification purpose only*

	Notes	For the six months ended 30 September 2011 (Unaudited) HK$'000	2010 (Unaudited) HK$'000
OTHER COMPREHENSIVE INCOME			
Available-for-sale investments:			
Changes in fair value		**(14,528)**	(48,046)
Reclassification adjustment for gain/loss included in profit or loss – Impairment loss		**14,528**	25,402
		–	(22,644)
Other reserve:			
Release upon disposal of an associate		**–**	(4,912)
Exchange fluctuation reserve:			
Translation of foreign operations		**4,910**	5,653
Release upon disposal of an associate		**–**	(3,769)
		4,910	1,884
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		**4,910**	(25,672)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**78,349**	57,155
Profit/(loss) attributable to:			
Owners of the parent		**73,512**	82,827
Non-controlling interests		**(73)**	–
		73,439	82,827
Total comprehensive income/(loss) attributable to:			
Owners of the parent		**78,422**	57,155
Non-controlling interests		**(73)**	–
		78,349	57,155
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*8*		
			(Restated)
Basic and diluted		**HK1.13 cents**	HK9.08 cents

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

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2011

	Notes	30 September 2011 (Unaudited) *HK$'000*	31 March 2011 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**9,296**	14,354
Investment properties		**788,098**	724,889
Properties under development		**1,220,126**	824,711
Goodwill		**1,376**	1,376
Held-to-maturity investments		**11,288**	19,861
Other intangible asset		**3,030**	6,060
Available-for-sale investments		**21,793**	36,321
Loans and interests receivable		**321,794**	316,370
Deposits paid		**11,005**	76,984
Deferred tax assets		**178**	178
Total non-current assets		**2,387,984**	2,021,104
CURRENT ASSETS			
Properties held for sale		**342,414**	400,609
Trade receivables	*10*	**4,818**	8,278
Loans and interests receivable		**376,387**	22,659
Prepayments, deposits and other receivables		**21,827**	22,428
Held-to-maturity investments		**4,234**	8,482
Financial assets at fair value through profit or loss		**72,434**	108,896
Tax recoverable		**4,052**	4,078
Cash and cash equivalents		**630,950**	1,042,600
Total current assets		**1,457,116**	1,618,030
CURRENT LIABILITIES			
Trade payables	*11*	**13,367**	12,951
Other payables and accruals		**29,082**	29,920
Deposits received and receipts in advance		**71,483**	75,269
Interest-bearing bank loans		**247,002**	239,924
Provisions for onerous contracts		**240**	240
Tax payable		**28,389**	17,048
Total current liabilities		**389,563**	375,352
NET CURRENT ASSETS		**1,067,553**	1,242,678
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,455,537**	3,263,782

	Notes	**30 September 2011 (Unaudited)** **HK$'000**	31 March 2011 (Audited) *HK$'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank loans		**756,829**	631,774
Provisions for onerous contracts		**840**	840
Deferred tax liabilities		**44,304**	30,201
Total non-current liabilities		**801,973**	662,815
Net assets		**2,653,564**	2,600,967
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**65,249**	65,249
Reserves		**2,587,794**	2,535,124
		2,653,043	2,600,373
Non-controlling interests		**521**	594
Total equity		**2,653,564**	2,600,967

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2011

1. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements of the Group 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 Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The 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 2011.

The accounting policies and the basis of preparation adopted in the preparation of these unaudited interim condensed consolidated financial statements are consistent with those adopted in the Group's annual financial statements for the year ended 31 March 2011, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**") (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosures requirements of the Hong Kong Companies Ordinance, except for the adoption of the new and revised HKFRSs as disclosed in note 2 below.

These unaudited interim condensed consolidated financial statements have been prepared under historical cost convention, except for investment properties and certain financial assets, which have been measured by at fair value. These unaudited interim condensed consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

Apart from the above, the Group has also adopted *Improvements to HKFRSs 2010** issued by the HKICPA which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording.

* *Improvements to HKFRSs 2010* contain amendments to HKFRS 1, HKFRS 3, HKFRS 7, HKAS 1, HKAS 27, HKAS 34 and HK(IFRIC)-Int 13.

Other than as further explained below regarding the impact of HKAS 24 (Revised), amendments to HKFRS 3, HKAS 1, HKAS 27 and HKAS 34 included in *Improvements to HKFRSs 2010*, the adoption of these new and revised HKFRSs has had no significant financial effect on these condensed financial statements and there has been no significant changes to the accounting policies applied in these unaudited interim condensed consolidated financial statements.

