



PIONEER GLOBAL GROUP LIMITED
建生國際集團有限公司

Stock Code : 00224



INTERIM REPORT **2009/2010**



PIONEER GLOBAL GROUP LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Rossana WANG GAW, *Chairman*
 Goodwin GAW, *Vice Chairman*
 Kenneth GAW, *Managing Director*
 Jane Kwai Ying TSUI

Independent Non-executive Directors

Dr. Charles Wai Bun CHEUNG, JP
 Arnold Tin Chee IP
 Stephen TAN

AUDIT COMMITTEE

Dr. Charles Wai Bun CHEUNG, JP
 Arnold Tin Chee IP
 Stephen TAN

COMPANY SECRETARY

Jane Kwai Ying TSUI

BANKERS

Bangkok Bank Public Company Limited
 Chiyu Banking Corporation Limited
 Citigroup
 Standard Chartered Bank (Hong Kong)
 Limited
 The Hongkong & Shanghai Banking
 Corporation Limited

SOLICITORS

K.C. Yung & Co.
 Morrison & Foerster

AUDITORS

Wong Brothers & Co.

REGISTERED OFFICE

Canon's Court
 22 Victoria Street
 Hamilton HM 12
 Bermuda

PRINCIPAL OFFICE IN HONG KONG

20th Floor, Lyndhurst Tower
 No.1 Lyndhurst Terrace
 Central
 Hong Kong

SHARE REGISTRAR & TRANSFER OFFICE IN BERMUDA

Butterfield Fund Services (Bermuda)
 Limited
 Rosebank Centre, 11 Bermudiana Road
 Pembroke, Bermuda

SHARE REGISTRARS & TRANSFER OFFICE IN HONG KONG

Computershare Hong Kong Investor
 Services Limited
 46th Floor, Hopewell Centre
 183 Queen's Road East
 Hong Kong

INFORMATION

<http://www.pioneerglobalgroup.com>
[http://www.irasia.com/listco/hk/pioneer/
 index.htm](http://www.irasia.com/listco/hk/pioneer/index.htm)

Bloomberg: 224:HK
 Reuters: 0224.hk

The Board of Directors of Pioneer Global Group Limited (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2009, together with the comparative figures for the corresponding period in 2008 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	For the six months ended	
		2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Turnover			
Company and subsidiaries		29,316	91,940
Share of associates		19,924	25,471
		49,240	117,411
Turnover of Company and subsidiaries	2	29,316	91,940
Properties operating expenses		(3,992)	(3,614)
Staff costs		(4,540)	(4,613)
Depreciation & amortisation		(888)	(1,110)
Other expenses		(1,794)	(2,893)
		(11,214)	(12,230)
Operating profit	2	18,102	79,710
Share of profits of associates		56,838	41,112
Change in fair value of investment properties		37,000	2,603
Other gains and losses	3	23,982	(2,929)
Finance costs		(1,092)	(1,723)
Profit before taxation		134,830	118,773
Taxation – current	4	(915)	(1,141)
– deferred	4	(3,704)	8,940
Profit for the period		130,211	126,572
Attributable to:			
Shareholders of the Company		129,811	125,844
Minority interests		400	728
		130,211	126,572
Interim dividend	5	7,694	6,155
		HK cents	HK cents
Earnings per share	6	16.87	16.36

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended	
	2009	2008
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Profit for the period	130,211	126,572
Other comprehensive income		
Change in fair value of available for sale investments		
– subsidiaries	44,274	(106,365)
– associates	3,010	(30,764)
Exchange difference on translation of		
– subsidiaries	1	(46)
– associates	2,969	(5,543)
Other comprehensive income for the period	50,254	(142,718)
Total comprehensive income for the period	180,465	(16,146)
Total comprehensive income attributable to:		
Shareholders of the Company	178,609	(15,833)
Minority interests	1,856	(313)
	180,465	(16,146)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 September 2009 (Unaudited)	31 March 2009 (Audited) (Restated)
	<i>Note</i>	HK\$'000	HK\$'000
ASSETS			
Non-current assets			
Investment properties		474,800	453,800
Leasehold properties	7	430,399	20,587
Associates		643,893	592,524
Available for sale investments		216,296	150,164
Property, plant and equipment		7,199	8,447
Other assets		3,497	1,447
		1,776,084	1,226,969
Current assets			
Debtors, advances & prepayments	8	18,778	24,612
Financial assets at fair value		22,633	32,262
Cash & bank balances		101,165	161,902
		142,576	218,776
Total assets		1,918,660	1,445,745
EQUITY			
Share capital		76,935	76,935
Reserves		1,354,717	1,187,648
Shareholders' funds		1,431,652	1,264,583
Minority interests		15,246	13,775
Total equity		1,446,898	1,278,358

