Creating...

STYLAND HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock code: 211)

ANNUAL REPORT 2009/2010

Contents

Growth

Creating Growth

The theme 'Creating Growth' signifies Styland's creation of business strategies that result in strong growth for the Group. 'Creating Growth' also represents the enormous growth that Styland has achieved since its inception 30 years ago, despite the challenges that the Group encountered along the way.

Through our strategy of building our business pillars of brokerage and financing, trade, property investment and infrastructure, we have created a well-diversified business platform and a solid foundation for Styland to continuously generate growth for its stakeholders.

With our extensive experience, our strong business acumen, our proven track record in growing the Group, our resilience, and by developing our employees to their full potential and grasping new, highly rewarding opportunities in a timely manner, we are poised to stay on the growth path.

The theme of growth, which is depicted by the image of the leaves, tree and the surrounding forest, captures Styland's essence as it continues to grow, break new grounds, capture further wins and attain greater heights.

Corporate Profile

STYLAND GROUP

Styland Group was established in 1977 by its Founder Mr. Cheung Chi Shing Kenneth as a small trading firm. During its early days of operation, the Group focused primarily on importing and exporting clothing and electronic consumer products to destinations around the globe.

Today, Styland Group has flourished into a well-diversified business, and engages in its principal businesses of brokerage and financing, trade, property investment and infrastructure.

One of our strategies is to embark on high growth businesses that provide the Group stable and new sources of incomes. Our brokerage and finance sector, represented by Ever-Long Securities Company Limited, having experienced rapid growth in the past years, has boosted the Group's earnings. It is a testament of the Group's ability to successfully penetrate markets that yield attractive returns.

We continue to grow our roots in trade and capitalize on our over 30 years of experience in this area. Our product offerings have expanded to food and other new lines of consumer products. With our strong foothold in the trading business, our stringent controls in this segment and with the valuable advice and expertise of our Founder Mr. Kenneth Cheung, we are well-positioned to capture new growth opportunities in this business sector even given the highly competitive environment which we operate in.

In view of the strong fundamentals of the Hong Kong property market, the Group has invested in some of Hong Kong's premier commercial and residential real estate over the past years. Our focus is on luxury and other strategic properties that provide us a good return on our investment.

We believe in giving to our communities and helping the needy. Our Founder Mr. Kenneth Cheung has carried out important initiatives in this regard. We are committed to follow his footsteps by continuing to take an active role in community fundraising campaigns by supporting charities, and by giving our time, effort and cash donations to help worthwhile causes.

Chairman's Statement

We will continue focus on our core businesses of trade, brokerage and finance, property investment and infrastructure, and seek new business opportunities in these areas to generate ground-breaking growth for the Group.

It has been a year since my appointment as Chairman and it is a great honor for me to serve as a member of the Group.

FINANCIAL PERFORMANCE

I am pleased to announce that the Group has registered HK$65,660,000 in net profits for the financial year ended 31 March 2010.

The Board resolved to propose a final cash dividend of HK$12 per 10,000 shares (shareholders may choose to receive scrip shares as an alternative to cash dividend) and a bonus issue of the basis of 1 bonus share for every 10 shares. Issue of scrip shares and bonus shares are subject to the approval of the Stock Exchange. For the whole 2009/2010 financial year, the Company has in total declared dividends of HK$28 per 10,000 shares and 2 bonus shares for every 10 shares to its shareholders.

REVIEW BY BUSINESS SEGMENTS

Our results reflect that there is still room for improvement with respect to the trading segment. As we have maintained effective credit controls, our general trading segment only required minimum provision during the year.

The financial service segment recorded satisfactory turnover, which was attributable to the prudent approach taken by the Group in its operations, its strict compliance with the rules and regulations of the Securities and Futures Commission (the 'SFC') and the instructions of the Stock Exchange, as well as the increase in fund raising activities in the primary and secondary markets and the number of clients during the year.

With respect to the property investment segment, we will proceed with the development plan for the luxury property in Hong Kong by redeveloping the Fei Ngo Shan property, which has a gross site area of approximately 17,000 square feet, into a high-end residential property. The rapid growth in value of luxury properties in Hong Kong proves that this segment has huge potential. We remain bullish on the Hong Kong property market and will identify new projects for investment and redevelopment in the future.

Subsequent to the disposal of our 90% interest in our toll road project, we plan to, in the future, seek other projects with potential in China for our infrastructure segment to create new sources of income for the Group when opportunities arise.

DIVIDENDS

The Company has maintained a good track record of paying dividends to its shareholders. This track record is shown by our dividend payments to shareholders in the 2005 financial year and in the four consecutive financial years of 2007, 2008, 2009, and 2010, as outlined in the following table.

Financial Year	2005	2007	2008	2009	2010 (note)
Dividend proposals	Interim dividend	Final dividend	Final dividend	Interim dividend	Interim and final dividends
Yield	5%	10%	11%	10%	19%

Note: In addition to current year's interim and final dividends, the Company also proposed two bonus issue proposals to its Shareholders on 27 November 2009 and 19 July 2010 respectively.

The Company proposed dividends a number of times. However, during the period of suspension of trading in the shares of the Company, the final dividends for the year ended 31 March 2007 and 2008 had lapsed. Despite of such events, the Board continued to recommend interim dividend for the financial year ended 31 March 2009 and interim and final dividends for the financial year ended 31 March 2010. The Board also proposed two bonus issue proposals on 27 November 2009 and 19 July 2010 respectively. In addition to the dividend payments, the Board also decided to distribute gifts to shareholders. On three separate occasions in the years of 2007, 2008, and 2009, gifts that were distributed to shareholders were well received by them.

The financial results set out below accurately reflect the status of the Group during the period of suspension of trading:

	Turnover	Cash balance	Net assets value
	HK$'000	HK$'000	HK$'000
At 2004 (commencement of suspension)	114,728	4,832	148,540
At 2010 (year 09/10)	277,147	77,776	207,054
Increase	+142%	+1,510%	+39%

CORPORATE GOVERNANCE AND INTERNAL CONTROLS

The Group recognizes the importance of corporate governance and injects strong independent elements into the Board; the Company has retained four Independent Non-Executive Directors, which is one more than the requirement. Also, out of the four Independent Non-Executive Directors, two are professional accountants, which is one more than the number required by the Stock Exchange, who are responsible for monitoring financial management and controls. The Group considers that such Independent Non-Executive Directors, with their profile, track record and experience, will provide valuable opinions to the Group on its internal control matters. On 6 July 2009, the Company submitted a revised corporate governance handbook to the Stock Exchange, which outlines the measures the Company followed and effectively implemented in order to further enhance its internal controls with a view to alleviating the Stock Exchange's concern. During the year, the Company appointed an additional Executive Director, who is a senior associate at PricewaterhouseCoopers and has provided consultation on internal controls and management and optimization for certain large corporations.

The Group maintains an effective internal controls system. The Group strictly abides by the rules and regulations under the Securities and Futures Ordinance, from the year of 2004 up to the current year, the financial service segment of the Group achieved a significant rate of growth in turnover. This year, the Group managed the fund flows of approximately HK$13.5 billion which involved 68,046 transactions and succeeded in continuing the record of zero complaints by clients. Based on such a distinctive record, our clients cast their vote of confidence to the Group by placing their funds in the security trading accounts of the Group on trust, the amount of which exceeded HK$100 million, evidencing the fact that the Group's corporate governance has been highly recognized by the public and its clients.

During the years of prolonged suspension of trading, the Group survived the impact of the financial tsunami and the bankruptcy of Lehman Brothers as the Group has adopted stringent internal controls and limited high-risk investments associated with financial derivatives, which is another piece of concrete evidence that the Group is under healthy corporate governance. During the period of suspension of trading, the Group also fulfilled its social responsibilities and reasonably adjusted the salaries of employees in accordance with respective year's positive results of the Group. For example, this year's average salary increment rate was about 10%, higher than the general increment rate of 0.2%-4.6% and the civil servants' increment rate of 0.56%-1.6%. The Group maintains efficient administration and management teams to sustain the distinctive records of the Group's corporate governance.

Although there is no absolute standard for judging the quality of corporate governance, we appreciate the positive suggestions and criticisms made by the officers at the Stock Exchange. Adhering to the principles exemplified by the prudent working attitude of each of Mr. Cheung Chi Shing Kenneth, the Founder of the Group, and the current Executive Directors, the management of the Company runs its daily operations in a relentless and responsible way and they are constantly seeking for excellence. In the earlier time, Mr. Yeung Shun Kee Edward, an Independent Non-Executive Director of the Company, has submitted a letter to the Stock Exchange to strongly express his recognition and support to the track record of former and current Executive Directors based on his years of actual experience and his supervision of the Group's operations. At the same time, he expressed doubts over the Stock Exchange's failure in pinpointing concrete and specific issues of the Company related to corporate governance. Also, he commented that the public approve the letter dated 16 July 2008 by the legislative councillor Hon CHAN Kam-lam, SBS, JP criticizing the Stock Exchange. If the Listing Division of the Stock Exchange can provide concrete and specific aspects of corporate governance that require improvement and instructions in respect thereof, the Company will certainly and gladly comply with and ensure such are implemented in an efficient manner.

Notwithstanding that the Stock Exchange has not provided any specific guidance, issues or incidents up until now, the Independent Non-Executive Directors of the Company have completed a review of internal controls and issued a report of internal review, in which no issues associated with the strength of the corporate internal controls that were found. However, the report indicates that the Group has endeavored to reinforce the scale of management practices and provided advice thereof. The Company has adopted follow-up and improvement actions proactively.

THE PROGRESS OF RESUMPTION OF TRADING

During the year, the Company tried, from multiple angles, through multiple channels and for a number of times, to seek a resolution for the prolonged suspension of trading of shares in the Company from the Listing Division of the Stock Exchange. The Company deeply regrets that, up until now, it has not been able to seek from the Listing Division of the Stock Exchange the approval for resumption of trading, and caused so much inconvenience to the shareholders. During the period, many of the minority shareholders have visited the Company in person, made phone calls and sent letters to the Company to express their deep concerns and disappointment about the prolonged suspension of and failure in resumption of normal trading of shares in the Company. I appeal to everyone to be patient and stay calm and have confidence in each of the members of the Independent Committee. Matters of right or wrong and matters of subjective or objective point of views are subject to the operation results of the Company and the public's recognition, which are the only fair and square yardstick. There is a lesson to learn from the rising and setting of the sun and rising and descending of the tides: that is, by and by, facts will make the truth visible to all.

I fully understand the concerns of the minority shareholders about the Company. The Company is still negotiating and corresponding with the Stock Exchange. We are seeking for specific and concrete demand and have taken the following actions in order to resume trading as soon as possible, dispel the misgivings of the minority shareholders and protect the interests of the Company and the minority shareholders.

As a response to the Stock Exchange's concerns over the corporate governance of the Company, the Company submitted a revised corporate governance handbook to the Stock Exchange on 6 July 2009, which makes an expressed statement in respect of the execution of governance, that the effectiveness of corporate governance is reflected in the excellent operational results of the Group. Over the years, the Company was able to declare cash dividends and make bonus issues, which proved that the effectiveness of corporate governance has been reflected in the Group's operation results. By declarations of dividend and bonus issues throughout these years, the Company has proved that its corporate governance has fulfilled its responsibilities and commitment towards the shareholders and the public. Therefore the Company considers that corporate governance required improvement shall not be used as an "excuse" by the Listing Division of the Stock Exchange for prolonged suspension of trading of the shares of the Company, which is not in the best interests of the Company or the shareholders.

At the request of the minority shareholders, an Independent Committee of six members, comprising three Independent Non-Executive Directors of the Company, one independent practising lawyer, one independent certified public accountant and one representative of minority shareholders, was formed on 30 March 2010. The Independent Committee shall provide the Company with advice that is objective, fair and justified, and endeavour to handle the legal proceedings associated with the petition of the SFC in a timely manner.

The Independent Committee has reviewed the relevant documents and the replies from the related parties. Based on a number of documents and available information, facts and evidence, trading records of clients of the Group, the attitude of and requests expressed by the minority shareholders, the voting results on the resolutions in the Special General Meeting convened on 29 April 2009, and the 2010 annual results of the Group, it does not agree with the views of the Stock Exchange. Neither the records, results or facts support that the decision for prolonged suspension is appropriate and there were inappropriate and subjective treatments that failed to make full disclosure in the execution procedures in respect of implementing "prolonged suspension of trading" on the Company. The report of an independent committee (comprising a practising lawyer and an accountant in Hong Kong) dated February 2004 expressly stated that none of the former or current Directors "have been found default of duty or breach of duty of integrity and trusted care."

Given that, the Independent Committee considered that, taking the interests of the Company and shareholders into consideration, the Company shall actively facilitate the petition of the SFC and the persons implicated to negotiate with the Listing Division of the Stock Exchange so as to reach a settlement.

Moreover, in response to the minority shareholders' request in respect of their rights to information, the Company plans to seek the Stock Exchange's consent for the Company to make public all the relevant correspondences of the subject issue throughout the years, and all the content of the provisions related to suspension of trading. In doing so, the minority shareholders and the public may understand the complicated development and facts associated with this issue. In order to protect the interest of the Company and minority shareholders and the public, the Company is drafting a letter to be submitted to the Stock Exchange and looks forward to its written reply.

PROSPECTS

The Group considers Mainland China to be a very important market and plans to open offices in a number of Chinese cities to further expand its businesses in the PRC. The Group will also seek new strategic business partners including joint-venture partners for expanding its business in the PRC. The Group believes that such partners will provide the Group strong synergies in various aspects including and not limited to capital expansion, strong business connections and valuable industry know-how.

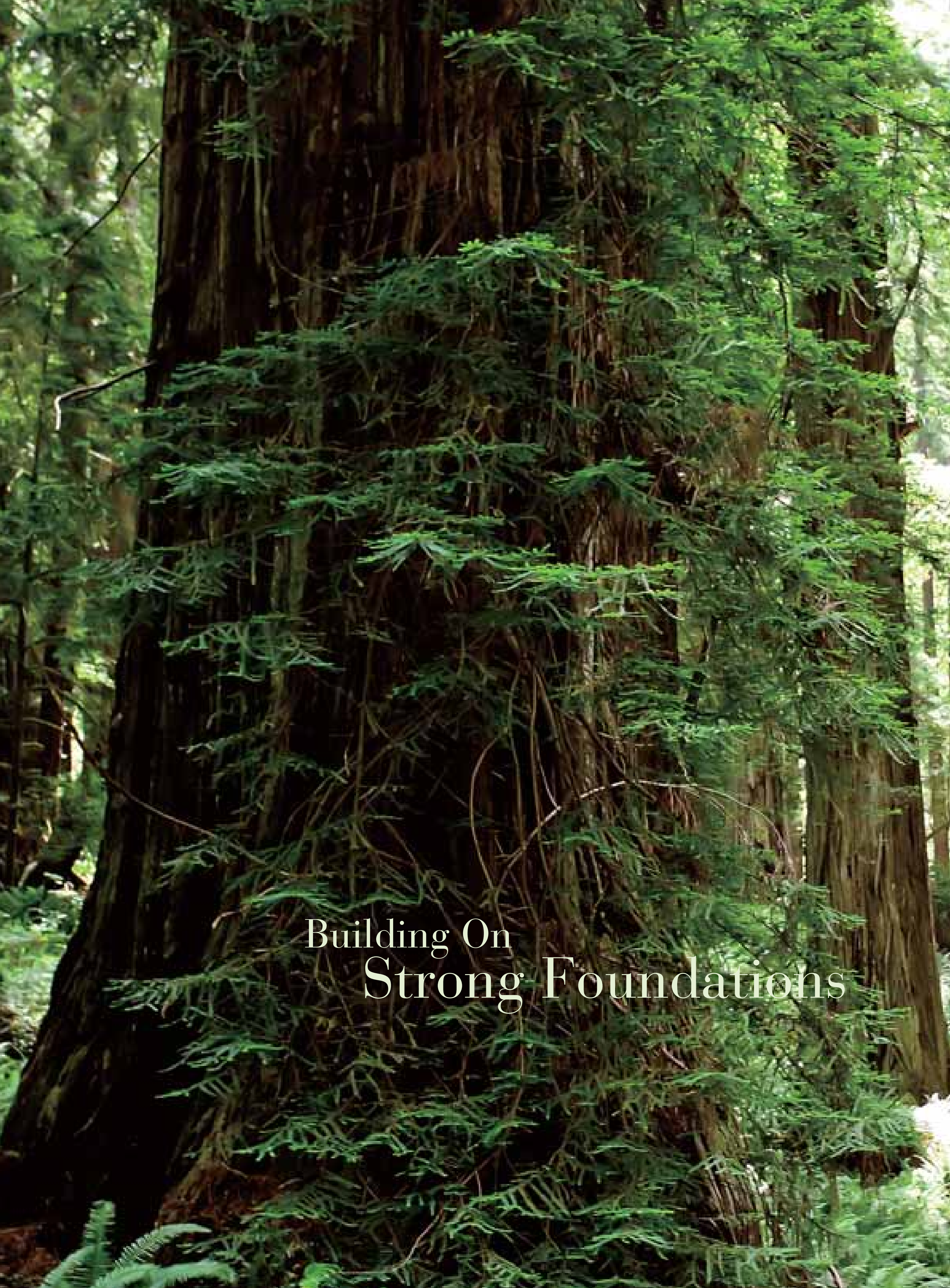
Given the strong fundamentals of Mainland China, and with China's current position as a leading world economy, we believe that there are promising business opportunities for the Group to grasp in this important market. We will continue to focus on our core businesses of trade, brokerage and finance, property investment and infrastructure, and seek new business opportunities in these areas to generate ground-breaking growth for the Group.

APPRECIATION

On behalf of the Board, I would like to thank our valued shareholders for their continued support.

Our success this year, as marked by the sharp rise in the Group's net profits, proves that the Group's corporate governance complements its operations and it has fulfilled its social responsibilities. It could not have been made possible without the great work of our Board members and staff. As such, I would like to express my sincere gratitude to our Board of Directors, for their contributions to the Group, and to our employees, for their hard work. I am certain that with their enthusiasm, dedication and relentless pursuit of excellence, Styland is very well positioned to capture strong growth and continued exceptional profitability for years to come.

Zhao Qingji
Non-Executive Chairman
Hong Kong, 19 July 2010



Building On Strong Foundations

Management Discussion and Analysis

In the year under review, the Group recorded a profit of HK$65,660,000. Turnover rose from HK$132,146,000 in the previous year to HK$277,147,000 for the current year.

REVIEW OF OPERATIONS

Brokerage and Financing

Following the 2008 global financial crisis, governments around the world have put in place stimulus packages. As a result, the economy has bottomed out in the second quarter of 2009. The financial markets experienced an increase in both primary and secondary fund raising as well as merger and acquisition activities. In the year under review, the Hong Kong stock market had risen by a staggering 56% as shown by the Hang Seng Index's rise from 13,576 as at 31 March 2009 to 21,239 as at 31 March 2010.