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKAS 24 (Revised) *Related Party Disclosures*

HKAS 24 (Revised) clarifies and simplifies the definition of related parties. It also provides for a partial exemption of related party disclosure to government-related entities for transactions with the same government or entities that are controlled, jointly controlled or significantly influenced by the same government.

While the adoption of the revised standard has resulted in changes in the accounting policy, the revised standard does not have any impact on the related party disclosures as the Group currently does not have any significant transactions with government-related entities.

(b) *Improvements to HKFRSs 2010*

Improvements to HKFRSs 2010 issued in May 2010 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments results in changes in accounting policies, none of these amendments has had a significant financial impact on the Group. Those amendments that have had a significant impact on the Group's policies are as follows:

- HKFRS 3 *Business Combinations*: Clarifies that the amendments to HKFRS 7, HKAS 32 and HKAS 39 that eliminate the exemption for contingent consideration do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of HKFRS 3 (as revised in 2008).

  In addition, the amendments limit the measurement choice of non-controlling interests at fair value or at the proportionate share of the acquiree's identifiable net assets to components of non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another HKFRS. The amendments also added explicit guidance to clarify the accounting treatment for nonreplaced and voluntarily replaced share-based payment awards.

- HKAS 1 *Presentation of Financial Statements*: Clarifies that an analysis of other comprehensive income for each component of equity can be presented either in the statement of changes in equity or in the notes to the financial statements.

- HKAS 27 *Consolidated and Separate Financial Statements*: Clarifies that the consequential amendments from HKAS 27 (as revised in 2008) made to HKAS 21, HKAS 28 and HKAS 31 are applied prospectively for annual periods beginning on or after 1 July 2009 or earlier if HKAS 27 is applied earlier.

- Amendment to HKAS 34 *Interim Financial Reporting*: Amendment to HKAS 34 requires additional disclosures for fair values and changes in classification of financial assets, as well as changes to contingent assets and liabilities in condensed financial statements.

The Group has not early applied any new and revised HKFRSs, that have been issued but are not yet effective, in these unaudited interim condensed consolidated financial statements. However, the Group is in the process of making an assessment of the impact of other new and revised HKFRSs, that have been issued but not yet effective, upon initial application. So far, the Group considers that the adoptions of these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position, except for the amendments of HKAS 12 *Income tax – Deferred Tax – Recovery of Underlying Assets*, of which the effect is as follows:

Amendments to HKAS 12 were issued in December 2010 which introduce a rebuttable presumption that deferred tax on investment property measured using the fair value model in HKAS 40 should be determined on the basis that its carrying amount will be recovered through sale. The amendments also require that deferred tax on non-depreciable assets measured using the revaluation model in HKAS 16 should always be measured on a sale basis. As a result of the amendments, HK(SIC) – 21 *Income Taxes – Recovery of Revalued Non-depreciable Assets*, will be superseded once the amendments become effective. The Group expects to adopt the Amendments to HKAS 12 retrospectively from 1 April 2012. The Group has previously provided deferred tax on the fair value gains on its investment properties assuming that the carrying amount of these properties will be recovered through use. The Group expects the adoption of these amendments will result in changes in the accounting policy and the Group's deferred tax liabilities and income tax charges will be reduced respectively.

3. OPERATING SEGMENT INFORMATION

Information regarding these reportable segments, together with their related revised comparative information is presented below.

Reportable segment information

For the six months ended 30 September 2011

	Property development (Unaudited) *HK$'000*	Property investment (Unaudited) *HK$'000*	Chinese wet markets (Unaudited) *HK$'000*	Shopping centres and car parks (Unaudited) *HK$'000*	Agricultural by-products wholesale markets (Unaudited) *HK$'000*	Trading of agricultural by-products (Unaudited) *HK$'000*	Consolidated (Unaudited) *HK$'000*
Segment revenue:							
Sales to external customers	134,308	25,205	114,392	6,400	9,164	10,924	300,393
Intersegment sales	–	–	–	200	–	–	200
Other revenue	275	93,856	2,572	722	5	1	97,431
Total	134,583	119,061	116,964	7,322	9,169	10,925	398,024
Elimination of intersegment sales							(1,395)
Corporate and unallocated revenue							4,291
Total							400,920
Segment results	45,549	113,842	16,001	881	2,860	(227)	178,906
Interest income							20,919
Finance costs							(5,871)
Corporate and unallocated income and expenses, net							(92,447)
Profit before tax							101,507
Income tax expense							(28,068)
Profit for the period							73,439