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

		30 September 2009 (Unaudited)	31 March 2009 (Audited) (Restated)
	<i>Note</i>	HK\$'000	HK\$'000
LIABILITIES			
Non-current liabilities			
Secured bank loans		258,100	78,100
Deferred payment	9	102,500	–
Deferred tax liabilities		53,920	48,841
		414,520	126,941
Current liabilities			
Creditors & accruals	10	27,328	14,333
Secured bank loans		25,000	22,100
Tax liabilities		4,914	4,013
		57,242	40,446
Total liabilities		471,762	167,387
Total equity and liabilities		1,918,660	1,445,745

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended	
	30 September	
	2009	2008
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash inflow from operating activities	13,013	40,941
Net cash (used in)/generated from investing activities	(243,739)	248,230
Net cash generated from/(used in) financing activities	169,988	(84,893)
(Decrease)/increase in cash and cash equivalents	(60,738)	204,278
Cash and cash equivalents at 1 April	161,902	22,367
Effect of foreign exchange rate changes	1	(46)
Cash and cash equivalents at 30 September	101,165	226,599
Analysis of the balances of cash and cash equivalents		
Bank balances, cash and deposits placed with banks up to three months' maturity	101,165	226,599

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to shareholders of the Company

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve & contributed surplus HK\$'000	Exchange reserve HK\$'000	Investment revaluation reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000	Minority interests HK\$'000	Total equity HK\$'000
At 1 April 2009	76,935	307,687	41,242	6,623	138,886	693,210	1,264,583	13,775	1,278,358
Fair value change of available for sale investments									
- subsidiaries	-	-	-	-	42,818	-	42,818	-	42,818
- minority interests	-	-	-	-	-	-	-	1,456	1,456
- associates	-	-	-	-	3,010	-	3,010	-	3,010
Exchange on translation of									
- subsidiaries	-	-	-	1	-	-	1	-	1
- associates	-	-	-	2,969	-	-	2,969	-	2,969
Profit for the period	-	-	-	-	-	129,811	129,811	400	130,211
Total comprehensive income for the period	-	-	-	2,970	45,828	129,811	178,609	1,856	180,465
Distribution to minority interests	-	-	-	-	-	-	-	(385)	(385)
2009 final dividend paid	-	-	-	-	-	(11,540)	(11,540)	-	(11,540)
As at 30 September 2009	76,935	307,687	41,242	9,593	184,714	811,481	1,431,652	15,246	1,446,898
At 1 April 2008	76,935	307,687	41,242	15,878	314,919	626,212	1,382,873	15,986	1,398,859
Fair value change of available for sale investments									
- subsidiaries	-	-	-	-	(105,324)	-	(105,324)	-	(105,324)
- minority interests	-	-	-	-	-	-	-	(1,042)	(1,042)
- associates	-	-	-	-	(30,764)	-	(30,764)	-	(30,764)
Exchange on translation of									
- subsidiaries	-	-	-	(46)	-	-	(46)	-	(46)
- associates	-	-	-	(5,543)	-	-	(5,543)	-	(5,543)
Profit for the period	-	-	-	-	-	125,844	125,844	729	126,573
Total comprehensive income for the period	-	-	-	(5,589)	(136,088)	125,844	(15,833)	(313)	(16,146)
Distribution to minority interests	-	-	-	-	-	-	-	(735)	(735)
As at 30 September 2008	76,935	307,687	41,242	10,289	178,831	752,056	1,367,040	14,938	1,381,978

NOTES TO FINANCIAL STATEMENTS

For the six months ended 30 September 2009

1. Basis of Presentation and Accounting Policies

These unaudited consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standard No. 34 – Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The accounting policies used in the preparation of interim financial statements are consistent with those set out in the annual financial statements for the year ended 31 March 2009, except as stated below.

The adoption of new/revised HKFRSs

In the current period, the Group has adopted the new and revised standards and interpretations (“new or revised HKFRSs”) issued by HKICPA, which are relevant to its operations.

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 17 (Amendment)	Leases
HKAS 23 (Revised)	Borrowing Costs
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments

The adoption of the standard of HKAS 1 (Revised) requires a new statement of condensed consolidated statement of comprehensive income and certain presentation changes in the statement of changes in equity.