To capitalize on the recovery of financial markets, the Group had enhanced its sales and marketing activities during the year under review by targeting both new and existing customers. As a result, the number of new customers and active customers had increased by 157% and 32% respectively as compared to the past financial year.

As a reputable financial service provider, the Group has always stressed the importance of internal controls. During the year, the Group had properly managed the fund flows of approximately HK$13.5 billion which involved 68,046 transactions without any customer complaints. The Board has tried their best to oversee the operations and has strictly followed the Securities and Futures Ordinance (the "SFO"). The Group has four responsible officers registered under the SFO, who closely monitor the compliance with the SFO of its brokerage operation. In addition, the Group has four qualified accountants, two of which are Independent Non-Executive Directors who provide the Board valuable advice on matters of internal controls system. The Independent Non-Executive Directors are satisfied with the corporate governance of the Group. Thanks to clients' trust in our internal controls and using our services by placing their funds in the trading accounts with the Group, and this is the reason for the increase in the balance of client trust accounts. The Company appreciates the Board (including the Independent Non-Executive Directors) for their prudent approach taken in running the business.

General Trading

During the year under review, the Group continued its multi-product strategy for its trading business which is comprised of food products, consumer goods, and electric consumer products. Despite the intense competition in the marketplace, the Group managed its costs efficiently and improved its operation flows in view of raising its gross margin.

The Group believes that adopting good credit controls is important for its trading business. Risk assessments are performed on all new clients. Sales and aging reports are also closely monitored by management. Once there is doubt regarding the recoverability of receivables, the debt collection division will take action quickly to recover overdue balances. As a result of having these measures in place, the Group's bad debts provision has remained low.

Property Investments

Residential property prices in Hong Kong have gone up significantly during the year under review. To take advantage of the appreciation in value of its property holdings, the Group has, after having considered the favourable terms, entered into a sale and purchase agreement on 27 October 2009 to dispose one of its properties at a consideration of HK$25,000,000.

According to the valuation report of an independent valuation company, the fair value of the Group's property located at Fei Ngo Shan, on a redevelopment basis was approximately HK$82,000,000, which is HK$25,000,000 more than its book value. In view of maximizing the value of this property, the Group is planning to redevelop it into a luxury property that has a gross site area of approximately 17,000 square feet.

Infrastructure

Due to the development of the Economic and Technology Zone in Wuhan by the local government which is where the Group's toll road was previously located, the PRC joint-venture partner in the toll road ("JV Partner") had unilaterally decided to relocate the toll station of the toll road, which had resulted in significant drop in its traffic flow. To adhere to Mainland China's government policy and to allow the Group to concentrate on other core businesses, the Group had considered realizing its interest in the toll road project.

During the year under review, the Group has successfully disposed 90% of its interest in the toll road at a consideration of HK$48,000,000. The Group believes that the disposal of the toll road would further improve its cash flow, and the impact on the Group for doubtful recovery of the balance sum from its JV Partner for the compensation arising from the relocation of the toll station was reduced.

Outlook

Currently, the global economy is still being affected by Europe's debt problems. However, the Group remains optimistic about its future development as the PRC has taken the lead in the world's economic recovery. We expect that the PRC's upward momentum will continue into the future and that the Group will benefit from the PRC's strong growth. Furthermore, due to the mixed signs of the economic recovery, the Group believes that the existing low interest rate environment and the relatively relaxed government policies will continue for a period of time. The economic recovery and low interest rates are both positive factors for the Group's business development.

In April 2010, Guangdong Province and Hong Kong entered into a framework agreement, pursuant to which efforts will be made to enhance Hong Kong's position as an international financial center and to speed up the development of financial service industries in Guangdong in view of building a financial cooperation zone in which Hong Kong will take the lead with its financial systems and be supported with financial resources and services of Guangdong and Shenzhen. To take advantage of such an agreement, the Group plans to strengthen its financial service segment as a stepping stone to explore the Mainland Chinese market.

In light of the increasing cash level after the disposals of an investment property and the infrastructure project during the year, the Group will continue to seek business opportunities to make good use of its working capital. The Group is currently setting up an office in Shanghai and in Guangzhou to focus on researching new business investments in the PRC.

To accelerate the growth of the general trade division, the Group seeks cooperation with strategic business partners. The Group believes, through cooperating with business partners, that it will gain access to new potential customers and new product categories which are in line with its multi-product strategy. The Group believes that through the diversification of product types, it will reduce the risk of over-reliance on a single product. The Group also believes that this diversification strategy will generate stable income in the long term.

Capital Structure

Although trading in shares of the Company has been suspended since 2004, the Group managed to boost its operating performance significantly. During the period of suspension, public investors have repeatedly given their support to the Company and have respectively subscribed for the share options, convertible bonds and new shares of the Company.

On 7 June 2007, the Company entered into an option agreement to issue 370,000,000 options ("Options") to an independent third party at the exercise price of HK$0.024 per share (unadjusted). The exercisable period is 18 months commencing from the date of fulfillment of conditions precedent set out in the option agreement. The long stop date for fulfillment of such conditions precedent has been extended to 31 December 2010. Exercise in full of the Options would result in the issue of 370,000,000 additional shares with an aggregate subscription value of HK$8,880,000. The new shares were rank pari passu with the existing shares of the Company.

On 9 July 2007, the Company entered into eight subscription agreements in respect of the issue of convertible bonds in the aggregate principal amount of HK$9,880,000 due 2012. The convertible bonds do not bear any interest. Each of the subscribers will have the right to convert the convertible bonds into shares of the Company at the price of HK$0.026 per share (unadjusted). Any outstanding convertible bonds shall be redeemed on the date falling on the fifth anniversary of the date of issue of the convertible bonds. Completion of the subscription agreements is subject to the fulfillment of the conditions as set out in the subscription agreements. The long stop date for fulfillment of such conditions has been extended to 31 December 2010.

On 15 November 2007, the Company entered into eight subscription agreements to issue 600,000,000 shares of the Company at the price of HK$0.08 per share (unadjusted) which involves the total subscription price of HK$48,000,000. Subsequently, five of the subscribers mutually agreed with the Company to release each other from the respective subscription agreements to subscribe for an aggregate of 300,000,000 subscription shares. The long stop date of fulfillment of conditions precedent for the completion of the remaining 300,000,000 shares has been extended to 30 September 2010.

Share Option Scheme

The Independent Non-Executive Directors of the Company are of the view that it is not a proper decision by the Stock Exchange to suspend the trading in shares of the Company for a long time. They are sorry that the Group's employees have to bear great pressure due to the prolonged suspension.

To reward employees' contributions to the success of the Group's operations, the Directors, including Independent Non-Executive Directors resolved to grant employees the right to subscribe for the shares of the Company under its share option scheme (the "Scheme"). After the completion of the subscription or in case of over subscription, the Directors will make the allotment of the options based on the performanace of the eligible subscribers so as to comply with the requirements of the Scheme.

The exercise price of the share options will be 110% of the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the share options; or (ii) the average closing prices of the shares as stated in the Stock Exchange's daily quotations sheet for five trading days immediately preceding the date of the grant of the share options.

To enable other Executive Directors and eligible subscribers to subscribe for more shares, Mr. Cheung Chi Ching Kenneth, the consultant of the Company, Mr. Cheung Hoo Win and Ms. Yeung Han Yi Yvvone, the Executive Directors of the Company and all its Independent Non-Executive Directors will voluntarily give up their rights to subscribe for the shares and will not participate in the Scheme.

CORPORATE SOCIAL RESPONSIBILITY

Caring for Employees' Development

As at 31 March 2010, the Group had 47 employees. Remuneration packages are generally structured according to market practice and the individual's merits. Salaries are reviewed periodically based on performance appraisal and other relevant factors. Staff benefits plans maintained by the Group include medical insurance, hospitalization scheme, mandatory provident fund and share option scheme.

The Group also adopts the principle of "reward for performance" to motivate its employees and recognize their contribution. To help employees pursue their career paths, the Group has clearly outlined and written out the responsibilities for every employee so that their performance can be objectively assessed and rewarded. In order to attract talent, the Group had, after the 2010 salary review, provided salary increments to its employees at a rate which was slightly higher than the prevailing job market standard. The average salary increment rate for the Group's employees was about 10%.

The Group is strongly committed to develop its employees to their full potential. In adopting an open communication policy in the workplace, employees have always been given the opportunity to write to management to provide their ideas and suggestions for creating positive change and improvement in the Group which includes and is not limited to suggestions on improving the Group's internal controls.

To enhance employees' job performance, other than on-the-job training, the Group also encourages employees to continue learning by paying tuition fees on their behalf or providing training sponsorships to them.

Occupational Safety and Health

The Group actively implements caring programs for its staff by educating them on the importance of occupational safety and health, including their mental health. To ensure that the employees have a healthy and safe environment to work in, the Group upgrades the employees' office computers from time to time and also maintains a tidy floor area. To implement the 'green office' concept, the Group grows a variety of plants in the office. Employees are also encouraged to keep potted plants on their desks.

To enhance the sense of belonging of its employees and to take care of their emotional health and psychological well-being, the Group organizes regular gatherings and trips for its employees. Having these social activities has benefited the Group by reducing staff turnover as shown by the Group's low staff turnover rate. Over 40% of the employees have been working in the Group for more than 10 years and the overall average length of service is about 9 years.

Giving to the Community and Corporate Responsibility

Being a caring company, the Group continues to give to the community by providing aid for disaster relief whenever there is a real need for it. For instance, the Group has helped the Sichuan earthquake victims. Furthermore, the Group and its employees have made donations to support the rescue and relief work in Qinghai, the PRC.

The Group strongly encourages its employees to contribute to the community. To support the 2009 ORBIS Pin Campaign to provide hope for millions of blind people worldwide, the Group encouraged its staff to make donations and recruit sponsors. Over 60% of the Group's employees had taken part in the campaign and the funds raised were sent to ORBIS on 28 August 2009.

The Board would like to express its sincere appreciation to Mr. Cheung Chi Shing Kenneth ("Mr. Cheung"), Founder of the Group, and to his family for their generosity. Other than the donation of HK$1.0 million to help students of the closed English Language College and Christian Zheng Sheng College, they have also donated another HK$1.2 million to help the victims of natural disasters across China, including those in Sichuan and Qinghai, from snow storms and earthquakes.

Caring for the Environment

The Group believes in being environmentally friendly and promotes environmental awareness to its employees. The employees are encouraged to switch off energy consuming appliances in meeting rooms when the rooms are unoccupied, and make sure that air conditioners and lights are switched off after work. They are also encouraged to fully utilize online platforms as to reduce paper wastage.

To do its part in protecting the environment, the Group will continue to follow the tips provided by CLP to promote the awareness of saving energy and the "green office" concept in the workplace.

FINANCIAL REVIEW

As at 31 March 2010, the Group had cash at bank and in hand totalling approximately HK$77,776,000 (2009: HK$25,507,000) and net assets were valued at approximately HK$207,054,000 (2009: HK$180,776,000).

Bank borrowings at 31 March 2010 amounted to HK$8,100,000 (2009: HK$18,811,000), of which HK$1,200,000 (2009: HK$6,875,000) were repayable within one year. The gearing ratio, being the ratio of total bank borrowings and financial lease of approximately HK$8,369,000 to shareholders' fund of approximately HK$207,054,000, was about 0.04 (2009: 0.14).

As at 31 March 2010, a time deposit of HK$5,000,000 and an investment property at a valuation of HK$57,000,000 were pledged to secure the banking facilities granted to the Group.

Investment

During the year, the Group made an investment in the subordinated notes issued by Bank of China (Hong Kong) Limited at the consideration of US$1,304,642 (the "Notes"). The interest rate for the Notes is 5.55%, which is generally higher than the interest rate of fixed deposit of a well recognized financial institution in Hong Kong. The Directors of the Company consider that it is a good investment opportunity for the Group, and further believe that the Group has utilized a prudent investment strategy for carrying out this investment.

Closure of Register Of Members

The register of members of the Company will be closed from 20 September 2010 to 22 September 2010, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend and bonus issue proposal, shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30p.m. on 17 September 2010.

Credit Policies

Trading terms with our general trading customers are mainly on credit and trust, except for new customers, where payment in advance is normally required or a letter of credit is received. Invoices are normally payable within 30 to 60 days of issuance, except for certain well-established customers, where the terms are extended to 90 days.

For the securities dealings, broking, and financing businesses, the Group is strictly in compliance with the SFO. Loans are granted based on individual assessment of financial status, repayment records and the liquidity of collaterals placed by customers. The applicable interest rate charged to customers is usually determined by those factors. Loans are called in for repayment as soon as the customer fails to repay any deposits, margins or other sums due to the Group.

Foreign Exchange Exposure

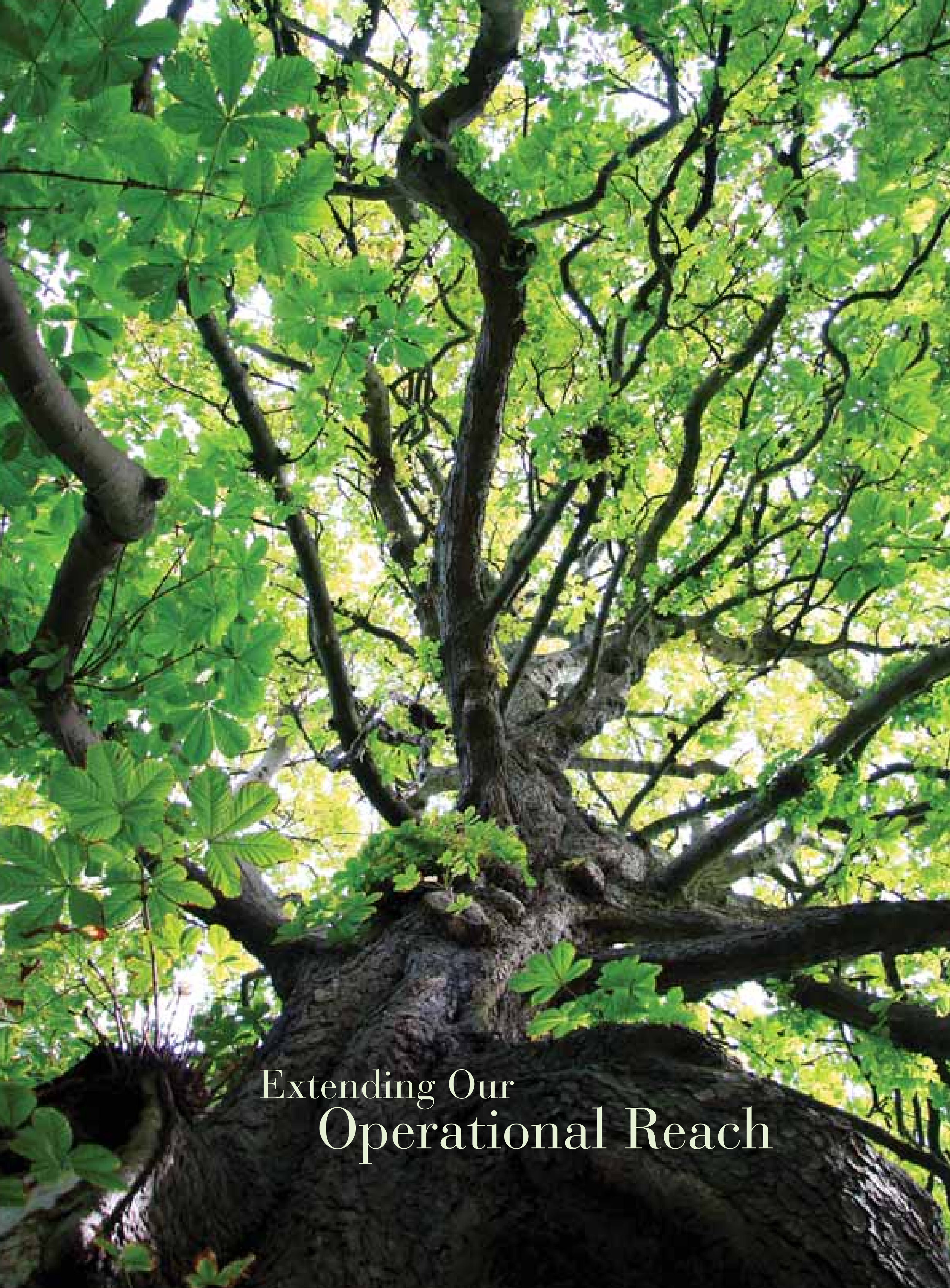
During the year under review, the Group's business activities, assets and liabilities were mainly denominated in Hong Kong dollars, US dollars and Renminbi. In light of the pegged exchange rate between the Hong Kong and US dollars, and the liabilities in Renminbi which were matched by assets denominated in Renminbi, the Group considers its foreign exchange risk immaterial for the year under review. It is the Group's treasury policy to manage its exposure to foreign currency risk by performing stringent review whenever the financial impact is material to the Group.

Operational Risk

The Group has put in place an effective internal control system for its operations. Under the business of securities dealing and broking, a monitoring team consisting of licensed responsible officers under the SFO and senior management, who have been acting in compliance with the SFO, has been set up to monitor the settlement matters of traded securities and cash. In order to safeguard clients' interests and comply with the requirements of the SFO, our monitoring team carries out ongoing checks and verifications as to maintain our service standard at a satisfactory level. Over the past financial year, the brokerage operation of the Group has complied with the SFO. During the year under review, the Group has managed a total fund flows of 13.5 billion. Clients were satisfied with the services and did not lodge any complaints.

Litigation

Details of the litigation are set out in note 41 to the consolidated financial statements.



Extending Our Operational Reach

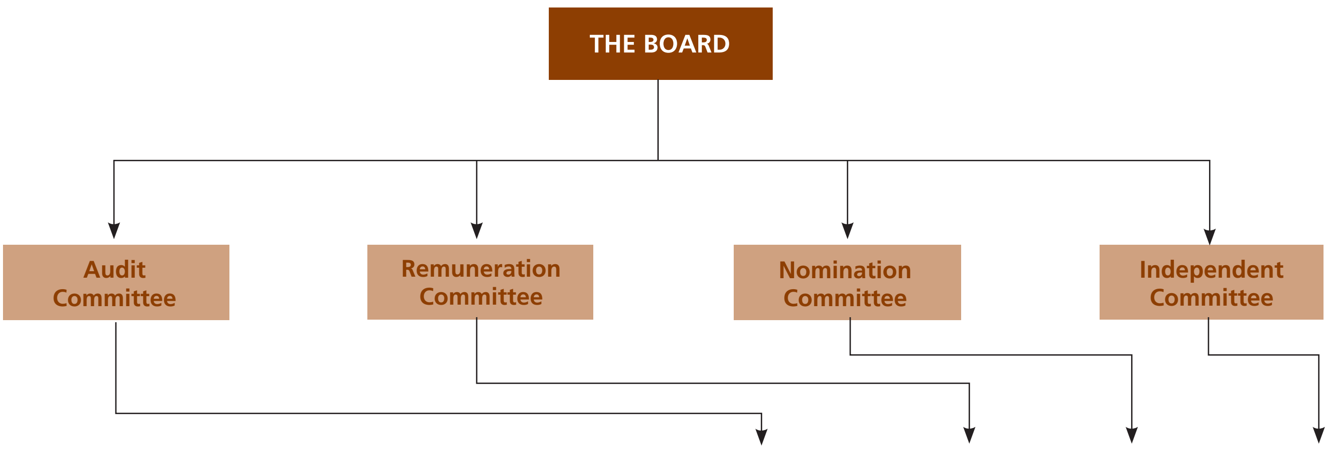
Corporate Governance Report

The Board of the Company is committed to maintain high standards of corporate governance and it considers effective corporate governance an essential element to the Group's success.