For the six months ended 30 September 2010

	Property development (Unaudited) *HK$'000*	Property investment (Unaudited) *HK$'000*	Chinese wet markets (Unaudited) *HK$'000*	Shopping centres and car parks (Unaudited) *HK$'000*	Agricultural by-products wholesale markets (Unaudited) *HK$'000*	Trading of agricultural by-products (Unaudited) *HK$'000*	Consolidated (Unaudited) *HK$'000*
Segment revenue:							
Sales to external customers	48,884	34,947	107,125	6,415	9,665	11,133	218,169
Intersegment sales	–	–	–	180	–	–	180
Other revenue	55	50,665	5,027	638	–	7,201	63,586
Total	48,939	85,612	112,152	7,233	9,665	18,334	281,935
Elimination of intersegment sales							(3,848)
Corporate and unallocated revenue							1,493
Total							279,580
Segment results	3,874	68,650	15,064	842	3,436	6,710	98,576
Interest income							11,751
Finance costs							(5,535)
Corporate and unallocated income and expenses, net							(1,577)
Profit before tax							103,215
Income tax expense							(20,388)
Profit for the period							82,827

4. OTHER INCOME AND GAINS

An analysis of the Group's other income and gains is as follows:

	For the six months ended 30 September	
	2011	2010
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Bank interest income	**662**	2,160
Interest income from held-to-maturity investments	**1,799**	–
Interest income from loans receivable	**18,458**	9,591
Management fee income	**363**	1,556
Dividend income from listed securities	**2,312**	814
Gain on disposal of financial assets at fair value through profit or loss, net	**–**	737
Gain on disposal of an associate	**–**	39,790
Gain on disposal of a subsidiary	**–**	6,704
Gain on disposal of investment property	**7,725**	–
Exchange gains, net	**–**	2,350
Others	**4,732**	5,043
	36,051	68,745

5. FINANCE COSTS

	For the six months ended 30 September	
	2011	2010
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on bank loans:		
Wholly repayable within five years	**3,711**	2,574
Not wholly repayable within five years *(Note)*	**4,994**	2,961
	8,705	5,535
Less: Interest capitalised	**(2,834)**	–
	5,871	5,535

The analysis shows the finance costs of bank borrowings, including term loans which contain a repayment on demand clause, in accordance with the agreed scheduled repayments dates set out in the loan agreements.

Note: For the six months ended 30 September 2011 and 2010, the interest on bank borrowings which contain a repayment on demand clause amounted to HK$1,393,000 and HK$2,147,000, respectively.

6. PROFIT BEFORE TAX

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

	For the six months ended 30 September	
	2011	2010
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cost of inventories sold	**8,385**	8,870
Cost of services provided	**108,112**	100,486
Cost of properties sold	**61,227**	35,661
Depreciation	**3,157**	3,298
Amortisation of other intangible asset	**3,030**	3,030
Amount released from onerous contracts, net	**–**	(200)
Impairment of an available-for-sale investment*	**14,528**	25,402
Loss on disposal of financial assets at fair value through profit and loss, net*	**5,151**	–
Write-down of properties under development to net realisable value, net*	**6,823**	8,921
Gain on disposal of items of properties, plant and equipment	**(2,951)**	–

* *These expenses are included in "Other expenses" on the face of the consolidated statement of comprehensive income.*

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2010: 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	
	2011	2010
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Group:		
Current – Hong Kong	**13,200**	11,084
Current – Mainland China	**784**	1,026
Deferred	**14,084**	8,278
Total tax charge for the period	**28,068**	20,388

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	
	2011	2010
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**73,512**	82,827

	Number of Shares For the six months ended 30 September	
	2011	2010
	(Unaudited)	(Unaudited) (Restated)
Shares		
Weighted average number of ordinary shares in issue during the period used in basic earnings per share calculation*	**6,524,935,021**	912,087,691

* *The weighted average numbers of ordinary shares in 2011 and 2010 have been retrospectively adjusted for the five-to-one share consolidation taken place on 27 January 2011 and the rights issue and its associated bonus issue taken place on 22 February 2011.*

No adjustment has been made to the basic earnings per share amount presented for six months ended 30 September 2011 and 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	
	2011	2010
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Final dividend for 2011 of HK0.4 cents (2010: HK3.0 cents) per ordinary share declared and paid during the six month period	**26,100**	19,575
Interim dividend for 2011 of HK0.15 cents (2010: HK1.5 cents) per ordinary share declared	**9,787**	9,787

The interim dividend was declared after the end of the reporting period and hence was not accrued on that date.