HKAS 17 (Amendment) is applicable to accounting period beginning on or after 1 January 2010. The Group has early adopted this standard because the Directors consider the land and building elements of the newly acquired leasehold interest of the property cannot be separated. The financial impact on the early adoption of the HKAS 17 (Amendment) has been presented in Note 7 of this report.

HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The adoption of HKFRS 8 has no material impact on the disclosure of the Group’s segment information.

Save as disclosed above, the adoption of the other new or revised HKFRSs did not have any material effect on the financial position or performance of the Group for the current or prior accounting periods.

2. Segment Information

Segment information is presented in respect of the Group's primary business segment.

	For the period ended 30 September					
	Property and Hotel		Investments and Others		Consolidated	
	2009	2008	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment turnover						
Company and subsidiaries	21,753	84,422	7,563	7,518	29,316	91,940
Segment result	11,074	72,776	7,121	7,023	18,195	79,799
Unallocated corporate expenses					(93)	(89)
Operating profit					18,102	79,710
Share of profits of associates	56,838	41,112	-	-	56,838	41,112
Change in fair value of investment properties	37,000	2,603	-	-	37,000	2,603
Other gains and losses	13,325	-	10,657	(2,929)	23,982	(2,929)
Finance costs					(1,092)	(1,723)
Taxation					(4,619)	7,799
Minority interests					(400)	(728)
					129,811	125,844

3. Other Gains and Losses

	2009 HK\$'000	2008 HK\$'000
Gain on disposal of properties	11,905	159
Gain/(loss) on disposal of available for sale investments	10,468	(2)
Gain/(loss) on disposal of financial assets	401	(1,355)
Change in fair value of financial assets	1,208	(1,731)
	23,982	(2,929)

4. Taxation

	2009			2008		
	Current taxation HK\$'000	Deferred taxation HK\$'000	Total HK\$'000	Current taxation HK\$'000	Deferred taxation HK\$'000	Total HK\$'000
The Company and its subsidiaries						
Hong Kong	901	3,704	4,605	1,133	(8,940)	(7,807)
Overseas	14	-	14	8	-	8
	915	3,704	4,619	1,141	(8,940)	(7,799)

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated Hong Kong source assessable profits for the period. Overseas tax has been provided at the applicable rates in the countries in which the tax is levied.

5. Interim Dividend

The Board of Directors declares an interim dividend of HK1.00 cent per share (2008: HK0.80 cent), totaling HK\$7,694,000 for the six months ended 30 September 2009 (2008: HK\$6,155,000) to shareholders whose names appear on the register of members of the Company at the close of business on 14 January 2010. This amount is not included as a liability in these interim financial statements.

6. Earnings Per Share

Earnings per share is calculated on profit attributable to shareholders amounting to HK\$129,811,000 (2008: HK\$125,844,000) and on 769,359,104 shares in issue during both periods of 2008 and 2009.

No diluted earnings per share have been presented for the periods ended 30 September 2009 and 30 September 2008 as the Company had no dilutive potential ordinary shares during both periods.

7. Leasehold Properties

During the reporting period, the Group has acquired an 80-year leasehold interest of a property (the "Property"). Details of the acquisition were provided in the circular dated 21 September 2009. As the land and building elements of the Property cannot be separated under the lease, the Group has early adopted the amended Hong Kong Accounting Standard 17 – Leases, which does not require such separation. The impact on the March 2009 financial position is as follows:

	At 31 March 2009 HK\$'000	Reclassification HK\$'000	Total after reclassification HK\$'000
Leasehold properties	-	20,587	20,587
Property, plant and equipment	18,386	(9,939)	8,447
Leasehold land	10,648	(10,648)	-

8. Trade Receivables

Rental receivables from tenants are due on presentation of debit notes and payable in advance. The aging analysis of rental debtors at the reporting date is as follows:

	30 September 2009 HK\$'000	31 March 2009 HK\$'000
0 – 30 days	198	43
31 – 60 days	–	–
61 – 90 days	–	–
> 90 days	–	44
	198	87

9. Deferred Payment

On the acquisition of the 80-year leasehold property (Note 7) during the reporting period, 25% of the consideration has been deferred and shall be paid by installments over a 5-year period at an interest rate of 3% p.a.. The carrying value of the deferred payment approximates its fair value.