BOARD OF DIRECTORS

The Directors believe that the Board, comprised of five Executive Directors and four Independent Non-Executive Directors, has a balance of skills and experience that is appropriate for, and required by, the businesses of the Group.

Other than the Audit Committee, Remuneration Committee and Nomination Committee, the Company, with a view to increase the effectiveness and objectivity of the Board, has also established an Independent Committee to advise the Board on matters relating to the legal proceedings against certain current and former Directors and the prolonged suspension of trading in shares of the Company. To enhance the transparency of the Independent Committee, the Company welcomes the views from minority shareholders. A representative of the minority shareholders has been accepted as one of its Independent Committee members.



Members	Profile	Audit Committee	Remuneration Committee	Nomination Committee	Independent Committee
Mr. Zhao Qingji	Former chairman of a listed company	✔	✔	✔	✔
Mr. Li Hancheng	Former senior judge of the Supreme People's Court of the PRC	✔	✔	✔	✔
Mr. Lo Tsz Fung Philip	Certified Public Accountant	✔	✔	✔	✔
Mr. Yeung Shun Kee Edward	Certified Public Accountant (practising)	✔	✔	✔	
Mr. Chung Hil Lan Eric (note)	Certified Public Accountant (practising)				✔
Mr. Chan Yim Por Bonnie (note)	Practising solicitor				✔
Ms. Zhou Benju (note)	The representative of the minority shareholders				✔

Notes: Mr. Chung Hil Lan Eric, Mr. Chan Yim Por Bonnie and Ms. Zhou Benju are not directors of the Company.

According to the Listing Rules, the Company is required to have at least three Independent Non-Executive Directors ("INEDs"), and at least one of them must have appropriate professional qualifications or accounting expertise. In order to strengthen its corporate governance and elevate the function of its Non-Executive Directors, the Company has appointed four INEDs in its Board which is one more than that required by the Listing Rules. Furthermore, two of the INEDs are Certified Public Accountants which is one more than the requirement as stipulated by the Listing Rules.

As four out of the nine Directors are INEDs, there is a strong independent element, which can effectively exercise independent judgment and monitor the corporate governance of the Group. Each of the INEDs has made a confirmation on independency.

To have clear power and authority in the Board, the roles of chairman and chief executive officer have been separated after July 2009. Other than that, the Company has complied with all the code provisions in the Code of Corporate Governance Practices contained in Appendix 14 of the Listing Rules.

Being a listed issuer, the Company puts emphasis on compliance of regulations and ordinances. In case of doubt, the Company will seek a second opinion. During the year ended 31 March 2010, the Company's legal advisers were as follows:

As to Hong Kong law	As to Bermuda law	As to the PRC law
– P.C. Woo & Co.	Appleby	Hills & Co.
– D.S. Cheung & Co.		
– Michael Li & Co.		
– Chiu & Partners		
– Andrew Law & Franki Ho		
– Huen & Partners In association with S.G. Fafalen & Co.		

Board Meetings

During the year ended 31 March 2010, four regular board meetings and two board meetings to approve the annual results and interim results were held to which 14 days' notice were given to all Directors. The attendance of each of the Directors is set out as follows:

	Number of board meetings attended
Executive Directors:	
Mr. Cheung Hoo Win (Chief Executive Officer)	6/6
Ms. Yeung Han Yi Yvonne	6/6
Ms. Chan Chi Mei Miranda	6/6
Ms. Zhang Yuyan	6/6
Ms. Chen Lili (appointed on 29 October 2009)	3/3
Independent Non-Executive Directors:	
Mr. Zhao Qingji (Chairman)	5/6
Mr. Yeung Shun Kee Edward	5/6
Mr. Li Hancheng	6/6
Mr. Lo Tsz Fund Philip	6/6

Audit Committee

The Company has an Audit Committee comprising all INEDs of the Company. The principal duties of the Audit Committee are to review the Group's interim and annual reports, internal controls and make recommendations to the Board.

Three Audit Committee meetings were held with full attendance during the year ended 31 March 2010.

During the meetings, the Audit Committee had performed the following work:

(i) reviewed the draft interim and annual consolidated financial statements and the related draft results announcements;

(ii) reviewed the change in accounting standards and assessment of potential impacts on the Group's consolidated financial statements;

(iii) discussed with external auditors for any major audit issues of the Group; and

(iv) discussed with external auditors about the scope of the annual audit.

Remuneration of Directors

The Group has a Remuneration Committee with specific written terms of reference which clearly spells out its authority and duties. All INEDs are members of the Remuneration Committee.

The Remuneration Committee's principal duties are to make recommendations to the Board on the remuneration policy and structure for Directors and Senior Management and to ensure that they are fairly rewarded for their individual contributions to the Group's overall performance. It is also the Remuneration Committee's duty to determine the specific remuneration packages of all Executive Directors and Senior Management.

During the year ended 31 March 2010, three Remuneration Committee meetings were held to review the remuneration packages of newly appointed Directors or their adjusted remuneration.

The attendance of each Remuneration Committee member is set out as follows:

Members of Remuneration Committee	Number of Remuneration Committee meetings attended
Mr. Yeung Shun Kee Edward (Chairman)	3/3
Mr. Zhao Qingji (Note)	1/1
Mr. Li Hancheng	3/3
Mr. Lo Tsz Fund Philip (Note)	2/2

Note:
Mr. Zhao Qingji and Mr. Lo Tsz Fung Philip were appointed in April 2009, and Mr. Zhao Qingji did not attend the meeting for the purpose of reviewing his adjusted remuneration package.

Nomination of Directors

The Company has set up a Nomination Committee comprising of all INEDs. The Nomination Committee makes recommendations to the Board on all new appointments or re-appointments of Directors. The selection criteria are mainly based on the professionalism and experience of candidates. There are no fixed terms of services for Executive Directors while INEDs are engaged for a term of two years, subject to retirement by rotation and re-election in accordance with the provisions of the Bye-Laws of the Company. The Nomination Committee meets when it is considered necessary.

The Nomination Committee had two meetings during the year ended 31 March 2010 with full attendance.

Directors' Securities Transactions

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as its own code for securities transactions by Directors. All members of the Board has confirmed, following specific enquiry by the Company, that they have complied with the required standards as set out in the Model Code during the year ended 31 March 2010.

AUDITORS' REMUNERATION

During the year ended 31 March 2010, the remuneration paid in respect of statutory audit services by the auditors of the Company was approximately HK$585,000, and the non-audit services was HK$911,000. The non-audit services fees were related to a very substantial transaction, a major transaction and taxation services.

SHAREHOLDERS' RIGHTS AND INTERESTS

The Company believes that shareholders meetings provide a useful forum for shareholders to exchange views with the Board. A separate resolution is proposed in respect of each issue to be considered at the Annual General Meeting. The Company always gives weight to the voices of its shareholders. At the request of the independent shareholders of the Company, a Special General Meeting was convened during the year and shareholders' views were freely voiced out during the meeting. The summary of opinions expressed by the Company's shareholders were disclosed in the announcement of the Company dated 29 June 2009. In addition, as mentioned above, a representative of the minority shareholders has been accepted as a member of the Independent Committee so that shareholders' views can be considered by the Company.

Shareholders' interests are protected. Notwithstanding the fact that the trading in shares of the Company has been suspended since 2004, the Company had frequently proposed dividends over the past six years. In addition to the various dividend proposals, the Company also arranged to distribute gifts to its shareholders. The gift distributions proposed in the years of 2007, 2008 and 2009 had been completed and they were well accepted by shareholders. To ease the financial burden of shareholders, as a broker firm, the Group also waived the handling charges that shareholders of the Company were required to pay in relation to the dividend proposals.

The Board adopts an open and transparent communication policy and encourages full disclosure to the public as a way to enhance corporate governance. The Board aims to provide the Company's shareholders and the public with the necessary information for them to form their own judgement on the Company. Corporate communications such as annual reports, interim reports and circulars are issued in printed form and are available on the websites of the Stock Exchange, the Company and irasia.com.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The management reports submitted to the Board outline the Group's financial position on a regular basis. This reporting regime extends to the annual and interim results announcements of the Company, thereby enabling the Board, from time to time, to have continued, balanced, clear and understandable assessments of the Group's situation for determining strategy and fulfilling relevant compliance requirements.

The Board acknowledges that it is its responsibility for preparing the accounts of the Group. As at 31 March 2010, the Directors are not aware of any material uncertainties relating to the events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

For the responsibilities of the Company's auditors in respect of presenting the Group's consolidated financial statements, please refer to the section titled "Independent Auditor's Report" of this annual report.

Internal control review

It is the Board's responsibility to ensure that the Company maintains sound and effective internal controls, whereby safeguarding its shareholders' investment and the Group's assets.

During the year under review, the Board has conducted a review of the effectiveness of the internal controls system of the Company and its subsidiaries. There was no significant control failings found during the review.

On behalf of the Board
Cheung Hoo Win
Chief Executive Officer

Hong Kong 19 July 2010

The Directors present their report and the audited financial statements of the Company and the Group for the year ended 31 March 2010.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of the Company's subsidiaries consist of investment holdings, securities dealing and broking services, financing, trading of securities, general trading and property development and strategic investments. There were no significant changes in the nature of the Group's activities during the year.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 March 2010 and the state of affairs of the Group at that date are set out in the consolidated financial statements on pages 33 to 96.

Final Dividend for 2010

On 19 July 2010, the Board resolved to propose a final cash dividend of HK0.12 cent per share with a scrip alternative to offer the right to shareholders to elect to receive such final dividend wholly or partly by allotment and issue of scrip shares credited as fully paid in lieu of cash dividend (the "2010 Final Dividend").

In addition to the Bonus Issue Proposal (as defined below), the Board further proposed a new bonus issue of shares to its shareholders, pursuant to which bonus shares will be issued to shareholders on the basis of 1 bonus share for every 10 shares held by the shareholders (the "New Bonus Issue Proposal").

Both the 2010 Final Dividend and the New Bonus Issue Proposal are conditional on (i) the approval of shareholders at the forthcoming Annual General Meeting of the Company; and (ii) the grant of the listing approval by the Stock Exchange for the listing of, and permission to deal in, the scrip shares and bonus shares to be issued thereof.

Interim Dividend for 2010

On 27 November 2009, the Board resolved to propose an interim cash dividend of HK0.16 cent per share with a scrip alternative to offer the right to shareholders to elect to receive such interim dividend wholly or partly by allotment and issue of scrip shares credited as fully paid in lieu of cash dividend (the "2010 Interim Dividend"). In addition to the 2010 Interim Dividend, the Board also proposed bonus issue of shares on the basis of 1 bonus share for every 10 shares held by shareholders (the "Bonus Issue Proposal").

Both the 2010 Interim Dividend and the Bonus Issue Proposal are conditional on (i) the approval of shareholders at the Special General Meeting of the Company; (ii) the grant of the listing approval by the Stock Exchange for the listing of, and permission to deal in, the scrip shares and bonus shares to be issued thereof; and (iii) the resumption of trading in shares of the Company.

The 2010 Interim Dividend and the Bonus Issue Proposal were approved by shareholders at the Special General Meeting of the Company on 30 March 2010. However, as the conditions (ii) and (iii) have not been fulfilled, both the 2010 Interim Dividend (excluding the cash payment) and the Bonus Issue Proposal could not be proceeded up to the date of approval of these consolidated financial statements. The cash payment, either wholly or partly, for the 2010 Interim Dividend was not subject to resumption of trading in the shares of the Company. An amount of approximately HK$1,294,000 was paid to shareholders who elected to receive cash for the 2010 Interim Dividend.

Interim Dividend for 2009

On 19 December 2008, the Board resolved to propose an interim scrip dividend of HK0.18 cent per share wholly in the form of an allotment of shares credited as fully paid up without offering the right to shareholders to elect to receive such dividend in cash in lieu of such allotment (the "2009 Interim Dividend").

The 2009 Interim Dividend is subject to (i) the approval of shareholders at the Special General Meeting of the Company; and (ii) the grant of the listing approval by the Stock Exchange for the listing of, and permission to deal in, the scrip shares to be issued thereof. The 2009 Interim Dividend was approved by shareholders in the Special General Meeting of the Company held on 18 August 2009. However, as the condition (ii) has not been fulfilled, the 2009 Interim Dividend could not be proceeded up to the date of approval of these consolidated financial statements.

PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the plant and equipment and investment properties of the Group are set out in notes 16 and 17 to the consolidated financial statements, respectively. Further details of the Group's investment property are set out on page 98.

SHARE CAPITAL

Details of movements in the share capital are set out in note 33 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

RESERVES

Details of movements in the reserves of the Company during the year are set out in note 45b to the consolidated financial statements. Details of movements in the reserve of the Group during the year are set out on page 96.

DISTRIBUTABLE RESERVES

As at 31 March 2010, the Company's reserves available for distribution were HK$109,752,000. Under the laws of Bermuda, the Company's share premium account, in the amount of HK$35,831,000, may be distributed in the form of fully paid bonus shares.

SUMMARY FINANCIAL INFORMATION

A summary of the published results, assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the audited consolidated financial statements and reclassified as appropriate, is set out on page 97. This summary does not form part of the audited consolidated financial statements.

DIRECTORS

The Directors of the Company during the year and up to the date of this report were:

Executive Directors

Mr. Cheung Hoo Win (Chief Executive Officer)
Ms. Yeung Han Yi Yvonne
Ms. Chan Chi Mei Miranda
Ms. Zhang Yuyan
Ms. Chen Lili

Independent Non-Executive Directors

Mr. Zhao Qingji (Chairman)
Mr. Yeung Shun Kee Edward
Mr. Li Hancheng
Mr. Lo Tsz Fung Philip

In accordance with the Company's Bye-Laws 102(B), Ms. Chen Lili shall retire and be eligible for re-election at the forthcoming Annual General Meeting.

In accordance with the Company's Bye-Laws 182(vi), Ms. Yeung Han Yi Yvonne, Mr. Yeung Shun Kee Edward and Ms. Zhang Yuyan shall retire and be eligible for re-election at the forthcoming Annual General Meeting.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company which is not determinable by the Company within one year without payment other than statutory compensation.

After the 2010 remuneration review, Mr. Cheung Hoo Win, Ms. Yeung Han Yi Yvonne and Ms. Chan Chi Mei Miranda's monthly remuneration were adjusted to HK$37,000, HK$59,500 and HK$35,000 respectively. All were effective on 1 April 2010. The housing allowance of HK$16,500 per month to Ms. Chan Chi Mei Miranda remained unchanged.

DIRECTORS' INTERESTS IN SECURITIES

As at 31 March 2010, the interests and short positions of the Directors or the Chief Executive of the Company in the shares, debentures or underlying shares of the Company or any of its associated corporations (within the meaning of the Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hongkong (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein or which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

	Number of ordinary shares of HK$0.01 each held and nature of interest			
Name of Directors	Family interests	Personal Interests	Total	Shareholding percentage
Ms. Yeung Han Yi Yvonne ("Ms. Yeung")	369,995,967 (Note)	30,000,000	399,995,967	21.38%
Ms. Chan Chi Mei Miranda	–	39,288	39,288	0.00%

Note:

Mr. Cheung Chi Shing Kenneth ("Mr. Cheung") personally held 299,995,967 shares of the Company. As Mr. Cheung is the sole shareholder of K.Y. Limited ("KY"), he was deemed to have interests in 60,000,000 shares of the Company held by KY and Mr. Cheung was further deemed to be interested in 10,000,000 shares of the Company held by K.C. (Investment) Limited, a wholly owned subsidiary of KY.

Ms. Yeung is the spouse of Mr. Cheung and accordingly deemed to be interested in the 369,995,967 shares of the Company that Mr. Cheung is beneficially interested.

All the interests stated above represented long positions. As at 31 March 2010, no short positions were recorded in the Register of Directors' and Chief Executive's Interests and Short Positions required to be kept under Section 352 of the SFO.

Save as disclosed above, as at 31 March 2010, none of the Directors or the Chief Executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations that was required to be recorded pursuant to 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' INTERESTS IN CONTRACTS

None of the Directors had a material interest, either direct or indirect, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

SUBSTANTIAL SHAREHOLDERS

The Register of Substantial Shareholders maintained under Section 336 of the SFO shows that, at 31 March 2010, the Company had been notified of the following interests in the Company:

	Number of shares	Percentage
Mr. Cheung (Note1)	399,995,967	21.38%
Ms. Yeung (Note 2)	399,995,967	21.38%
Mr. Rajkumar M Daswani (Note 3)	112,441,667	6.01%
Gloryrise Group Limited (Note 4)	370,000,000	19.77%
Tai Kwok Leung, Alexander (Note 4)	370,000,000	19.77%

Notes:

1. *Please refer to the note under the heading "Directors' Interest in Securities" for details of the beneficial interests of Mr. Cheung in the shares of the Company. Mr. Cheung is the spouse of Ms. Yeung and accordingly deemed to be interested in the 30,000,000 shares of the Company beneficially interested by Ms. Yeung.*

2. *Ms. Yeung is the spouse of Mr. Cheung and accordingly deemed to be interested in the 369,995,967 shares beneficially interested by Mr. Cheung.*

3. *The interests of Mr. Rajkumar M Daswani are set out based on his notification given to the Company on 1 April 2004 pursuant to the SFO. On 7 December 2004, the Company wrote to Mr. Rajkumar M Daswani regarding his shareholding in the Company and received a letter dated 13 December 2004 from Mr. Rajkumar M Daswani saying that he and Shalini R Daswani in joint account held 114,731,667 shares of the Company as at 30 September 2004. As at the date of this report, the Company has not received valid notification pursuant to the SFO from Shalini R Daswani.*

4. *The Company had entered into an option agreement (the "Option Agreement") with Gloryrise Group Limited ("Gloryrise") on 7 June 2007, pursuant to which Gloryrise conditionally agreed to subscribe and the Company conditionally agreed to grant options which, upon full exercise, would entitle the holder of the options to require the Company to allot and issue up to 370,000,000 shares at the subscription price of HK$8,880,000 in total (equivalent to HK$0.024 per share). Gloryrise is hence interested in the 370,000,000 underlying shares that may fall to be issued under the Option Agreement.*

   The latest time for the fulfillment of the conditions precedent of the Option Agreement had been extended to 31 December 2010. As at the date of this report, the conditions precedent had not been fulfilled.