The dividends per ordinary share amounts for the prior year have been adjusted to reflect the five-to-one share consolidation taken place on 27 January 2011.

10. TRADE RECEIVABLES

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

	30 September 2011 (Unaudited) ***HK$'000***	31 March 2011 (Audited) *HK$'000*
Within 90 days	**3,592**	7,097
91 days to 180 days	**770**	847
Over 180 days	**796**	523
	5,158	8,467
Less: Impairment	**(340)**	(189)
	4,818	8,278

The Group generally grants a 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 2011 (Unaudited) ***HK$'000***	31 March 2011 (Audited) *HK$'000*
Within 90 days	**13,367**	12,951

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 HK0.15 cents (six months ended 30 September 2010: HK1.5 cents) per share for the six months ended 30 September 2011. The interim dividend will be payable on Friday, 16 December 2011 to those shareholders whose names appear on the register of members of the Company on Wednesday, 7 December 2011.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 6 December 2011 to Wednesday, 7 December 2011, 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 4:00 p.m. on Monday, 5 December 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The turnover of the Group for the six months ended 30 September 2011 was approximately HK$300.4 million (2010: approximately HK$218.4 million), representing an increase of approximately HK$82.0 million. Profit attributable to shareholders for the six months ended 30 September 2011 was approximately HK$73.5 million (2010: approximately HK$82.8 million).

Property Development

Total revenue from property sales for the six months ended 30 September 2011 amounted to approximately HK$134.3 million (2010: approximately HK$48.9 million), representing an increase of approximately HK$85.4 million when compared with the corresponding period the previous year. The substantial improvement was mainly due to the recognition of sales upon completion and delivery of the last "Godi" house to purchaser.

For the Pak Kung Street project, foundation work is under way and construction of the superstructure will begin in the second quarter of 2012. This project is scheduled to be completed by the end of 2013. The show flats located at Tsim Sha Tsui are now ready for public visit. Pre-sale of the residential flats will be launched soon.

Demolition work at our site at Nathan Road is nearly completed and foundation work will commence in December 2011. It is expected that construction of the superstructure will be finished by the first half of 2014.

In July 2011, the Group successfully completed the acquisition of a number of residential buildings with a total site area of approximately 4,800 square feet at Kwai Heung Street, Sai Ying Pun. The site is intended to be redeveloped into a residential cum commercial complex. Hoarding work is progressing well and demolition of the existing buildings will commence in December 2011.

The two-industrial buildings at Yau Tong site have been vacant. Planning and design works are under way. Hoarding work just began and demolition is expected to be finished in the first quarter of 2012. The Group is still under negotiation with Hong Kong government in respect of finalisation of land premium.

As of 30 September 2011, the Group has a development land portfolio as follows:–

Location	Approximate Site Area (Sq. ft.)	Intended Usage	Anticipated Completion
2-8 Pak Kung Street, Hung Hom	4,000	Residential/Shops	2013
1-13 Kwai Heung Street, Sai Ying Pun	4,800	Residential/Shops	2014
724, 724A and 746 Nathan Road, Mongkok	3,000	Commercial	2014
13 and 15 Sze Shan Street, Yau Tong	41,000	Residential/ Shopping Centre	2015
Total:	52,800		

The Group will continue to look for new potential sites to seek to expand its development land portfolio. The recent announced government housing policies reveal its determination to increase and stabilise land supply which is fundamental to the healthy development of the Hong Kong property market in the medium to long term.

Property Investment

Turnover for this division consists of properties sales and rental income generated from leasing. The Group's gross rental income for the six months ended 30 September 2011 amounted to approximately HK$25.2 million (2010: approximately HK$27.2 million), representing a decrease of approximately HK$2.0 million.

As of 30 September 2011, the Group maintained an investment portfolio comprising retail and residential premises in Hong Kong with a total carrying value of approximately HK$711.1 million (31 March 2011: approximately HK$649.8 million).