10. Trade Payables

Trade payables are included in creditors and accruals. The aging analysis of the trade payables at the reporting date is presented based on the dates of the invoices as follows:

	30 September 2009 HK\$'000	31 March 2009 HK\$'000
0 – 30 days	692	678
31 – 60 days	207	183
61 – 90 days	183	183
> 90 days	1,397	299
	2,479	1,343

11. Contingent Liabilities and Commitments

	30 September 2009 HK\$'000	31 March 2009 HK\$'000
Guarantees		
on utility deposits	160	160
Commitments		
for total future minimum lease payments		
– not later than one year	2,544	1,842
– later than one year and not later than five years	3,969	3,128
for purchase of investment properties		
– later than one year and not later than five years	–	12,548
	6,673	17,678

BUSINESS REVIEW

Since the second quarter of 2009, the world economy appears to have stabilized from the post-Lehman crisis. In particular, the financial and property markets in Mainland China fueled by the massive stimulus program from the government started to recover strongly and Hong Kong's economy benefited. With a historically low interest rate tied to loose US monetary policies and an economy tied to the healthy Chinese economy, assets have been inflating at a rapid rate against a depreciating currency. While there are still concerns in the world economy, particularly in the West, it seems that the massive stimulus programs from the world's major Central Banks have worked, at least for now.

Amidst such volatility, the Group has performed well. For the six months period ended 30 September 2009, the Group's revenues including share of associates was HK\$49.2 million, against HK\$117.4 million during the same period in 2008. This was due to income and dividends related to the sales of AIA Tower Macau and Kowloon City Plaza properties in 2008. On the other hand, profit for the period grew to HK\$130.2 million, compared to HK\$126.6 million a year ago.

Property Investments

On 24 April 2009, the Group disposed of its properties at Great Eagle Centre in Wanchai, Hong Kong at a price of HK\$48.9 million (total GFA of 6,630 sq.ft.). This property was purchased in 2005 for HK\$34.0 million. Thus, the sale will generate a historical profit of HK\$14.9 million throughout the holding period, of which HK\$10.0 million is recognized in this interim period.

On 24 September 2009, the Group acquired an 80-year leasehold interest of the Club Lusitano Building located at 16 Ice House Street in Central, Hong Kong, for a total consideration of HK\$410.0 million (of which HK\$102.5 million is deferred over a period of 5 years). With a GFA of 80,100 sq.ft. and the then existing rental per year of HK\$22.7 million, the purchase price represents a value of HK\$5,118 psf and rental yield of 5.5%. We are very pleased with this acquisition and believe there are significant upside to both capital value and rental rates. Renewals and new leases signed since our acquisition has generally shown significant increases from previous rates. The property will be held as a long-term investment for rental income and capital appreciation.

The Group manages and owns 30% of the 229,200 sq.ft. 68 Yee Wo Street property in Causeway Bay, Hong Kong. As at the end of the reporting period, the occupancy rate of the property was 89.0%. As a result, the fair market valuation of the property rebounded from HK\$1.375 billion to HK\$1.58 billion, resulting in a HK\$51.4 million fair value gain for the Group. During the period, we agreed to the early termination of the long-term tenant (GOD/Delay No Mall) which occupies 47,019 sq.ft. of the retail podium, in return for a settlement compensation. At the same time, we are able to bring in three new tenants (2 restaurants and 1 retail tenant) to take up the entire space vacated by GOD/Delay No Mall at substantially higher rental rates. We are very pleased with this development as these new leases will not only bring in significantly higher cash flow, but also enhance the long term value of the building.

Rental income and valuation of the Shanghai K. Wah Centre (a GFA 750,000 sq.ft. commercial tower in Shanghai held through an associated company) held stable during the period.

The Pioneer Building in Kwun Tong, Kowloon had HK\$10.4 million in rental revenues while continuing to enjoy a high occupancy rate of 99.3%. The Group's retail properties at Maximall, North Point (comprising of total of GFA 63,840 sq.ft.) generated rental revenues of HK\$2.8 million. The two properties also contributed fair value increase of HK\$20.0 million and HK\$10.3 million respectively. Overall, the Group's direct investment properties portfolio contributed fair value increase of HK\$37.0 million.