   Mr. Tai Kwok Leung, Alexander beneficially owns the entire issued share capital of Gloryrise, and is therefore deemed to be interested in the 370,000,000 underlying shares that may fall to be issued under the Option Agreement.

5. *On 20 August 2002, Mr. Lin Wen (林文先生) and Mr. Sun Jin Lin (孫進林先生) notified the Company that they respectively held 165,050,000 and 150,800,000 shares of the Company. To ensure the accuracy of its register of members, the Company wrote to Mr. Lin Wen (林文先生) and Mr. Sun Jin Lin (孫進林先生) to inquire into their then shareholdings in the Company on 14 June 2004. On 13 December 2004, the Company received a letter from Mr. Lin Wen (林文先生), claiming that he held approximately 5 million shares of the Company, which was substantially different from the record of Mr. Lim Wen's (林文先生) interests available from the website of the Stock Exchange and the Company. The Company could not reach Mr. Lin Wen (林文先生) and Mr. Sun Jin Lin (孫進林先生), through it had repeatedly tried to seek valid notification under the SFO from them. However, up to the date of this report, the Company has not received any further response from Mr. Lin Wen (林文先生) or Mr. Sun Jin Lin (孫進林先生).*

Save as disclosed above, the Company had not been notified of any other relevant interests or short positions representing 5% or more of the Company's issued share capital at 31 March 2010.

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

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's single largest and five largest customers combined accounted for 14% and 31%, respectively, of the Group's total sales, whereas purchases from the Group's single largest and five largest suppliers combined accounted for 55% and 83%, respectively, of the Group's total purchases.

None of the Directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and suppliers.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of its Directors as at the latest practicable date prior to the issue of this report, the public float of the shares of the Company is sufficient.

CORPORATE GOVERNANCE

The Company is committed to maintain high standards of corporate governance. Information on the corporate governance practices adopted by the Company is set out in the "Corporate Governance Report" on pages 16 to 19.

AUDIT COMMMITEE

The Company's Audit Committee comprises Independent Non-Executive Directors of the Company.

The principal duties of the Audit Committee are to review the internal controls and the financial reporting requirements of the Group. The Audit Committee is satisfied with the Company's internal control procedures and the financial reporting disclosures.

EMOLUMENT POLICY

Details of the Directors' emoluments and of the five highest paid individuals in the Group are set out in notes 12 and 13 to the consolidated financial statements respectively.

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merits, qualifications and competence.

The emoluments of the Directors of the Company are decided by the Remuneration Committee, having regard to market rates, their duties and responsibilities in the Group.

The Company has adopted a share option scheme as an incentive to Directors and eligible participants, details of the Scheme is set out in note 34 to the consolidated financial statements.

AUDITORS

SHINEWING (HK) CPA Limited will retire at the forthcoming Annual General Meeting. A resolution will be proposed to appoint auditors and to authorise the Board to fix their remuneration.

On behalf of the Board
Chan Chi Mei Miranda
Executive Director

Hong Kong, 19 July 2010

Corporate Information

BOARD OF DIRECTORS	**Executive Directors** Mr. Cheung Hoo Win (Chief Executive Officer) Ms. Yeung Han Yi Yvonne Ms. Chan Chi Mei Miranda Ms. Zhang Yuyan Ms. Chen Lili **Independent Non-Executive Directors** Mr. Zhao Qingji (Non-Executive Chairman) Mr. Yeung Shun Kee Edward Mr. Li Hancheng Mr. Lo Tsz Fung Philip
AUDIT COMMITTEE	Mr. Lo Tsz Fung Philip (Chairman) Mr. Zhao Qingji Mr. Yeung Shun Kee Edward Mr. Li Hancheng
REMUNERATION COMMITTEE	Mr. Yeung Shun Kee Edward (Chairman) Mr. Zhao Qingji Mr. Li Hancheng Mr. Lo Tsz Fung Philip
NOMINATION COMMITTEE	Mr. Li Hancheng (Chairman) Mr. Zhao Qingji Mr. Yeung Shun Kee Edward Mr. Lo Tsz Fung Philip
COMPANY SECRETARY	Mr. Wang Chin Mong Jimmy
AUDITOR	SHINEWING (HK) CPA Limited
LEGAL ADVISERS	**As to Hong Kong Law** P.C. Woo & Co. D.S. Cheung & Co. Michael Li & Co. Chiu & Partners Andrew Law & Franki Ho Huen & Partners in association with S.G. Fafalen & Co. **As to Bermuda Law** Appleby **As to the PRC Law** Hills & Co.

PRINCIPAL BANKERS	Bank of China (Hong Kong) Limited The Hongkong and Shanghai Banking Corporation Limited Wing Hang Bank Limited Standard Chartered Bank DBS Bank (Hong Kong) Limited Chong Hing Bank Limited
PRINCIPAL REGISTRAR	HSBC Bank Bermuda Limited 6 Front Street Hamilton HM11 Bermuda
HONG KONG BRANCH REGISTRAR	Tricor Tengis Limited 26th Floor Tesbury Centre 28 Queen's Road East Wanchai, Hong Kong
REGISTERED OFFICE	Canon's Court 22 Victoria Street Hamilton HM12 Bermuda
PRINCIPAL PLACE OF BUSINESS	28th Floor, Aitken Vanson Centre 61 Hoi Yuen Raod Kwun Tong, Kowloon Hong Kong Telephone : (852) 2959-3123 Facsimile : (852) 2310-4824 E-mail address : sty@styland.com
SHAREHOLDERS' SERVICE HOTLINE	Telephone : (852) 2959 7200 Facsimile : (852) 2310 4824 E-mail address : shareholder@styland.com
WEBSITE	http://www.styland.com
INVESTORS' WEBSITE	http://www.irasia.com/listco/hk/styland

Board of Directors

Mr. Cheung Hoo Win
Chief Executive Officer and
Executive Director

Mr. Cheung, aged 30, joined the Group in 2004. He was appointed Executive Director in 2006 and Chief Executive Officer in 2009. Mr. Cheung graduated from Peking University (Department of International Economics and Trade). During his studies at Peking University, Mr. Cheung developed good business connections in the PRC. He is responsible for the Group's China related businesses. Mr. Cheung is the son of Ms. Yeung Han Yi Yvonne.

Ms. Yeung Han Yi Yvonne
Executive Director

Ms. Yeung, aged 53, has served the Group for 30 years. She has extensive experience in business management. Ms. Yeung is responsible for the Group's administration, personnel and general management. Ms. Yeung has completed the Course on Corporate Governance jointly organized by the School of Continuing and Professional Education of City University of Hong Kong and ET Business College of Hong Kong Economic Times.

Ms. Chan Chi Mei Miranda
Executive Director

Ms. Chan, aged 49, joined the Group in 1979 and was appointed Executive Director in 1993. Ms. Chan has over 20 years of experience in the trading business and over 12 years' expertise in the securities business. She is responsible for the securities brokerage and financing businesses of the Group. Ms. Chan has completed the New Leadership Advance Course organised by Tsing Hua University.

Ms. Zhang Yuyan
Executive Director

Ms. Zhang, aged 48, was appointed Executive Director in 2006. Ms. Zhang graduated from Zhongnan University of Economics and Law (中南財經大學), formerly known as Hubei Economics College (湖北財經學院). Ms. Zhang has extensive experience in management and is familiar with Mainland China's economic, finance and taxation matters.

Ms. Chen Lili
Executive Director

Ms. Chen, aged 28, joined the Group as Executive Director in 2009. She graduated with a Bachelor of Electronics Science and Techniques degree from the School of Electronics Engineering and Computer Science at Peking University in 2004. Ms. Chen also obtained her Master of Computer Applied Technology degree from the Institute of Software at the Chinese Academy of Sciences in 2007. Ms. Chen is a Senior Associate at PricewaterhouseCoopers in Beijing working in the risks control service department where she led multiple teams to conduct audit and advisory work and provided internal control management and optimization services for several large energy and transportation companies.

Mr. Zhao Qingji
Non-Executive Chairman and
Independent Non-Executive Director

Mr. Zhao, aged 37 has been an Independent Non-Executive Director of the Company since April 2009 and was appointed Non-Executive Chairman in July 2009. Prior to joining the Group, Mr. Zhao was the Chairman and CEO of China Properties Investment Holdings Limited (formerly known as Northern International Holdings Limited) (stock code: 736), a company listed on the main board of The Hong Kong Stock Exchange. Mr. Zhao graduated from Peking University with a bachelor's degree in Economics in 1998.

Mr. Zhao has extensive experience in mergers and acquisitions, corporate restructurings, investment management, finance and initial public offerings in the PRC. Previously, he held the position of Vice President at Peking University Resource Group and was in charge of that company's property investment business and real estate development projects.

Mr. Li Hancheng
Independent Non-Executive Director

Mr. Li, aged 47, was appointed Independent Non-Executive Director of the Company in 2008. He graduated from Southwest University of Political Science and Law in 1984. Prior to joining Styland, he had worked at the Supreme People's Court of the People's Republic of China as senior judge. Mr. Li has extensive experience and practice in law.

Mr. Li is currently Senior Partner of S & P Law Firm based in Beijing. Mr. Li is currently a member of China Maritime Law Association, Beijing Lawyers Association and Chinese Lawyers Association. He has also served on the board of Tianhong Asset Management Company Limited as Independent Director since December 2003.

Mr. Yeung Shun Kee Edward
Independent Non-Executive Director

Mr. Yeung, aged 51, was appointed Independent Non-Executive Director of the Company in 2003. He manages his own certified public accounting firm. Mr. Yeung has extensive experience in accounting, auditing and taxation.

Mr. Yeung is a member of the Certified Public Accountants of Australia and a Certified Public Accountant (practising) at the Hong Kong Institute of Certified Public Accountants.

Mr. Lo Tsz Fung Philip
Independent Non-Executive Director

Mr. Lo, aged 44, was appointed Independent Non-Executive Director of the Company in April 2009. He graduated from the University of Wollongong, NSW Australia in 1992 with a Bachelor of Commerce degree. Prior to joining the Group, Mr. Lo acted as Chief Financial Officer for Wuhan Zhongye Yangluo Heavy Machinery Company Limited. Mr. Lo has extensive experience in the areas of corporate management, financial accounting and auditing.

Mr. Lo is a member of the Certified Public Accountants of Australia and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Mr. Lo had several public services. He was a member of the Standing Committee of the District Committee of CPPCC in Guangzhou and the Vice President of the Council of Guangzhou Association of Enterprises with Foreign Investment.

Senior Management

Mr. Ng Shun Fu
Managing Director of Subsidiaries

Mr. Ng, aged 62, joined the Group in 1996 as a Director of Ever-Long Securities Company Limited, the wholly-owned securities brokerage and financing subsidiary of the Group. Prior to joining the Group, Mr. Ng worked in the banking sector for 25 years where he held senior management positions. Mr. Ng has extensive experience in the securities business. Mr. Ng is a responsible officer registered under the Securities and Future Ordinance.

Mr. Choy Shuen Yan Andy
Director of Subsidiaries

Mr. Choy, aged 49, was appointed Director of Ever-Long Securities Company Limited in March 1998. Mr. Choy holds a Bachelor of Commerce degree from McMaster University, Canada. Mr. Choy is a responsible officer registered under the Securities and Future Ordinance and has more than 20 years of experience in the securities business.

Mr. Mak Chi Ho Michael
Associate Director

Mr. Mak, aged 38, joined the Group in 2002 and was appointed Associate Director of the Group in 2009. Mr. Mak holds a bachelor's degree in Accounting from the University of Southern California and a master's degree in Finance from the Curtin University of Technology. Mr. Mak is a responsible officer registered under the Securities and Future Ordinance and has over 8 years of experience in securities analysis.

Ms. Hung Lai Kam Diana
Associate Director

Ms. Hung, aged 29, joined the Group as an Associate Director in June 2010. Ms. Hung holds a bachelor's degree in International Economic and Trade from Peking University and a master's degree in Business Administration from the University of Iowa. Ms. Hung has extensive experience in management.

Mr. Wang Chin Mong Jimmy
Financial Controller and Company Secretary

Mr. Wang, aged 38, joined the Group in 2003. Mr. Wang is the Group's Financial Controller and the Company's Company Secretary. He is a Certified Public Accountant with the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.

Ms. Mak Kit Ping
Deputy General Manager of Subsidiaries

Ms Mak, aged 45, has been employed at Ever-Long Securities Company Limited as Deputy General Manager since April 2008. Ms. Mak is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. She has over 17 years of experience in the securities business.

Independent Auditor's Report

信永中和
ShineWing

SHINEWING (HK) CPA Limited
43/F., The Lee Gardens
33 Hysan Avenue
Causeway Bay, Hong Kong

TO THE MEMBERS OF
STYLAND HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Styland Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 33 to 96, which comprise the consolidated statement of financial position as at 31 March 2010, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 March 2010 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Chong Kwok Shing
Practising Certificate Number: P05139

Hong Kong
19 July 2010

Consolidated Income Statement

for the year ended 31 March 2010

	NOTES	2010 HK$'000	2009 HK$'000
Turnover	8	**277,147**	132,146
Revenue	8	**72,308**	54,125
Cost of sales		**(22,369)**	(43,535)
Gross profit		**49,939**	10,590
Other income	8	**3,158**	5,335
Administrative expenses		**(30,566)**	(25,749)
Selling and distribution expenses		**(233)**	(1,452)
Change in fair value of investment properties	17	**2,000**	4,000
Change in fair value of financial assets at fair value through profit or loss		**107**	(7,737)
Gain (loss) on disposal of financial assets at fair value through profit or loss		**31,286**	(2,555)
Gain on disposal of subsidiaries	38(a)&(b)	**11,129**	–
Impairment loss recognised in respect of trade receivables	22	**(239)**	(625)
Reversal of impairment loss recognised in respect of trade receivables	22	**25**	153
Impairment loss recognised in respect of other receivables	23	**–**	(319)
Impairment loss recognised in respect of loan receivables	21	**(812)**	(120)
Reversal of impairment loss recognised in respect of loan receivables	21	**1,454**	454
Bad debt recovery for loan receivables		**110**	96
Finance costs	9	**(322)**	(578)
Profit (loss) before tax		**67,036**	(18,507)
Income tax expense	10	**(1,376)**	(87)
Profit (loss) for the year	11	**65,660**	(18,594)
Profit (loss) for the year attributable to:			
Owners of the Company		**66,418**	(18,818)
Minority interests		**(758)**	224
		65,660	(18,594)
Earnings (loss) per share			
– basic and diluted	15	**HK3.55cents**	(HK1.01cents)

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2010

	2010 HK$'000	2009 HK$'000
Profit (loss) for the year	**65,660**	(18,594)
Other comprehensive (expenses) income:		
Reclassification adjustments for the cumulative loss included in profit or loss upon disposal of available-for-sale investment	**(3)**	–
Change in fair value of available-for-sale investment	**(12)**	47
Other comprehensive (expenses) income for the year	**(15)**	47
Total comprehensive income (expenses) for the year	**65,645**	(18,547)
Total comprehensive income (expenses) attributable to:		
Owners of the Company	**66,403**	(18,771)
Minority interests	**(758)**	224
	65,645	(18,547)

Consolidated Statement of Financial Position

as at 31 March 2010

	NOTES	2010 HK$'000	2009 HK$'000
Non-current assets			
Plant and equipment	16	**2,165**	2,188
Investment properties	17	**57,000**	78,000
Promissory note receivable	18	**40,391**	–
Available-for-sale investments	19	**14,034**	230
		113,590	80,418
Current assets			
Inventories	20	**344**	156
Loan receivables	21	**31,485**	17,639
Trade and bills receivables	22	**11,414**	8,797
Other receivables, deposits and prepayments	23	**2,223**	5,477
Financial assets at fair value through profit or loss	24	**6,377**	4,973
Tax recoverable		**–**	114
Client trust funds	25	**229,996**	15,446
Pledged bank deposit	26	**5,000**	5,000
Bank balances and cash	27	**77,776**	25,507
		364,615	83,109
Interest in a joint venture held-for-sale	28	**–**	178,080
Current liabilities			
Trade and bills payables	29	**239,134**	18,143
Other payables and accruals	30	**20,989**	122,196
Dividend payables	14	**1,294**	–
Tax liabilities		**1,365**	1,334
Bank borrowings – due within one year	31	**1,200**	6,875
Obligations under finance leases – due within one year	32	**83**	78
		264,065	148,626
Net current assets		**100,550**	112,563
Total assets less current liabilities		**214,140**	192,981
Non-current liabilities			
Bank borrowings – due after one year	31	**6,900**	11,936
Obligations under finance leases – due after one year	32	**186**	269
		7,086	12,205
Net assets		**207,054**	180,776

Consolidated Statement of Financial Position

as at 31 March 2010

	NOTE	2010 HK$'000	2009 HK$'000
Capital and reserves			
Share capital	33	**18,712**	18,712
Reserves		**188,342**	123,233
Equity attributable to owners of the Company		**207,054**	141,945
Minority interests		**–**	38,831
Total equity		**207,054**	180,776

The consolidated financial statements on pages 33 to 96 were approved and authorised for issue by the board of directors on 19 July 2010 and are signed on its behalf by:

Chan Chi Mei Miranda
Executive Director

Zhang Yuyan
Executive Director

Consolidated Statement of Changes in Equity

for the year ended 31 March 2010

	Attributable to owners of the Company									
	Share capital	Share premium	Capital redemption reserve	Special capital reserve	Contributed surplus	Investment revaluation reserve	Accumulated losses	Total	Minority interests	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
				note 35(a)	note 35(b)					
At 1 April 2008	18,712	35,831	6,040	571,147	599,433	(44)	(1,070,403)	160,716	38,607	199,323
Total comprehensive income (expenses) for the year	–	–	–	–	–	47	(18,818)	(18,771)	224	(18,547)
At 31 March 2009 and 1 April 2009	**18,712**	**35,831**	**6,040**	**571,147**	**599,433**	**3**	**(1,089,221)**	**141,945**	**38,831**	**180,776**
Total comprehensive (expenses) income for the year	**–**	**–**	**–**	**–**	**–**	**(15)**	**66,418**	**66,403**	**(758)**	**65,645**
Disposal of subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(38,073)**	**(38,073)**
Dividend recognised as distribution (note 14)	**–**	**–**	**–**	**–**	**(1,294)**	**–**	**–**	**(1,294)**	**–**	**(1,294)**
At 31 March 2010	**18,712**	**35,831**	**6,040**	**571,147**	**598,139**	**(12)**	**(1,022,803)**	**207,054**	**–**	**207,054**