The Group will continue to review and enhance its existing property portfolio and strive to maintain a well-balanced tenant composition. The Group further believes that rental income will enjoy moderate growth in anticipation of increasing visitor arrivals and visitor spending power arising from the recent appreciation of Renmibi.

Management and Sub-licensing of Chinese Wet Markets

Revenue for this division for the six months ended 30 September 2011 amounted to approximately HK$114.4 million (2010: approximately HK$107.1 million), representing an increase of approximately HK$7.3 million. This was mainly contributed by the upward adjustment to licence fees upon the renewal of licensing agreements with market operators.

The Group currently manages a portfolio of approximately 1,100 stalls operated at 16 "Allmart" brand Chinese wet markets in Hong Kong 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 283,000 square feet in 17 "Humin" brand Chinese wet markets in various districts in Shenzhen.

In October, the "Allmart Club" membership program was launched in our managed Chinese wet market at Kai Tin. As of today, over 2,800 members have been recruited. All members are eligible to receive welcome gift packages which include discount coupons that are valid for purchases at designated stalls at Kai Tin market. In order to encourage more regular visits, a bonus system was established for each member to become entitled to one lucky draw where he has accumulated 20 or more bonus points with one bonus point being credited for each visit per day.

The Group believes that the introduction of such "Allmart Club" membership program will not only boost the market traffic flow but also its overall image and atmosphere. Other than this "Allmart Club" membership program, promotion activities such as lucky draw and one dollar for one cabbage were occasionally organised and held in our managed Chinese wet markets in Hong Kong.

Agricultural By-products Wholesale Markets

The turnover for this division for the six months 30 September 2011 amounted to approximately HK$9.2 million (2010: approximately HK$9.7 million), representing a decrease of approximately HK$0.5 million compared to the same period last year. This was mainly due to the slight decline of trading activities in the agricultural by-products wholesale market at Fanling.

Liquidity and Financial Resources

As at 30 September 2011, the Group had cash resources and short term investments of approximately HK$703.4 million (31 March 2011: approximately HK$1,151.5 million). The aggregate borrowings as at 30 September 2011 amounted to approximately HK$1,003.8 million (31 March 2010: approximately HK$871.7 million).

During the period under review, the Group's gearing ratio was approximately 14.1% (31 March 2011: nil), calculated with reference to the Group's total borrowing's net of cash and cash equivalents and equity attributable to equity holders of the parent of approximately HK$372.9 million and approximately HK$2.6 billion, respectively.

As at 30 September 2011, the Group's investment properties with an aggregate carrying value of approximately HK$686.8 million (31 March 2011: approximately HK$587.6 million) were pledged to secure the Group's general banking facilities of which approximately HK$248.6 million (31 March 2011: approximately HK$232.9 million) has been utilised as at 30 September 2011.

The Group's capital commitment as at 30 September 2011 amounted to approximately HK$28.6 million (31 March 2011: approximately HK$275.5 million). The Group had no significant contingent liabilities as at the reporting date.

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

At the end of the reporting period, the Group had 247 (31 March 2011: 234) employees, of whom approximately 88.7% (31 March 2011: approximately 89.3%) were located in Hong Kong and the rest were located in the People's Republic of China (the "**PRC**"). The Group remunerates its employees mainly based on industry practices and individual performance and experience. On top of the regular remuneration, discretionary bonuses 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.

Prospects

The global market has been hard hit in the last few months by the deteriorating European sovereign debt crisis and global financial market volatility. The fundamentals of the Hong Kong economy remain fairly stable although property trading activities, particularly in the secondary market, have slowed down after the introduction of a special stamp duty last year, recent tightening of home loan mortgages by banks and restriction on flat size for newly acquired sites. These unfavorable conditions were partially mitigated by the negative real interest rates, continuing income growth, escalating inflation and domestic and Mainland Chinese demand. The prospects of the Hong Kong residential market remains positive.

As a leading manager of Chinese wet markets in Hong Kong, the Group continues to expand its portfolio and further believes that its expertise and market experience will be an advantage to secure new management contracts both in Hong Kong and the PRC.

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 2011.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company had complied with the code provisions of the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules throughout the period for the six months ended 30 September 2011.

The Group continues to review 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 the 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 2011 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 2011 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, 16 November 2011

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*