Investments in Hotel Industry

For the six months ended 30 September 2009, Aisawan Resort & Spa in Pattaya, Thailand had revenues of Baht 55.1 million, representing a decrease of 38.6% from the previous year (2008: Baht 89.8 million). Gross operating loss for the period was Baht 1.2 million, compared to Baht 29.0 million gross operating profit in 2008. Due to the closure of the Suvarnabhumi Airport in Bangkok by anti-government demonstrators (which subsequently brought down the then sitting government) in November 2008 and the subsequent demonstrations in Pattaya (by the opposition group to the new government) during the ASEAN meeting in April 2009, tourism business in Pattaya and most of Thailand was hit hard in 2009. In addition, the worldwide economic crisis also affected travelers' spending globally. As reported previously, in order to position the property competitively in anticipation of the opening of new international class hotels in Pattaya, the Group has decided to complete the remaining retrofit program (which was done in phases since our acquisition in 2003), introducing new guest rooms, ballroom and meeting facilities, and a new beach club and pool. The renovation program has been completed in the beginning of November 2009 and the property has been rebranded as Pullman Pattaya Aisawan Resort and is now managed by Accor Group of France under its "Pullman" premium five star brand.

Despite the setback this year, the Group is excited about the opportunity to reposition the property and is confident that the resort will maintain its status as one of the leading beach resorts in the Pattaya market. In addition, while newly opened international brand hotels in Pattaya will bring competition, they have also significantly enhanced Pattaya as an international tourism destination. We believe these developments will all be positive to the destination and our property in the long run.

The Group's 50% owned associated company holds 10.3% of Dusit Thani Public Company Limited ("Dusit Thani"), the leading owner and operator of hotels in Thailand. For the nine months ended 30 September 2009, Dusit Thani had revenues of Baht 1.96 billion (2008: Baht 2.41 billion) and net loss of Baht 110.6 million (2008: net profit of Baht 204.2 million). As the leading hotel company in Thailand, Dusit Thani did not escape the macro economic and political challenges as highlighted in the preceding paragraph. However, with new management contracts signed in the Middle East, India, and China, the company's room count and management income shall increase substantially over the next couple of years.

Pioneer Hospitality Siam (GBR) Limited (the Group's 49.5% owned Thai associate) owns 37.5% of a 79 acre land site at Cape Nga in Phuket, Thailand. The plan is to develop a world class luxury resort with branded residences. Contracts with main architect/designer and other development consultants have been finalized. In addition, a letter of intent has just been signed with one of the top luxury hotel operators in the world to manage the resort and residences. Phase 1 of the project is provisionally planned as a 100-keys all villa resort and luxury residences.

PROSPECTS

After making timely disposals in the previous fiscal year, the Group has been looking for new investment opportunities since the fourth quarter of 2008. As such, the Group took advantage of the economic downturn to purchase the Club Lusitano Building in Central, Hong Kong this year. Such opportunities were few and far between as the China and Hong Kong economies rebounded solidly since the second quarter of this year. But with signs that the Chinese government may slow down the stimulus program, there may be risk of a correction when liquidity becomes less abundant. Thailand, on the other hand, is certainly not out of the woods yet as the political impasse continues. In other parts of the world, record unemployment in the US, the recent "debt standstill" debacle in Dubai, and continued imbalance in the world financial system shows the fragility of the economic recovery in 2009. In view of the above, we believe that 2010 may bring new opportunities. Other than our traditional markets in Asia, the Group may also explore new markets in the Western world as well. With a strong financial position after the disposals made last year, the Group is in a good position to take advantage of available opportunities.

In October, the Hong Kong government announced its new policy allowing qualified industrial buildings to be converted to commercial use with nil premium. The Group welcomes this new policy and believes it will significantly benefit the industrial building sector as well as those neighbourhoods. Based on our understanding of the policy, the Group believes the Pioneer Building in Kwun Tong will be eligible for such conversion. As such, we are now currently examining various proposals for a potential conversion, with the view to maximize long term value for the property.

LIQUIDITY AND FINANCIAL RESOURCES

As of 30 September 2009, the Group continued to enjoy a strong financial position, maintaining substantial unutilized bank facilities. At the balance sheet date, the Group's total debt to shareholders' fund ratio was 26.9% (31 March 2009: 7.8%) and net debt to shareholders' fund ratio was 19.9% (31 March 2009: Nil).

EMPLOYEES

As of 30 September 2009, the number of salaried staff not including associates was 16. The Group ensures that its employees' remuneration packages are competitive. Employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system.

DISCLOSURE OF DIRECTORS' INTERESTS

As at 30 September 2009, the following Directors of the Company were interested, or were deemed to be interested in the following long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which (a) were required to be notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors (the "Model Code") adopted by the Company to be notified to the Company and the Stock Exchange.