Consolidated Statement of Cash Flows

for the year ended 31 March 2010

	2010 HK$'000	2009 HK$'000
OPERATING ACTIVITIES		
Profit (loss) before tax	**67,036**	(18,507)
Adjustments for:		
Depreciation	**506**	601
Finance costs	**322**	578
(Reversal of) allowance for inventories	**(53)**	192
Interest income	**(488)**	(423)
Gain on disposal of subsidiaries	**(11,129)**	–
Loss on disposals of plant and equipment	**28**	7
Change in fair value of financial assets at fair value through profit or loss	**(107)**	7,737
Change in fair value of investment properties	**(2,000)**	(4,000)
Gain on disposal of available-for-sale investment	**(9)**	–
Impairment loss recognised in respect of trade receivables	**239**	625
Reversal of impairment loss recognised in respect of trade receivables	**(25)**	(153)
Impairment loss recognised in respect of loan receivables	**812**	120
Reversal of impairment loss recognised in respect of loan receivables	**(1,454)**	(454)
Impairment loss recognised in respect of other receivables	**–**	319
Operating cash flows before movements in working capital	**53,678**	(13,358)
(Increase) decrease in inventories	**(135)**	150
(Increase) decrease in trade and bills receivables	**(2,831)**	52
(Increase) decrease in loan receivables	**(13,204)**	11,276
Decrease (increase) in other receivables, deposits and prepayments	**1,101**	(1,383)
(Increase) decrease in financial assets at fair value through profit or loss	**(1,297)**	2,250
Increase in trade and bills payables	**220,991**	1,577
Increase in other payables and accruals	**4,768**	4,518
Increase in client trust funds	**(214,550)**	(3,700)
Effect of foreign exchange in respect of interest in a joint venture held-for-sale	**–**	(3,304)
Cash generated from (used in) operations	**48,521**	(1,922)
Hong Kong Profits Tax refunded (paid)	**64**	(174)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	**48,585**	(2,096)

Consolidated Statement of Cash Flows

for the year ended 31 March 2010

	NOTE	2010 HK$'000	2009 HK$'000
INVESTING ACTIVITIES			
Net cash inflow from disposal of subsidiaries	38 (a)&(b)	**24,859**	–
Interest received		**400**	423
Proceeds from disposal of available-for-sale investment		**257**	–
Proceeds from disposal of plant and equipment		**130**	7
Purchases of plant and equipment		**(641)**	(151)
Purchases of available-for-sale investment		**(10,210)**	–
NET CASH FROM INVESTING ACTIVITIES		**14,795**	279
FINANCING ACTIVITIES			
Repayments of bank borrowings		**(5,732)**	(1,896)
Interest paid		**(322)**	(578)
Repayments of obligations under finance leases		**(78)**	(167)
Deposit refunded in respect of subscription of new shares		**–**	(3,520)
NET CASH USED IN FINANCING ACTIVITIES		**(6,132)**	(6,161)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**57,248**	(7,978)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**20,528**	30,135
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**–**	(1,629)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**77,776**	20,528
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS, represented by:			
Bank balances and cash		**77,776**	25,507
Bank overdrafts – secured		**–**	(4,979)
		77,776	20,528

Notes to the Consolidated Financial Statements

For the year ended 31 March 2010

1. GENERAL

Styland Holdings Limited (the "Company") was incorporated in Bermuda on 31 July 1991 as an exempted company with limited liability under the Companies Act of Bermuda. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and have been suspended for trading on the Stock Exchange since 21 April 2004. The address of the registered office and principal place of business of the Company are disclosed in the Corporate Information to the annual report.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

The Company acts as an investment holding company. The principal activities of its subsidiaries (together with the Company collectively referred to as the "Group") are set out in note 44.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Hong Kong Accounting Standard ("HKAS") 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investments in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC)-Interpretation ("Int") 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC)-Int 13	Customer Loyalty Programmes
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC)-Int 18	Transfer of Assets from Customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

Notes to the Consolidated Financial Statements

For the year ended 31 March 2010

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

Except as described below, the adoption of the new and revised HKFRSs had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

New and revised HKFRSs affecting presentation and disclosure only

HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

HKFRS 8 Operating Segments

HKFRS 8 is a disclosure standard that has resulted in a redesignation of the Group's reportable segments and changes in the basis of measurement of segment profit or loss, segment assets and segment liabilities.

Improving Disclosures about Financial Instruments
(Amendments to HKFRS 7 Financial Instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also expand and amend the disclosures required in relation to liquidity risk. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments.

Standards, amendments and interpretations in issue but not yet effective

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKFRSs (Amendments)	Improvements to HKFRSs 2010[3]
HKAS 24 (Revised)	Related Party Disclosures[7]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
HKAS 32 (Amendment)	Classification of Rights Issues[5]
HKAS 39 (Amendment)	Eligible Hedge Items[1]
HKFRS 1 (Revised)	First-time Adoption of HKFRSs[1]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[4]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[6]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[4]
HKFRS 3 (Revised)	Business Combinations[1]
HKFRS 9	Financial Instruments[8]
HK(IFRIC)-Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[7]
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners[1]
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments[6]

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

Standards, amendments and interpretations in issue but not yet effective *(Continued)*

[1] *Effective for annual periods beginning on or after 1 July 2009.*
[2] *Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate.*
[3] *Amendments that are effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate.*
[4] *Effective for annual periods beginning on or after 1 January 2010.*
[5] *Effective for annual periods beginning on or after 1 February 2010.*
[6] *Effective for annual periods beginning on or after 1 July 2010.*
[7] *Effective for annual periods beginning on or after 1 January 2011.*
[8] *Effective for annual periods beginning on or after 1 January 2013.*

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary.

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standards requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be measured at either amortised cost or fair value. Specifically debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

In addition, as part of Improvement to HKFRSs (2009), HKAS 17 Leases has been amended in relation to the classification of leasehold land. The amendments will be effective from 1 January 2010, with earlier application permitted. Before the amendments to HKAS 17, lessees were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendments have removed such a requirement. Instead, the amendments require the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. The application of the amendments to HKAS 17 might affect the classification and measurement of the Group's leasehold land.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretation will have no material impact on the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2010

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and investment properties, which are measured at fair values, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Interest in a joint venture held-for-sale

Interest in a joint venture is classified as held-for-sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition.

Interest in a joint venture classified as held-for-sale is measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition

Revenue is measured at the fair value of the consideration received and receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes. Revenue is recognised in the consolidated income statement on the following basis:

(a) revenue from sales of goods is recognised when the goods are delivered and titled has passed;

(b) revenue from trading of securities and securities dealing is recognised on the trade dates basis;

(c) commission and brokerage income from securities dealing is recognised on a trade date basis;

(d) interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition;

(e) dividend income from investments is recognised when the shareholders' rights to receive payment have been established; and

(f) service income is recognised when services are provided.

Plant and equipment

Plant and equipment are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write-off the cost of items of plant and equipment over their estimated useful lives and after taking into account of their estimated residual value, using the reducing balance method.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, the term of the relevant lease.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2010

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values using the fair value model. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

Operating leases payments are recognised as expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they incurred.

Employee benefits

(a) Retirement benefits scheme

Payments to the Group's Mandatory Provident Fund Scheme (the "MPF Scheme") are charged as expense when employees have rendered service entitling them to the contributions.

(b) Long service payments

Certain of the Group's employees have completed the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance ("Employment Ordinance") in the event of the termination of their employment. The Group is liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Employment Ordinance. A provision is recognised in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their service to the Group to the end of reporting period.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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For the year ended 31 March 2010

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in to profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into one of the four categories, including financial assets at fair value through profit or loss ("FVTPL"), loans and receivables, held-to-maturity investments and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Financial assets at fair value through profit or loss

Financial assets at FVTPL mainly financial assets held for trading.

A financial asset is classified as held for trading if:

– it has been acquired principally for the purpose of selling in the near future; or

– it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

– it is a derivate that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including loan receivables, trade and bills receivables, other receivables and deposits, client trust funds, pledged bank deposit, and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss of financial assets below).

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determined payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. The Group designated that the promissory note receivable as held-to-maturity investments. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss of financial assets below).

Available-for-sale investments

Available-for-sale investments are non-derivative that is either designated or not classified as financial assets at FVTPL or loans and receivables.

Available-for-sale investments are measured at fair value at the end of each reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in investment revaluation reserve, until the investment is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss (see accounting policy on impairment loss of financial assets below).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2010

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Available-for-sale investments *(Continued)*

For available-for sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, the are measured at cost less any identified impairment losses at the end of each reporting period (see accounting policy on impairment loss of financial assets below).

Impairment loss of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

– significant financial difficulty of the issuer or counterparty; or

– default or delinquency in interest or principal payments; or

– it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as loan receivables, trade and bills receivables, and other receivables assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Impairment loss of financial assets (Continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of promissory note receivable, loan receivables, trade and bills receivables and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a promissory note receivable, trade and bills receivable, loan receivable and other receivable is considered uncollectible, it is written-off against the allowance account. Subsequent recoveries of amounts previously written-off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income and accumulated in investment revaluation reserve. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities are generally classified into other financial liabilities.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, the shorter period.

Interest expense is recognised on an effective interest basis.

Other financial liabilities

Other financial liabilities including trade and bills payables, other payables and accruals, dividend payables, bank borrowings and obligations under finance leases are subsequently measured at amortised cost, using the effective interest rate method.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2010

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity (Continued)

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Impairment losses on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

4. CRITICAL ACCOUNTINGS JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the entity's accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

4. CRITICAL ACCOUNTINGS JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Critical judgements in applying the entity's accounting policies *(Continued)*

Held-to-maturity investment

The directors of the Company have reviewed the Group's held-to-maturity investment in light of its capital maintenance and liquidity requirements and have confirmed the Group's positive intention and ability to hold this asset to maturity. The carrying amount of the held-to-maturity investment is HK$40,391,000 (2009: nil). Details of the asset are set out in note 18.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated useful lives of plant and equipment

The Group's carrying values of plant and equipment as at 31 March 2010 was approximately HK$2,165,000 (2009: HK$2,188,000). The Group depreciates the plant and equipment over the estimated useful lives, using the reducing balance method, at the rate of 15 – 25% per annum, commencing from the date the plant and equipment is placed into productive use. The estimated useful life reflects the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's plant and equipment. The Group assesses annually the useful lives of plant and equipment and if the expectation differs from the original estimate, such a difference may impact the depreciation in the year and the estimate will be charged in the future period.

Estimated impairment loss recognised in respect of trade receivables, loan receivables, other receivables and promissory note receivable

Management regularly reviews and judges the recoverability and/or age of receivables. Appropriate impairment for estimated irrecoverable amounts are recognised in the consolidated income statement when there is objective evidence that the asset is impaired.

In determining whether impairment on receivables is required, the Group takes into consideration the current creditworthiness, the past collection history, age status and likelihood of collection. Specific allowance is only made for receivables that are unlikely to be collected and is recognised on the difference between the estimated future cash flow expected to receive discounts using the original effective interest rate and its carrying value. If the financial conditions of customers of the Group were to deteriorate, resulting in impairment of their ability to make payments, additional impairment may be required. As at 31 March 2010, the carrying amount of trade receivables is approximately HK$11,414,000 (net of accumulated impairment loss of approximately HK$1,843,000) (2009: carrying amount of approximately HK$8,797,000, net of accumulated impairment loss of approximately HK$1,725,000); carrying amount of loan receivables is approximately HK$31,485,000 (net of accumulated impairment loss of approximately HK$15,902,000) (2009: carrying amount of approximately HK$17,639,000, net of accumulated impairment loss of approximately HK$27,277,000); carrying amount of other receivables and deposits is approximately HK$2,223,000 (net of accumulated impairment loss of nil) (2009: carrying amount of approximately HK$5,477,000, net of accumulated impairment loss of approximately HK$17,204,000); and carrying amount of promissory note receivable is approximately HK$40,391,000 (net of accumulated impairment loss of nil) (2009: carrying amount of nil, net of accumulated impairment loss of nil).

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For the year ended 31 March 2010

4. CRITICAL ACCOUNTINGS JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainty *(Continued)*

Estimated impairment loss recognised in respect of available-for-sale investments

The Group had available-for-sale investments which were stated at their fair values on the basis of their quoted market prices at the end of the reporting period, on an individual basis. Any gains or losses are recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the consolidated income statement. Management has to assess whether objective evidence of significant impairment exists and consider whether it is appropriate to charge the cumulative loss to consolidated income statement.

In making its judgement, the Group considers if there has been a significant or prolonged decline in the fair value below its cost or whether other objective evidence of impairment exist. No impairment loss was recognised for the years ended 31 March 2010 and 2009 by the Group.

For the available-for-sale investment not quoted in an active market, the management takes into consideration the estimation of future cash flows. The amount of impairment loss is measured on the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Where the actual future cash flows are more or less than expected, a material different on the impairment loss recognised may arise. As at 31 March 2010, the carrying amount of available-for-sale investment carried at cost is approximately HK$3,857,000. No available-for-sale investment carried at cost is noted as at 31 March 2009.

Fair value of investment properties

Investment properties are carried in the consolidated statement of financial position as at 31 March 2010 at their fair value of approximately HK$57,000,000 (2009: approximately HK$78,000,000). The fair value was based on a valuation on these properties conducted by an independent firm of professional valuers using property valuation techniques which involve certain assumptions of market conditions. Favourable or unfavourable changes to these assumptions would result in changes in the fair value of the Group's investment properties and corresponding adjustments to the amount of gain or loss reported in the consolidated income statement.

Pending petition of the Group

In connection with the Group's pending petition as at 31 March 2010, the directors assess the relevant facts and circumstances and considered the appropriateness of provisions, if any, to be made, based on legal advice obtained as and when it is necessary.

5. CAPITAL RISK MANAGEMENT

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group is not subject to any externally imposed capital requirements except for certain subsidiaries which engages in securities dealing and broking service, corporate finance and advisory service are the regulated entities under the Hong Kong Securities and Futures Ordinance and are subject to the respective minimum capital requirements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2010

5. CAPITAL RISK MANAGEMENT *(Continued)*

The capital structure of the Group consists of debts, which included the bank borrowings disclosed in note 31, obligations under finance leases disclosed in note 32, cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on an annual basis. As part of this review, the directors consider the cost of capital and risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through payment of dividends, issue of convertible bonds and share options, new share issues and share buy-back.

There is no change in the capital risk management policy adopted by the Company during the two years ended 31 March 2010 and 31 March 2009.

6. FINANCIAL INSTRUMENTS

a) Categories of financial instruments

	2010 HK$'000	2009 HK$'000
Financial assets		
Financial assets at fair value through profit or loss		
– held for trading investments	**6,377**	4,973
Loan and receivables		
– loan receivables	**31,485**	17,639
– trade and bills receivables	**11,414**	8,797
– other receivables and deposits	**1,770**	4,910
– client trust funds	**229,996**	15,446
– pledged bank deposit	**5,000**	5,000
– bank balances and cash	**77,776**	25,507
	357,441	77,299
Held-to-maturity investment		
– promissory note receivable	**40,391**	–
Available-for-sale investments	**14,034**	230
	418,243	82,502
Financial liabilities		
Other financial liabilities at amortised cost		
– trade and bills payables	**239,134**	18,143
– other payables and accruals	**19,001**	14,471
– dividend payables	**1,294**	–
– bank borrowings	**8,100**	18,811
– obligations under finance leases	**269**	347
	267,798	51,772

Notes to the Consolidated Financial Statements

For the year ended 31 March 2010

6. FINANCIAL INSTRUMENTS *(Continued)*

b) Financial risk management objectives and policies

The Group's financial instruments include financial assets at fair value through profit or loss, loan receivables, trade and bills receivables, other receivables and deposits, client trust funds, pledged bank deposit, bank balances and cash, promissory note receivable, available-for-sale investments, trade and bills payables, other payables and accruals, dividend payables, bank borrowings and obligations under finance leases. Details of the financial instruments are disclosed in the relevant notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

i) Currency risk

The Group's business activities and its assets and liabilities were mainly denominated in HK$ and United States dollars ("USD"). The management considers the Group does not expose to significant foreign currency risk as majority of its operations and transaction are denominated in the functional currency of the group entity. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

USD is not the functional currency of the group entity, but HK$ is pegged to USD, the Group does not expect any significant movements in the USD/HK$ exchange rates. In the opinion of directors of the Company, the foreign currency sensitivity does not give additional value in view of insignificant movement in the USD/HK$ exchange rates and insignificant exposure of other foreign currencies in relation to bank balances (see note 27) at the end of the reporting period. Accordingly, no foreign currency sensitivity is disclosed.

ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to promissory note receivable, fixed-rate bank deposit and obligations under finance leases (see notes 18, 26 and 32 respectively for details).

The Group is also exposed to cash flow interest rate risk in relation to loan receivables, client trust funds, bank balances, trade payables and bank borrowings (see notes 21, 25, 27, 29 and 31 respectively for details). The interest rate risk is managed by the directors of the Company on an ongoing basis with the primary objective of limiting extent to which interest expense could be affected by adverse movement in interest rates.

6. FINANCIAL INSTRUMENTS *(CONTINUED)*

b) Financial risk management objectives and policies *(Continued)*

Market risk (Continued)

ii) Interest rate risk *(Continued)*

The sensitivity analysis below has been determined based on the exposure to interest rates for loan receivables, client trust funds, bank balances, trade payables and bank borrowings at the end of reporting period. The analysis is prepared assuming financial instruments outstanding at the end of reporting period were outstanding for the whole year. A 50 (2009: 50) basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 (2009: 50) basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 March 2010 would increase/decrease by approximately HK$528,000 (2009: loss for the year would decrease/increase by approximately HK$117,000).

iii) Other price risk

Other price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the values of individual securities. The Group is exposed to equity price risk arising from individual equity investment classified as FVTPL (note 24) and available-for-sale investments (note 19) as at 31 March 2010. The Group's listed investments are listed on the Stock Exchange and Ho Chi Minh Stock Exchange and are valued at quoted market prices at the end of the reporting period. The Group's unlisted securities are valued at quoted prices provided by the financial institution. In addition, the Group monitors the price risk exposure and will consider hedging the risk exposure should the need arise.

The sensitivity analyses below have been determined based on the Group's exposure to equity price risks at the end of the reporting period.

If the price of the respective equity instruments classified as FVTPL had been 5% (2009: 5%) higher/lower, the post tax profit for the year ended 31 March 2010 would increase/decrease by approximately HK$319,000 (2009: loss would decrease/increase by approximately HK$249,000) for the Group, as a result of the changes in fair value of financial assets classified as FVTPL.

If the price of the respective equity instruments classified as available-for-sale investments had been 5% (2009: 5%) higher/lower, the investment valuation reserve would increase/decrease by approximately HK$509,000 (2009: HK$12,000) for the Group, as a result of the changes in fair value of available-for-sale investments.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2010

6. FINANCIAL INSTRUMENTS *(CONTINUED)*

b) Financial risk management objectives and policies *(Continued)*

Credit risk

As at 31 March 2010, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings.

For the securities dealing, broking and financial business, loan will be granted based on assessment on financial status, repayment records and the liquidity of collaterals placed by a customer and the interest rate will be determined thereon. The Group's loans to customers arising from the business of securities dealings are secured by the underlying pledged securities. Loan will be repayable on demand once a customer fails to repay any deposit, margin or other sum payable to the Group.

The account executives of the Group are responsible for making margin calls to customers whose trades exceed their respective limits. The deficiency report will be monitored daily by the Group's directors and responsible officers.

In addition, the management has considered the strong financial background of the issuer of the promissory note receivable, and therefore considered that there is no significant credit risk on the promissory note receivable. The Group has concentration of credit risk on promissory note receivable as the total amount of the promissory note receivable were due from one counterparty.

The Group has concentration of credit risk as 53% (2009: 53%) and 69% (2009: 82%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively. The Group's concentration of credit risk by geographical locations is mainly in Hong Kong, which accounted for 100% (2009: 97%) of the total trade receivables as at 31 March 2010.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, trade receivables and promissory note receivable, the Group has no significant concentration of credit risk on loan receivables and other receivables, with exposure spread over a number of counterparties.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2010

6. FINANCIAL INSTRUMENTS *(Continued)*

b) Financial risk management objectives and policies *(Continued)*

Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient amount of cash and adequate banking facilities from major financial institutions to meet its liquidity requirements in the short and long term.

In respect of the Group's securities dealing and broking services business, it is subject to various statutory liquidity requirements as prescribed by the respective government authorities. The Group has put in place monitoring system to ensure that it maintains adequate liquid capital to fund its business commitments and to comply with the relevant Financial Resources Rules.

Liquidity tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group is required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

As at 31 March 2010

	Weighted average interest rate	On demand/ within one year HK$'000	One year to two years HK$'000	Over two years HK$'000	Total contractual undiscounted cash flow HK$'000	Carrying amount HK$'000
Trade and bills payables	0.01%	239,158	–	–	239,158	239,134
Other payables and accruals	–	19,001	–	–	19,001	19,001
Dividend payables	–	1,294	–	–	1,294	1,294
Bank borrowings	2.5%	1,389	1,359	6,045	8,793	8,100
Obligations under finance leases	5.28%	95	94	103	292	269
		260,937	1,453	6,148	268,538	267,798

As at 31 March 2009

	Weighted average interest rate	On demand/ within one year HK$'000	One year to two years HK$'000	Over two years HK$'000	Total contractual undiscounted cash flow HK$'000	Carrying amount HK$'000
Trade and bills payables	0.01%	18,145	–	–	18,145	18,143
Other payables and accruals	–	14,471	–	–	14,471	14,471
Bank borrowings	2.5%	7,166	2,145	10,298	19,609	18,811
Obligations under finance leases	5.28%	94	95	197	386	347
		39,876	2,240	10,495	52,611	51,772

Notes to the Consolidated Financial Statements

For the year ended 31 March 2010

6. FINANCIAL INSTRUMENTS *(Continued)*

c) Fair value

The fair value of financial assets and financial liabilities are determined as follows:

– the fair values of financial assets at fair value through profit or loss and available-for-sale investments with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices and ask prices, respectively; and

– the fair values of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost reported in the consolidated statement of financial positions of the Group approximate their fair values due to their immediate or short-term maturities.

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 based on the degree to which the fair value is observable.

– Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.

	31 March 2010 Level 1 HK$'000
Financial assets at fair value through profit or loss	**6,377**
Available-for-sale investments	**10,177**
	16,554

7. SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments with effect from 1 January 2009. HKFRS 8 is a disclosure standard that 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, the board of directors, for the purposes of allocating resources to segments and assessing their performance. In contrast, the predecessor standard (HKAS 14 Segment Reporting) required an entity to identify two sets of segments (business and geographical), using a risks and returns approach. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. The application of HKFRS 8 has also changed the basis of measurement of segment profit or loss.

In prior years, segment information reported externally was analysed on the basis of business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. However, the Company's board of directors who are the chief operating decision makers, review revenue and results by operations for the purposes of resource allocation and assessment of performance. The Group's operating segments changed from seven business segments to six operating segments for adoption of HKFRS 8 are therefore as follows:

– the general import and export trading segment mainly engages in the trading of frozen foods, electronic accessories and garment;

– the securities dealing and broking services segment provides underwriting, trading and broking services mainly on marketable securities;

– the financing segment engages in money lending;

– the trading of securities segment engages in dealing with listed securities;

– the property redevelopment and investment segment engages in property redevelopment and letting of property; and

– the strategic investments segment engages in investments for an identified long-term purpose.

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For the year ended 31 March 2010

7. SEGMENT INFORMATION *(Continued)*

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment.

For the year ended 31 March 2010

	General import and export trading HK$'000	Securities dealing and broking services HK$'000	Financing HK$'000	Trading of securities HK$'000	Property development and investment HK$'000	Strategic investments HK$'000	Eliminations HK$'000	Consolidated HK$'000
Segment revenue								
External sales	**16,338**	**51,236**	**4,434**	**300**	**–**	**–**	**–**	**72,308**
Inter-segment sales	**–**	**742**	**–**	**–**	**–**	**–**	**(742)**	**–**
	16,338	**51,978**	**4,434**	**300**	**–**	**–**	**(742)**	**72,308**
Segment (loss) profit	**(204)**	**35,284**	**3,806**	**31,695**	**4,229**	**4,915**	**–**	**79,725**
Unallocated income and expenses								**(12,689)**
Profit before tax								**67,036**

For the year ended 31 March 2009

	General import and export trading HK$'000	Securities dealing and broking services HK$'000	Financing HK$'000	Trading of securities HK$'000	Property development and investment HK$'000	Strategic investments HK$'000	Eliminations HK$'000	Consolidated HK$'000
Segment revenue								
External sales	41,448	8,960	3,660	57	–	–	–	54,125
Inter-segment sales	–	1,354	–	–	–	–	(1,354)	–
	41,448	10,314	3,660	57	–	–	(1,354)	54,125
Segment (loss) profit	(1,398)	947	460	(10,235)	3,400	794	–	(6,032)
Unallocated income and expenses								(12,475)
Loss before tax								(18,507)

7. SEGMENT INFORMATION *(Continued)*

Segment revenues and results *(Continued)*

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit (loss) represents the profit earned by (loss from) each segment without allocation of central administrative costs, directors' salaries, bank interest income and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Inter-segment sales are changed at prevailing market rates.

Segment assets and liabilities

The segment assets and liabilities at 31 March 2010 by reportable segment are as follows:

	General import and export trading HK$'000	Securities dealing and broking services HK$'000	Financing HK$'000	Trading of securities HK$'000	Property development and investment HK$'000	Strategic investments HK$'000	Unallocated HK$'000	Consolidated HK$'000
Segment assets	8,298	260,982	1,516	20,429	57,036	44,259	85,685	478,205
Segment liabilities	1,407	249,968	138	300	1	18	19,319	271,151

The segment assets and liabilities at 31 March 2009 by reportable segment are as follows:

	General import and export trading HK$'000	Securities dealing and broking services HK$'000	Financing HK$'000	Trading of securities HK$'000	Property development and investment HK$'000	Strategic investments HK$'000	Unallocated HK$'000	Consolidated HK$'000
Segment assets	6,937	30,741	1,933	9,739	78,036	179,658	34,563	341,607
Segment liabilities	1,922	23,084	460	300	29	106,294	28,742	160,831

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For the year ended 31 March 2010

7. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities *(Continued)*

For the purposes of monitoring segment performance and allocating resources between segments:

– all assets are allocated to reportable segments other than tax recoverable, pledged bank deposit, bank balances and cash, unallocated plant and equipment, and unallocated other receivables, deposits and prepayments; and

– all liabilities are allocated to reportable segments other than dividend payables tax liabilities, bank borrowings obligations under finance leases, and unallocated other payables and accruals.

Other segment information

For the year ended 31 March 2010:

	General import and export trading HK$'000	Securities dealing and broking services HK$'000	Financing HK$'000	Trading of securities HK$'000	Property development and investment HK$'000	Strategic investments HK$'000	Unallocated HK$'000	Consolidated HK$'000
Amounts included in the measure of segment profit or loss or segment assets:								
Change in fair value of investment properties	–	–	–	–	2,000	–	–	2,000
Change in fair value of financial assets at fair value through profit or loss	–	–	–	107	–	–	–	107
Gain on disposal of financial assets at fair value through profit or loss	–	–	–	31,286	–	–	–	31,286
Impairment loss recognised in respect of trade receivables	(239)	–	–	–	–	–	–	(239)
Reversal of impairment loss recognised in respect of trade receivables	25	–	–	–	–	–	–	25
Impairment loss recognised in respect of loan receivables	–	(320)	(492)	–	–	–	–	(812)
Reversal of impairment loss recognised in respect of loan receivables	–	1,213	241	–	–	–	–	1,454
Bad debt recovery for loan receivables	–	–	110	–	–	–	–	110
Gain on disposal of subsidiaries	–	–	–	–	2,717	8,412	–	11,129
Depreciation	–	117	–	–	1	–	388	506
Loss on disposals of plant and equipment	14	–	–	–	–	–	14	28
Reversal of allowance for inventories	53	–	–	–	–	–	–	53
Addition to non-current assets (Note)	–	22	–	–	–	–	619	641
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:								
Interest income	344	122	–	–	–	–	22	488
Finance costs	29	–	–	–	277	–	16	322
Income tax expense	–	1,376	–	–	–	–	–	1,376

Note: *Non-current assets excluded financial instruments including promissory note receivable and available-for-sale investments.*

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7. SEGMENT INFORMATION *(Continued)*

Other segment information *(Continued)*

For the year ended 31 March 2009:

	General import and export trading HK$'000	Securities dealing and broking services HK$'000	Financing HK$'000	Trading of securities HK$'000	Property development and investment HK$'000	Strategic investments HK$'000	Unallocated HK$'000	Consolidated HK$'000
Amounts included in the measure of segment profit or loss or segment assets:								
Change in fair value of investment properties	–	–	–	–	4,000	–	–	4,000
Change in fair value of financial assets at fair value through profit or loss	–	–	–	(7,737)	–	–	–	(7,737)
Loss on disposal of financial assets at fair value through profit or loss	–	–	–	(2,555)	–	–	–	(2,555)
Impairment loss recognised in respect of trade receivables	(584)	(41)	–	–	–	–	–	(625)
Reversal of impairment loss recognised in respect of trade receivables	153	–	–	–	–	–	–	153
Impairment loss recognised in respect of other receivables	–	–	–	–	–	(319)	–	(319)
Impairment loss recognised in respect of loan receivables	–	–	(120)	–	–	–	–	(120)
Reversal of impairment loss recognised in respect of loan receivables	–	206	248	–	–	–	–	454
Bad debt recovery for loan receivables	–	96	–	–	–	–	–	96
Depreciation	3	142	–	–	177	–	279	601
Loss on disposals of plant and equipment	–	–	–	–	–	–	7	7
Allowance for inventories	192	–	–	–	–	–	–	192
Addition to non-current assets (Note)	–	122	–	–	–	–	543	665
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:								
Interest income	227	117	5	–	–	–	74	423
Finance costs	93	–	–	–	356	–	129	578
Income tax expense	–	87	–	–	–	–	–	87

Note: Non-current assets excluded financial instruments including available-for-sale investments.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2010

7. SEGMENT INFORMATION *(CONTINUED)*

Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

	2010 HK$'000	2009 HK$'000
Sales of frozen foods	**15,846**	28,639
Sales of electronic accessories	**148**	5,002
Sales of garment	**344**	7,807
Commission and brokerage income from securities dealing	**51,236**	8,960
Interest income from margin and other financing	**4,434**	3,660
Dividend income	**300**	57
	72,308	54,125

Geographical information

The Group's operations are located in Hong Kong (country of domicile), Europe, North America and the People's Republic of China (the "PRC").

The Group's revenue from external customers and information about its non-current assets by geographical location of the assets are detailed below:

	Revenue from external customers		Non-current assets	
	2010 HK$'000	2009 HK$'000	2010 HK$'000	2009 HK$'000
Hong Kong	**72,141**	44,663	**59,165**	80,188
Europe	**149**	5,402	**–**	–
North America	**–**	3,945	**–**	–
PRC	**18**	115	**–**	–
	72,308	54,125	**59,165**	80,188

Note: Non-current assets excluded promissory note receivable and available-for-sale investments.

Information about major customers

For the year ended 31 March 2010 and 31 March 2009, revenue from one customer of the Group's general import and export trading segment amounting to HK$10,369,000 and HK$23,210,000 respectively had individually accounted for over 10% of the Group's total revenue.

Notes to the Consolidated Financial Statements

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8. TURNOVER, REVENUE AND OTHER INCOME

Turnover represents the amounts received and receivable for goods sold and services provided, trading of securities, commission and brokerage income from securities dealing, interest income from margin and other financing, and dividend income are analysed as follows:

	2010 HK$'000	2009 HK$'000
Turnover comprises:		
Proceeds from held for trading investments	**204,839**	78,021
Sale of goods	**16,338**	41,448
Commission and brokerage income from securities dealing	**51,236**	8,960
Interest income from margin and other financing	**4,434**	3,660
Dividend income	**300**	57
	277,147	132,146
Revenue comprises:		
Sale of goods	**16,338**	41,448
Commission and brokerage income from securities dealing	**51,236**	8,960
Interest income from margin and other financing	**4,434**	3,660
Dividend income	**300**	57
	72,308	54,125
Other income comprises:		
Interest income	**488**	423
Gain on foreign exchange	**–**	1,770
Compensation received	**–**	673
Gain on disposal of available-for-sale investment	**9**	–
Sundry income	**2,661**	2,469
	3,158	5,335

9. FINANCE COSTS

	2010 HK$'000	2009 HK$'000
Interest on:		
– bank overdrafts and bank borrowings wholly repayable within five years	**306**	451
– obligations under finance leases	**16**	19
– deposits received in respect of termination of proposed subscription of new shares	**–**	108
	322	578

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10. INCOME TAX EXPENSE

	2010 HK$'000	2009 HK$'000
Hong Kong Profits Tax		
Current year	**1,400**	87
Overprovision in prior years	**(24)**	–
Income tax expense for the year	**1,376**	87

On 26 June 2008, the Hong Kong Legislative Council passed to the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

The income tax expense for the year can be reconciled to the profit (loss) before tax per the consolidated income statements follows:

	2010 HK$'000	2009 HK$'000
Profit (loss) before tax	**67,036**	(18,507)
Tax at domestic income tax rate of 16.5% (2009: 16.5%)	**11,061**	(3,054)
Tax effect of expenses not deductible for tax purpose	**669**	1,390
Tax effect of income not taxable for tax purpose	**(2,219)**	(1,561)
Tax effect of tax losses not recognised	**562**	3,369
Overprovision in prior years	**(24)**	–
Utilisation of tax loss previously not recognised	**(8,673)**	(57)
Income tax expense for the year	**1,376**	87

As at 31 March 2010, the Group has unused tax losses of approximately HK$231,251,000 (2009: HK$302,214,000) available for offset against future profits. No deferred tax asset has been recognised of such losses due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

11. PROFIT (LOSS) FOR THE YEAR

Profit (loss) for the year has been arrived at after charging (crediting):

	2010 HK$'000	2009 HK$'000
Staff costs (including directors' remuneration):		
– Salaries, allowances and other benefits	**12,653**	12,662
– Retirement benefit scheme contributions	**570**	476
	13,223	13,138
Auditor's remuneration	**680**	550
Depreciation	**506**	601
Loss on disposals of plant and equipment	**28**	7
Lease payments under operating leases for rented premises	**1,457**	1,306
Cost of inventories recognised as an expense	**15,979**	39,658
(Reversal of) allowance for inventories (included in cost of sales)	**(53)**	192

12. DIRECTORS' REMUNERATION

The remuneration paid or payable to each of ten (2009: eight) directors were as follows:

Name of director	Fees HK$'000	Salaries and other benefits HK$'000	Retirement benefit scheme contributions HK$'000	Total HK$'000
For the year ended 31 March 2010				
Executive directors				
Cheung Hoo Win	–	**455**	**12**	**467**
Yeung Han Yi Yvonne	–	**735**	**36**	**771**
Chan Chi Mei Miranda	–	**601**	**30**	**631**
Zhang Yuyan	–	**150**	–	**150**
Chen Lili (note c)	–	**51**	–	**51**
Independent non-executive directors				
Yeung Shun Kee Edward	**80**	–	–	**80**
Li Hancheng	**100**	–	–	**100**
Lim Man San David (note a)	–	–	–	–
Lo Tsz Fung Philip (note b)	**79**	–	–	**79**
Zhao Qingji (note b)	**179**	–	–	**179**
	438	**1,992**	**78**	**2,508**

Notes:

(a) Resigned on 6 April 2009

(b) Appointed on 6 April 2009

(c) Appointed on 29 October 2009

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For the year ended 31 March 2010

12. DIRECTORS' REMUNERATION *(Continued)*

Name of director	Fees HK$'000	Salaries and other benefits HK$'000	Retirement benefit scheme contributions HK$'000	Total HK$'000
For the year ended 31 March 2009				
Executive directors				
Cheung Hoo Win	–	438	12	450
Yeung Han Yi Yvonne	–	706	36	742
Chan Chi Mei Miranda	–	586	29	615
Zhang Yuyan	–	150	–	150
Independent non-executive directors				
Lim Man San David (note a)	80	–	–	80
Yeung Shun Kee Edward	130	–	–	130
Chow Pat Kan (note d)	80	–	–	80
Li Hancheng (note e)	32	–	–	32
	322	1,880	77	2,279

Note:

(d) Resigned on 5 December 2008

(e) Appointed on 5 December 2008

No directors waived or agree to waive any emoluments for the two years ended 31 March 2010 and 2009. No emoluments have been paid to the directors of the Company or as an inducement to join or upon joining the Group or as compensation for loss of office during the two years ended 31 March 2010 and 2009.

13. EMPLOYEES' EMOLUMENTS

During the year, the five highest paid individuals included three directors (2009: three directors) of the Company, whose emoluments have been included in note 12 above. The emoluments of the remaining two individuals (2009: two individuals) for the years ended 31 March 2010 and 2009 were as follows:

	2010 HK$'000	2009 HK$'000
Salaries, allowances and other benefits	**1,589**	1,265
Retirement benefit scheme contributions	**39**	31
	1,628	1,296

No emoluments have been paid to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the two years ended 31 March 2010 and 2009.