Long Position in Shares of the Company

	Personal interests	Interests held by controlled corporation	Interests held by family trust	Total	%
Rossana Wang Gaw	–	15,934,364 ¹	123,148,701 ³	139,083,065	18.08
Kenneth Gaw	1,805,527	8,453,375 ²	27,537,243 ⁴	37,796,145	4.91
Jane Kwai Ying Tsui	600,750	–	–	600,750	0.08

- 1 Mrs. Rossana Wang Gaw owns the entire issued share capital of Vitality Holdings Limited, which was beneficially interested in 15,934,364 shares.
- 2 Mr. Kenneth Gaw owns the entire issued share capital of Top Elite Company Limited, which was beneficially interested in 8,453,375 shares.
- 3 Family trust of which Mrs. Rossana Wang Gaw is the sole beneficiary held an aggregate of 123,148,701 shares.
- 4 Family trust of which Mr. Kenneth Gaw is a beneficiary held an aggregate of 27,537,243 shares.

Long Position in Shares of Associated Corporations

Name of company	Name of director	Number of shares held by controlled corporation	%
Grandsworth Pte. Ltd.	Rossana Wang Gaw	1*	50.0
Grandsworth Pte. Ltd.	Kenneth Gaw	1*	50.0
Pioneer Hospitality Siam (GBR) Ltd.	Rossana Wang Gaw	475,000*	47.5
Pioneer Hospitality Siam (GBR) Ltd.	Kenneth Gaw	475,000*	47.5
Keency Properties Ltd.	Rossana Wang Gaw	4,721,034*	47.5
Keency Properties Ltd.	Kenneth Gaw	4,721,034*	47.5
Pioneer iNetwork Ltd.	Rossana Wang Gaw	1*	50.0
Pioneer iNetwork Ltd.	Kenneth Gaw	1*	50.0

- * Interested by Mrs. Rossana Wang Gaw and Mr. Kenneth Gaw represented the same interests and were therefore duplicated amongst these two directors for the purpose of the SFO.

Save as disclosed above, as at 30 September 2009, none of the Directors of the Company were interested, or were deemed to be interested in the long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code adopted by the Company to be notified to the Company and the Stock Exchange.

DISCLOSURE OF SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 September 2009, so far as the Directors were aware, the following persons (other than a director or chief executive of the Company) who had interests or long or short positions in the shares and underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO.

Name of shareholder	Number of shares	%
Asset-Plus Investments Ltd.	68,076,076	8.85
Forward Investments Inc.	181,388,105	23.58
Intercontinental Enterprises Corporation	123,148,701 ¹	16.01
Prosperous Island Limited	65,939,293	8.57

- 1 Family trust of which Mrs. Rossana Wang Gaw is the sole beneficiary held an aggregate of 123,148,701 shares, which duplicated to those disclosed in "long position in shares of the Company".

Save as disclosed above, the Directors were not aware of any other persons (other than a director or chief executive of the Company) who, as at 30 September 2009, had interests or long or short positions in the shares and underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO.

DIRECTORS' RIGHT TO ACQUIRE SHARES

As at 30 September 2009, all the outstanding options granted under the share option scheme of the Company was lapsed. During the six months period ended 30 September 2009, none of the directors had exercised any rights to subscribe for shares of the Company or any other body corporate.

INTERIM DIVIDEND

The Board of Directors recommends the payment of an interim dividend for the six months ended 30 September 2009 at the rate of HK1.00 cent per share (2008: HK0.80 cent), payable on 19 January 2010 to all persons registered as shareholders on 14 January 2010. The transfer books and register of members of the Company will be closed from 11 January 2010 to 14 January 2010, both days inclusive, during which period no transfer of shares will be effected.

In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on Friday, 8 January 2010.

REVIEW OF INTERIM REPORT

The Audit Committee comprises three independent non-executive directors, including Dr. Charles Wai Bun Cheung, JP, Mr. Stephen Tan and Mr. Arnold Tin Chee Ip. The Committee has reviewed and recommended for board approval of the unaudited consolidated interim financial statements of the Group for the six months ended 30 September 2009.

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

During the six months ended 30 September 2009, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the shares of the Company.

CORPORATE GOVERNANCE

During the six months ended 30 September 2009, the Company has applied the principles of and complied with the applicable code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules for securities transactions by Directors of the Company. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code throughout the period ended 30 September 2009.

By Order of the Board
Kenneth Gaw
Managing Director

Hong Kong, 3 December 2009