Their emoluments were within the following band:

	No. of employees 2010	 2009
– Nil to HK$1,000,000	**2**	2

14. DIVIDEND

	2010 HK$'000	2009 HK$'000
Proposed interim dividend	**2,994**	3,368
Proposed final dividend	**2,245**	–
	5,239	3,368

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14. DIVIDEND *(Continued)*

Final Dividend for 2010

On 19 July 2010, the board of directors resolved to propose a final cash dividend of HK0.12 cent per share with a scrip alternative to offer the right to shareholders to elect to receive such final dividend wholly or partly by allotment and issue of scrip shares credited as fully paid in lieu of cash dividend (the "2010 Final Dividend").

In addition to the Bonus Issue Proposal (as defined below), the board of directors further proposed a new bonus issue of shares to its shareholders, pursuant to which bonus shares will be issued to shareholders on the basis of 1 bonus share for every 10 shares held by the shareholders (the "New Bonus Issue Proposal").

Both the 2010 Final Dividend and the New Bonus Issue Proposal are conditional on (i) the approval of shareholders at the forthcoming annual general meeting of the Company; and (ii) the grant of the listing approval by the Stock Exchange for the listing of, and permission to deal in, the scrip shares and bonus share to be issued thereof.

Interim Dividend for 2010

On 27 November 2009, the board of directors resolved to propose an interim cash dividend of HK0.16 cent per share with a scrip alternative to offer the right to shareholders to elect to receive such interim dividend wholly or partly by allotment and issue of scrip shares credited as fully paid in lieu of cash dividend (the "2010 Interim Dividend"). In addition to the 2010 Interim Dividend, the board of directors also proposed bonus issue of shares on the basis of 1 bonus share for every 10 shares held by shareholders (the "Bonus Issue Proposal").

Both the 2010 Interim Dividend and the Bonus Issue Proposal are conditional on (i) the approval of shareholders at a special general meeting of the Company; (ii) the grant of the listing approval by the Stock Exchange for the listing of, and permission to deal in, the scrip shares and bonus share to be issued thereof; and (iii) the resumption of trading in shares of the Company.

The 2010 Interim Dividend and the Bonus Issue Proposal were approved by shareholders in the special general meeting of the Company on 30 March 2010. However, as the conditions (ii) and (iii) have not been fulfilled, both the 2010 Interim Dividend (excluding the cash payment) and the Bonus Issue Proposal could not be proceeded up to the date of approval of these consolidated financial statements. The cash payment, either wholly or partly, for the 2010 Interim Dividend was not subject to resumption of trading in shares of the Company. An amount of approximately HK$1,294,000 was paid to shareholders who elected to receive cash for the 2010 Interim Dividend.

Interim Dividend for 2009

On 19 December 2008, the board of directors resolved to propose an interim scrip dividend of HK0.18 cent per share wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment (the "2009 Interim Dividend").

The 2009 Interim Dividend is subject to (i) the approval of shareholders at a special general meeting of the Company; and (ii) the grant of the listing approval by the Stock Exchange for the listing of, and permission to deal in, the scrip shares to be issued thereof. The 2009 Interim Dividend was approved by shareholders in the special general meeting of the Company held on 18 August 2009. However, as the condition (ii) has not been fulfilled, the 2009 Interim Dividend could not be proceeded up to the date of approval of these consolidated financial statements.

15. EARNINGS (LOSS) PER SHARE

The calculation of basic earnings (loss) per share for the year is based on the profit for the year attributable to owners of the Company of approximately HK$66,418,000 (2009: loss of approximately HK$18,818,000) and the weighted average number of 1,871,188,679 (2009: 1,871,188,679) ordinary shares in issue during the year.

The basic and diluted earnings (loss) per share are the same for the years ended 31 March 2010 and 2009 as there were no potential ordinary shares outstanding for both years.

16. PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
COST				
At 1 April 2008	1,440	4,242	1,645	7,327
Additions	7	155	503	665
Disposals	–	(25)	(7)	(32)
At 31 March 2009 and 1 April 2009	1,447	4,372	2,141	7,960
Additions	–	33	608	641
Disposals	–	(102)	(207)	(309)
Disposal of subsidiaries	–	(32)	(414)	(446)
At 31 March 2010	**1,447**	**4,271**	**2,128**	**7,846**
ACCUMULATED DEPRECIATION				
At 1 April 2008	1,230	3,391	568	5,189
Charge for the year	77	195	329	601
Eliminated on disposals	–	(16)	(2)	(18)
At 31 March 2009 and 1 April 2009	1,307	3,570	895	5,772
Charge for the year	37	185	284	506
Eliminated on disposals	–	(66)	(85)	(151)
Disposal of subsidiaries	–	(32)	(414)	(446)
At 31 March 2010	**1,344**	**3,657**	**680**	**5,681**
CARRYING VALUES				
At 31 March 2010	**103**	**614**	**1,448**	**2,165**
At 31 March 2009	140	802	1,246	2,188

The above items of plant and equipment are depreciated on a reducing balance method at the following rates per annum:

Leasehold improvements	25%
Furniture, fixtures and equipment	15%
Motor vehicles	20%

At 31 March 2010, the carrying amount of the motor vehicles held by the Group under finance leases amounted to approximately HK$318,000 (2009: HK$398,000).

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17. INVESTMENT PROPERTIES

	2010 HK$'000	2009 HK$'000
FAIR VALUE		
At beginning of the year	**78,000**	74,000
Changes in fair value recognised in profit or loss	**2,000**	4,000
Disposal (note 38(a))	**(23,000)**	–
At 31 March	**57,000**	78,000
Leasehold properties situated in Hong Kong held under medium-term lease	**57,000**	78,000

The fair value of the Group's investment properties at 31 March 2010 and 31 March 2009 have been arrived at on the basis of valuation carried out on the respective year end date by LCH (Asia-Pacific) Surveyors Limited ("LCH") and Asset Appraisal Limited ("Asset Appraisal") respectively, independent qualified professional valuers not connected with the Group. Both LCH and Asset Appraisal are members of the Hong Kong Institute of Surveyor, and have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation was arrived at by reference to market evidence of transaction prices for similar properties in the same locations and conditions.

All of the Group's property interests held under operating leases to earn rental or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

At the end of the reporting period, the Group's investment properties of approximately HK$57,000,000 (2009: HK$78,000,000) have been pledged to secure the banking facilities granted to the Group as details stated in note 37.

18. PROMISSORY NOTE RECEIVABLE

The promissory note was received with 6% coupon rate in connection with the disposal of (i) 90% equity interests in Onland Investment Limited ("Onland") and its subsidiaries (the "Onland Group"); and (ii) the unsecured debts of approximately HK$253,396,000 owned by the Onland Group to Simplex Inc., a wholly-owned subsidiary of the Company, on 31 March 2010 (note 38(b)).

The promissory note with aggregate nominal value of HK$44,000,000 is secured by 90% equity interests in the Onland Group and with a maturity period of 18 months, i.e. payable on 30 September 2011. The Company is intended that the promissory note will be held for 18 months from the date of issue upon maturity. The effective interest rate of the promissory note is determined to be 12.13% per annum.

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19. AVAILABLE-FOR-SALE INVESTMENTS

	2010 HK$'000	2009 HK$'000
Listed investments:		
– equity investments issued by corporate entities listed in Hong Kong, at fair value	–	230
– debt securities issued by corporate entities listed in Hong Kong with fixed interest of 5.55% per annum and maturity date on 11 February 2020, at fair value	10,177	–
	10,177	230
Unlisted investment:		
– equity securities, at cost	3,857	–
Total	14,034	230

The above unlisted equity investment represents the Group's 10% equity interest in the Onland Group. As set out in note 38(b), during the year ended 31 March 2010, the Group had partially disposed of its interests in the Onland Group, being the disposal of an aggregate of 9 shares in Onland representing 90% equity interests in the Onland Group previously held by the Group, for a consideration of approximately HK$48,000,000. The directors of the Company are of the opinion that upon the completion of disposal of the 90% equity interests in the Onland Group, the Group no longer had control, joint-control or significant influence over the financing and operating policy decision of the Onland Group. Immediately after the disposal, the Group's remaining 10% equity interests in the Onland Group with a carrying amount of approximately HK$3,857,000 was reclassified to available-for-sale investments. The investment is measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that its fair value cannot be measured reliably.

20. INVENTORIES

	2010 HK$'000	2009 HK$'000
Finished goods	344	156

During the year, there was an increase in the net realisable value of inventory due to market demands. As a result, a reversal of written-down of inventories of HK$53,000 (2009: nil) has been recognised and included in cost of sales in the current year.

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21. LOAN RECEIVABLES

	2010 HK$'000	2009 HK$'000
Securities dealing and broking services		
– secured margin loans (note)	**38,749**	25,312
Less: Impairment loss recognised	**(8,695)**	(9,587)
	30,054	15,725
Financing business		
– unsecured loans	**8,638**	19,604
Less: Impairment loss recognised	**(7,207)**	(17,690)
	1,431	1,914
	31,485	17,639

Note:

Secured loans to margin clients are secured by the underlying pledged securities and are interest-bearing. No aged analysis is disclosed as, in the opinion of the directors, an aged analysis is not meaningful in view of the nature of the business of securities dealing and broking services.

The amount of credit facilities granted to clients is determined by the market value of the collateral securities accepted by the Group. As at 31 March 2010, the total market value of securities pledged as collateral in respect of the loans to clients was approximately HK$75,000,000 (2009: HK$52,000,000).

Loan receivables on secured margin loans of approximately HK$38,749,000 (2009: HK$25,312,000) bear interests at interest rates with reference to prime rate plus a spread for both years. Loan receivables on unsecured loans of approximately HK$3,373,000 (2009: HK$3,373,000) bear interests at interest rates with reference to commercial rates, the remaining balances of approximately HK$5,265,000 (2009: HK$16,231,000) are non-interest bearing.

The aged analysis of the Group's loan receivables for the financing business, net of accumulated impairment losses, based on the loans release date at the end of the reporting period for the financing business is as follows.

	2010 HK$'000	2009 HK$'000
Within 6 months	**197**	189
7 to 12 months	**698**	838
Over 1 year	**536**	887
	1,431	1,914

In respect of the loan receivables for the financing business, individual credit evaluations are performed on all customers. These evaluations focus on the customer's financial background and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

21. LOAN RECEIVABLES *(Continued)*

The following is an aged analysis of the Group's loan receivables for the financing business which are past due but not impaired at the end of the reporting period:

	Total	Neither past due nor impaired	Past due but not impaired < 90 days	91 to 180 days	181 to 365 days	Over 1 year
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
31 March 2010	1,431	–	25	25	549	832
31 March 2009	1,914	85	84	558	1,116	71

The Group does not hold any collateral over the total amount of loan receivables for financing business.

At the end of each reporting period, the Group's loan receivables were individually determined to be impaired. The individually impaired loan receivables are recognised based on the credit history of its client, such as financial difficulties or default in payments, sufficiency of collateral and current market conditions. Consequently, specific impairment provision was recognised.

Receivables that were past due but not impaired relate to a number of independent clients that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no impairment is necessary in respect of these balances as there has not been significant change in credit quality and the balances are still considered fully recoverable.

The movement in the impairment of loan receivables is as follows:

	Financing business		Margin clients		Total	
	2010	2009	**2010**	2009	**2010**	2009
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
At beginning of the year	**17,690**	17,938	**9,587**	9,673	**27,277**	27,611
Impairment loss recognised for the year	**492**	–	**320**	120	**812**	120
Amounts written off as uncollectible for the year	**(10,733)**	–	**–**	–	**(10,733)**	–
Reversal of impairment loss recognised for the year	**(242)**	(248)	**(1,212)**	(206)	**(1,454)**	(454)
At 31 March	**7,207**	17,690	**8,695**	9,587	**15,902**	27,277

Included in the impairment of loan receivables are individually impaired loan receivables with an aggregate balance of HK$15,902,000 (2009: HK$27,277,000) which have been in disputes with the Group or in severe financial difficulties.

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22. TRADE AND BILLS RECEIVABLES

Trading terms with general trading customers are largely on credit, except for new customers, where payment in advance is normally required. Invoices are normally payable within 30 to 60 days of issuance, except for certain well-established customers, where the terms are extended to 90 days. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are regularly reviewed by senior management. The general settlement terms of trade receivable attributable to the securities dealing and the broking services are two days after the trade date.

	2010 HK$'000	2009 HK$'000
Trade receivables	**13,257**	9,797
Bills receivables	**–**	725
	13,257	10,522
Less: Impairment losses recognised	**(1,843)**	(1,725)
	11,414	8,797

	2010 HK$'000	2009 HK$'000
Balance in relation to:		
– securities dealing and broking services	**3,477**	2,094
– general trading and others	**7,937**	6,703
	11,414	8,797

An aged analysis of the Group's trade and bills receivables net of impairment presented based on the invoice date at the end of the reporting period is as follows:

	2010 HK$'000	2009 HK$'000
Within 6 months	**10,392**	8,208
7 to 12 months	**1,009**	448
Over 1 year	**13**	141
	11,414	8,797

Include in the Group's trade receivable balances are trade debtors with aggregate carrying amount of HK$3,484,000 (2009: HK$2,518,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss. These past due but not impaired balances mainly represent sales made to recognised and creditworthy customers. These customers who trade on credit terms are subject to credit verification procedures. For these past due but not impaired balances, no impairment is considered necessary by the directors of the Company based on the historical payment records.

The Group does not hold any collateral over the total amount of trade and bills receivables.

22. TRADE AND BILLS RECEIVABLES *(Continued)*

The following is an aged analysis of trade receivables which are past due but not impaired at the end of the reporting period:

	Total	Neither past due nor impaired	Past due but not impaired < 90 days	91 to 180 days	181 to 365 days	1 to 2 years
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
31 March 2010	**11,414**	**7,930**	**3,467**	**2**	**8**	**7**
31 March 2009	8,797	6,279	1,155	774	448	141

At the end of each reporting period, the Group's trade and bills receivables were individually determined to be impaired. The individually impaired trade and bills receivables are recognised based on the credit history of the counterparties, such as financial difficulties or default payments. Consequently, specific impairment loss was recognised.

The movement in the impairment of trade receivables is as follows:

	2010	2009
	HK$'000	HK$'000
At beginning of the year	**1,725**	1,253
Impairment loss recognised for the year	**239**	625
Amounts written off as uncollectible	**(96)**	–
Reserval of impairment loss recognised for the year	**(25)**	(153)
At 31 March	**1,843**	1,725

Included in the impairment of trade receivables are individually impaired trade receivables with an aggregate balance of HK$1,843,000 (2009: HK$1,725,000) which have been in disputes with the Group or in severe financial difficulties. The Group does not hold any collateral over these balances.

The Group's trade and bills receivables that are denominated in currency other than the functional currency of the relevant group companies before impairment loss recognised are as follows:

	2010	2009
	HK$'000	HK$'000
USD	**272**	1,098

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23. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

The movement in the impairment of other receivables is as follows:

	2010 HK$'000	2009 HK$'000
At beginning of the year	**17,204**	16,885
Impairment loss recognised for the year	**–**	319
Disposal of subsidiaries	**(17,204)**	–
At 31 March	**–**	17,204

Included in the impairment of other receivables as at 31 March 2009 were individually impaired other receivables with an aggregate balance of HK$17,204,000 which have been in disputes with the Group or in severe financial difficulties. The Group does not hold any collateral over these balances.

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2010 HK$'000	2009 HK$'000
Fair value:		
Listed securities issued by corporate entities		
– listed in Hong Kong	**5,477**	4,264
– listed in Vietnam	**900**	–
	6,377	4,264
Unlisted securities issued by financial institution	**–**	709
	6,377	4,973

The fair values of the above listed and unlisted securities are determined based on the quoted market bid prices available on the relevant exchange and quoted prices provided by the financial institutions, respectively.

The Group's financial assets at fair value through profit or loss that are denominated in currencies other than the functional currency of the relevant group entities is as follows:

	2010 HK$'000	2009 HK$'000
Vietnam Dong ("VND")	**900**	709

25. CLIENT TRUST FUNDS

The Group maintains segregated trust accounts with authorised institutions to hold clients' monies arising from its securities brokerage and margin financing business. The Group has classified the clients' monies as client trust funds under the current assets section of the consolidated statement of financial position and recognised the corresponding trade payable (note 29) to respective clients on grounds that it is liable for any loss or misappropriation of clients' monies. The Group is restricted to use the clients' monies to settle its own obligations.

Client trust funds are interest-bearing at bank deposit savings rate (2009: bank deposit savings rate).

The Group's client trust funds that are denominated in currencies other than the functional currency of the relevant group entities is as follows:

	2010 HK$'000	2009 HK$'000
USD	**70,646**	–

26. PLEDGED BANK DEPOSIT

The pledged bank deposit carries fixed interest rate ranging from 0.05% to 0.49% (2009: 0.04% to 3.79%) per annum and has been pledged to bank to secure overdraft banking facilities granted to the Group, and hence is classified as current assets. The Group covenants to maintain deposits of not less than HK$5,000,000 (2009: HK$5,000,000) with a bank as a condition precedent to an overdraft facility granted by the bank. The bank deposits will be released when the overdraft facility is expired.

27. BANK BALANCES AND CASH

Bank balances comprise mainly short-term bank balances and deposits of approximately HK$77,759,000 (2009: HK$25,492,000) which carry interest at prevailing market rate. The maturities of bank balances were within three months.

The Group's bank balances that are denominated in currencies other than the functional currency of the relevant group entities is as follows:

	2010 HK$'000	2009 HK$'000
VND	**4**	3
EUR	**1**	1
RMB	**–**	2,256
USD	**270**	64

Included in the balances as at 31 March 2009 were bank balances of approximately HK$2,256,000 which were subject to foreign exchange control regulations or not freely transferable.

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28. INTEREST IN A JOINT VENTURE HELD-FOR-SALE

	2010 HK$'000	2009 HK$'000
Unlisted investment, at cost	**551,837**	551,837
Less: Accumulated amortisation	**(268,331)**	(268,331)
Impairment loss recognised	**(131,672)**	(131,672)
	151,834	151,834
Effect of foreign exchange rate	**26,246**	26,246
	178,080	178,080
Disposal of subsidiaries (note 38(b))	**(178,080)**	–
	–	178,080
Amount due to the joint venture (note 30(d))	**–**	(20,828)
Deposit received from the joint venture partner (note 30(e))	**–**	(84,909)
	–	72,343
Classified as:		
Current assets		
Interest in a joint-venture held-for-sale	**–**	178,080
Current liabilities		
Amount due to the joint venture, included in other payables (note 30(d))	**–**	(20,828)
Deposit received from the joint venture partner, included in other payables (note 30(e))	**–**	(84,909)
	–	72,343

The investment in a joint venture held-for-sale represents the Group's investment in a Sino-foreign co-operative joint venture (the "JV"), Wuhan Dongseng Highway Building Development Company Limited ("Dongseng"). The principal activity of Dongseng is the development and operation of a section of the National Highway 318 as a toll expressway in Wuhan, China for a tenure of 19.5 years commenced from 10 November 1995, including 1.5 years of construction and development period and an operational period of 18 years.

Pursuant to the joint venture agreement, the Group does not control or exercise significant influence over Dongseng and is only entitled to profit distribution throughout the operational period of 18 years. Upon expiry of the joint venture, the toll expressway will be returned to the joint venture partner (the "Chinese JV partner").

As the Chinese JV partner had unilaterally decided to relocate the toll station of the National Highway 318 during the year ended 31 March 2004, the Group therefore decided to dispose of its interest in Dongseng to the Chinese JV partner. Pursuant to an arbitration judgement issued by Wuhan Arbitration Commission (武漢仲裁委員會) on 18 April 2006 (the "Arbitration Judgement"), the Group's interest in Dongseng shall be transferred to the Chinese JV partner at a value of RMB157,298,300, equivalent to approximately HK$178,080,000 (2009: HK$178,080,000) as at 31 March 2010 (the "judgement amount").

28. INTEREST IN A JOINT VENTURE HELD-FOR-SALE *(Continued)*

In prior years, the Group had been negotiating with the Chinese JV partner and Wuhan Traffic Commission (武漢市交通委員會) regarding the transfer of its interest in Dongseng in accordance with the arbitration judgement. In April 2007, the Group received a remittance of RMB75,000,000 (equivalent to approximately HK$84,909,000), stated as re-purchase fund (the "deposit received"), from Wuhan Traffic Commission (武漢市交通委員會). The fund received has been applied to repay in full the outstanding bank loan amounted to RMB74,000,000 which is secured by the Group's interest in Dongseng.

In the year ended 31 March 2009, the Group received a copy of notice from Wuhan Traffic Commission (武漢市交通委員會) which advised the Group that the operation of a section of the National Highway 318 as a toll expressway in Wuhan was transferred from the Chinese JV partner to 武漢公路橋樑建設集團有限公司 (the "new Chinese JV partner"). Therefore, the liability of repaying the remaining balance of judgement amount of RMB82,298,000 was transferred from the Chinese JV partner to the new Chinese JV partner.

The Group continued to negotiate with the new Chinese JV partner and Wuhan Traffic Commission (武漢市交通委員會) regarding the transfer of its interest in Dongseng and payment of the remaining balance of the judgement amount in accordance with the Arbitration Judgement. The directors had sought legal advice and considered that the Arbitration Judgement and the disposal of the Group's interests in Dongseng is legally binding as of 31 March 2009. The directors considered it is appropriate to account for (i) the Group's interests in the joint venture of HK$178,080,000 as held-for-sale and included the amount under current assets and (ii) the deposits received from the joint venture partner of RMB75,000,000 (equivalent to approximately HK$84,909,000) were recorded as current liabilities as of 31 March 2009.

Pursuant to a letter of undertaking signed on 24 July 2009 by a director of the Company, the directors considered that no impairment in respect of the Group's interest in the joint venture held-for-sale is necessary and the Group's interest in the joint venture held-for-sale as at 31 March 2009 would be fully recoverable. The undertaking was released upon the disposal of the joint venture held-for-sale as at 31 March 2010.

The amount due to Dongseng was unsecured, interest-free and repayable on demand.

During the current year, the Group's interest in the joint venture held-for-sale, amount due to the joint venture and deposit received from the joint venture partner had been disposed of through the disposal of the 90% equity interest in Onalnd as stated in note 38(b).

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29. TRADE AND BILLS PAYABLES

	2010 HK$'000	2009 HK$'000
Trade and bills payables:		
– securities dealing and broking services	**237,742**	16,428
– general trading and others	**1,392**	1,715
	239,134	18,143

An aged analysis of the Group's trade and bills payables is as follows:

	2010 HK$'000	2009 HK$'000
Within 6 months	**226,911**	13,016
7 to 12 months	**10,624**	1,708
Over 1 year	**1,599**	3,419
	239,134	18,143

Trade payables for securities dealing and broking services are interest-bearing at the bank deposit savings rate (2009: bank deposit savings rate) per annum, the trade payables for general trading and others are non-interest bearing.

The Group's trade and bills payables that are denominated in currencies other than the functional currency of the Group are as follows:

	2010 HK$'000	2009 HK$'000
USD	**70,636**	47

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30. OTHER PAYABLES AND ACCRUALS

	2010 HK$'000	2009 HK$'000
Deposits received:		
– subscription of new shares (note (a))	**4,800**	4,800
– subscription of convertible bonds (note (b))	**988**	988
– subscription of share options (note (c))	**1,000**	1,000
Amount due to joint venture (note (d))	**–**	20,828
Deposits received from joint venture partner (note (e))	**–**	84,909
Other payables and accruals (note (f))	**14,201**	9,671
	20,989	122,196

Included in the balances are the following advances to or deposits received by the Group:

(a) Refundable deposits of approximately HK$4,800,000 (2009: HK$4,800,000) were received from the subscribers in relation to the subscription of the new shares in the Company. The balances are unsecured and refundable upon the expiry of the long stop date as prescribed in the subscription agreement or supplementary agreement. The long stop date for fulfillment of conditions precedent of the share subscription agreement has been extended to 30 September 2010 through various extensions of the long stop date.

(b) Non-refundable deposits of approximately HK$988,000 (2009: HK$988,000) were received from the subscribers in relation to the subscription of convertible bonds of the Company. The long stop date for fulfillment of conditions precedent of the convertible bonds subscription agreement has been extended to 31 December 2010 through various extensions of the long stop date.

(c) Non-refundable deposits of approximately HK$1,000,000 (2009: HK$1,000,000) was received by the subscriber in relation to the subscription of share options of the Company. The long stop date of the share option subscription had been extended to 31 December 2010 through various extensions of the long stop date.

(d) As at 31 March 2009, the advance of approximately HK$20,828,000 (2010: nil) was due to the joint venture. The balance was unsecured, interest-free and repayable on demand. The balance was transferred out during the year upon the disposal of 90% equity interest in Onland (note 38(b)).

(e) As at 31 March 2009, the original deposit received of RMB75,000,000 (equivalent to approximately HK$84,909,000) which was non-refundable was received from the joint venture partner in relation to the acquisition of the equity interest in a joint venture held-for-sale from the Group (note 28). The deposit received was transferred out during the year upon the disposal of 90% equity interest in Onland (note 38(b)).

(f) As at 31 March 2010 and 2009, included in other payables and accruals were amounts due to independent non-executive directors of the Company as details stated in note 40(c).

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31. BANK BORROWINGS

	2010 HK$'000	2009 HK$'000
Secured bank borrowings comprise:		
– Loans (note (a))	**8,100**	13,832
– Overdrafts (note (b))	**–**	4,979
	8,100	18,811
Bank borrowings are repayable:		
– Within one year	**1,200**	6,875
– More than one year, but not exceeding two years	**1,200**	1,896
– More than two year, but not exceeding five years	**5,700**	10,040
	8,100	18,811
Less: Amounts due within one year shown under current liabilities	**(1,200)**	(6,875)
Amounts due after one year	**6,900**	11,936

Notes:

(a) *As at 31 March 2010 and 2009, the amount is secured by investment properties (note 17) of the Group with aggregate net carrying value of approximately HK$57,000,000 (2009: HK$78,000,000). For the two years ended 31 March 2010 and 2009, the floating-rate bank loans are carrying interest at the prime rate for Hong Kong Dollars as quoted by the Bank of China minus 2.5%, and their effective interest rates ranging from 2.25% – 2.5% (2009: 2.25% – 2.5%) per annum.*

(b) *As at 31 March 2010 and 2009, the amount is secured by pledged bank deposit (note 26) of the Group with aggregate net carrying value of approximately HK$5,000,000 (2009: HK$5,000,000). For the two years ended 31 March 2010 and 2009, the floating-rate bank overdrafts are carrying interest at 1% plus the interest rate of the pledged bank deposit (note 26), and their effective interest rates ranging from 1.05% – 1.49% (2009: 1.04% – 4.79%) per annum.*

32. OBLIGATIONS UNDER FINANCE LEASES

Amounts payable under finance leases	Minimum lease payments		Present value of minimum lease payments	
	2010	2009	**2010**	2009
	HK$'000	HK$'000	**HK$'000**	HK$'000
Within one year	**95**	94	**83**	78
More than one year, but not exceeding two years	**95**	95	**87**	83
More than two years, but not exceeding five years	**102**	197	**99**	186
	292	386	**269**	347
Less: Future finance charges	**(23)**	(39)	**N/A**	N/A
Present value of lease obligations	**269**	347	**269**	347
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(83)**	(78)
Amount due for settlement after 12 months			**186**	269

It is the Group's policy to lease certain of its motor vehicles under finance leases. The average lease term is 4 years (2009: 5 years). For the year ended 31 March 2010, the average effective borrowing rate was 5.28% per annum (2009: 5.28%). Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Group's obligations under finance leases are secured by the lessor's charge over the leased assets.

33. SHARE CAPITAL

	2010 and 2009	
	Number of shares	Amount
		HK$'000
Authorised:		
Ordinary shares of HK$0.01 each		
At 1 April 2008, 31 March 2009 and 31 March 2010	200,000,000,000	2,000,000,000
Issued and fully paid:		
Ordinary shares of HK$0.01 each		
At 1 April 2008, 31 March 2009 and 31 March 2010	1,871,188,679	18,712

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34. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Under the Scheme which was approved and adopted in a special general meeting of the Company held on 22 August 2002, the directors may, within a period of 10 years, grant to directors and/or executives of the Group, non-transferrable options to subscribe for shares in the Company.

The maximum number of shares issuable under share options to each eligible participant within any 12-month period is limited to 1% of the shares in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder, employee, consultant, customer, supplier, or to any of their associates, are subject to approval in advance by the independent non-executive directors.

The exercise price of the share options is determined by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the shares on the date of grant of the share options; and (ii) the average Stock Exchange closing price of the shares for the five trading days immediately preceding the date of the grant of the share options.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

As at 31 March 2010 and 2009, there was no outstanding share option under the Scheme.

35. RESERVES

(a) Special capital reserve

Special capital reserve represents the amounts transferred from the Company's share capital upon adjustments of the nominal value of the Company's share in prior years. Under the Companies Act 1981 of Bermuda (the "Act"), the special capital reserve is distributable to shareholders under certain circumstances.

(b) Contributed surplus

The contributed surplus represents the difference between the fair value of the subsidiaries acquired pursuant to the Group reorganisation in November 1991 and the nominal value of the shares issued by the Company and the transfer from share premium account of HK$605,473,000 in December 2000, less the transfer to the capital redemption reserve of HK$6,040,000 in November 2000. Under the Act, the Company's contributed surplus is distributable to shareholders under certain circumstances.

36. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of the rented premises which fall due are as follows:

	2010 HK$'000	2009 HK$'000
Within one year	**847**	1,030
In the second to fifth years, inclusive	**5**	431
	852	1,461

Leases for rented premises are negotiated for an average of two years (2009: two years) and rentals are fixed for an average of two years (2009: two years).

37. PLEDGED OF ASSETS

Assets with the following carrying amounts have been pledged to secure the banking facilities granted to the Group or the borrowings of the Group (see note 31):

	2010 HK$'000	2009 HK$'000
Plant and equipment	**318**	398
Investment properties	**57,000**	78,000
Pledged bank deposit	**5,000**	5,000
	62,318	83,398

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38. DISPOSAL OF SUBSIDIARIES

(a) On 27 October 2009, the Group entered into a conditional sale and purchase agreement with Madam Mai Xueqing, an independent third party of the Group, to dispose of the entire equity interest in City Faith Investments Limited ("City Faith") and its subsidiaries (collectively referred to as "City Faith Group") at a cash consideration of HK$25,000,000. The disposal was made by way of (i) disposal of the 100% equity interests in the City Faith Group; (ii) the assignment to the purchaser the loan due from the City Faith Group to the Group (the "City Faith Loan") at the completion date; and (iii) settlement by the Group of the outstanding bank borrowings pertaining to the property owned by City Faith at the completion date.

Upon completion on 29 January 2010, the Group ceased to hold any equity interest in the City Faith Group. Further details are set out in the announcement and the circular of the Company dated 4 November 2009 and 23 November 2009 respectively.

The net assets of the City Faith Group at the date of disposal were as follows:

	29 January 2010 HK$'000
Net assets disposed of :	
Investment property	23,000
Other receivables, deposits and prepayments	1
Bank balances and cash	2
City Faith Loan	(8,206)
Bank borrowing	(3,957)
Tax liability	(1,295)
	9,545
Assignment of City Faith Loan	8,206
Assignment of bank borrowings	3,957
Costs directly attributable to the disposal	575
Gain on disposal	2,717
Total consideration	25,000
Satisfied by:	
Cash	25,000
Net cash inflow arising on disposal :	
Cash consideration	25,000
Bank balances and cash disposed of	(2)
Costs directly attributable to the disposal	(575)
	24,423

The impact of the City Faith Group on the Group's results and cash flows in the current and prior years is not significant.

38. DISPOSAL OF SUBSIDIARIES *(Continued)*

(b) On 10 February 2010, the Group entered into a conditional sale and purchase agreement with Lucky Global Investment Limited (the "purchaser"), an independent third party of the Group, to dispose of 90% equity interest in the Onland Group at a total consideration of HK$48,000,000, of which HK$4,000,000 was satisfied in cash as of 31 March 2010 and the remaining HK$44,000,000 was satisfied by the promissory note issued by the purchaser. The disposal was made by way of (i) disposal of the 90% equity interests in the Onland Group; and (ii) the assignment to the purchaser the loan due from the Onland Group to the Group (the "Onland Investment Loan") at the completion date.

Upon completion on 31 March 2010, the Group's interest in the Onland Group was reduced from 100% to 10%. As a result, the Onland Group ceased to be subsidiaries of the Group and became an available-for-sale investment of the Group. Further details are set out in the announcement and the circular of the Company dated 24 February 2010 and 15 March 2010 respectively.

The net liabilities of the Onland Group at the date of disposal were as follows:

	31 March 2010 HK$'000
Net liabilities disposed of :	
Interest in a joint venture held-for-sale	178,080
Other receivables, deposits and prepayment	2,240
Bank balances and cash	2,299
Other payables and accruals	(105,975)
Onland Investment Loan	(253,396)
Minority interests	(38,073)
	(214,825)
Assignment of Onland Investment Loan	253,396
Transfer to available-for-sale investment	(3,857)
Cost directly attributable to the disposal	1,265
Gain on disposal	8,412
Total consideration	44,391
Satisfied by :	
Cash	4,000
Promissory note receivable	40,391
	44,391
Net cash inflow arising on disposal:	
Cash consideration	4,000
Bank balances and cash disposed of	(2,299)
Cost directly attributable to the disposal	(1,265)
	436

The impact of the Onland Group on the Group's results and cash flows in the current and prior years is not significant.

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39. RETIREMENT BENEFITS SCHEMES

The Group has arranged for its Hong Kong employees to join the MPF Scheme, a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Group and its Hong Kong employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. Both the Group's and the employees' contributions are subject to a cap of HK$1,000 per month.

Under the Employment Ordinance, the Group is obliged to make lump sum payments on cessation of employment in certain circumstances to certain employees who have completed at least five years of service with the Group. The amount payable is dependent on the employees' final salary and years of service, and is reduced by entitlements accrued under the Group's retirement plan that are attributable to contributions made by the Group. The Group does not set aside any assets to fund any remaining obligations.

During the year ended 31 March 2010, the aggregate amount of the Group's contributions to the aforementioned pension schemes was approximately HK$491,000 (2009: HK$476,000).

40. RELATED PARTY TRANSACTIONS

(a) Compensation to directors and key management personnel of the Group:

	2010 HK$'000	2009 HK$'000
Short-term benefits	**2,430**	2,202
Post-employment benefits	**78**	77
	2,508	2,279

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individual and market trends.

(b) During the year, the Group entered into the following material transactions with its related parties:

	2010 HK$'000	2009 HK$'000
Consultancy fee paid to Cheung Chi Shing	**888**	–
Commission income from Hoowin Limited (*)	**56**	123
Commission income from Chan Chi Mei	**1**	–
Commission income from Cheung Chi Shing	**119**	–
Commission income from Yeung Shun Kee Edward	**9**	–

* Hoowin Limited is beneficially owned by Cheung Chi Shing and Yeung Han Yi Yvonne.

Cheung Chi Shing is a beneficial shareholder of the Company, the spouse of Yeung Han Yi Yvonne and the father of Cheung Hoo Win for both years. Yeung Han Yi Yvonne, Cheung Hoo Win and Chan Chi Mei are the directors of the Company.

Total value of sales and purchases of trading securities transactions of Hoowin Limited, Chan Chi Mei, Cheung Chi Shing and Yeung Shun Kee Edward during the year are approximately HK$22,231,000 (2009: HK$49,241,000), HK$300,000 (2009: nil), HK$47,599,000 (2009: nil) and HK$3,343,000 (2009: nil) respectively.

40. RELATED PARTY TRANSACTIONS *(Continued)*

(c) Save as disclosed above, as at the end of the reporting period, the Group has the following balances with its related parties:

	2010 HK$'000	2009 HK$'000
Others receivables:		
Amount due from Cheung Chi Shing (note i)	–	814
Trade payables:		
Amount due to Hoowin Limited (note ii)	**(25)**	(1,049)
Amount due to Cheung Chi Shing (note iii)	**(20,406)**	–
Amount due to Chan Chi Mei (note iii)	**(7)**	–
Other payables:		
Amount due to Yeung Shun Kee Edward (note iv)	**(40)**	(50)
Amount due to Li Hancheng (note iv)	**(50)**	–
Amount due to Lo Tsz Fung Phillip (note iv)	**(40)**	–
Amount due to Zhao Qingji (note iv)	**(100)**	–
Amount due to the joint venture (note iv)	–	(20,828)

Notes:

(i) The amount is unsecured, non-interest bearing and repayable on demand. The maximum balance outstanding during the year ended 31 March 2010 amounted to approximately HK$814,000 (2009: HK$814,000). The balance had been settled by Mr. Cheung Chi Shing in Year 2010.

(ii) Hoowin Limited is beneficially owned by Cheung Chi Shing and Yeung Han Yi Yvonne. The directors of Hoowin Limited are Cheung Chi Shing, Yeung Han Yi Yvonne and Cheung Hoo Win. The amount is unsecured, interest bearing at the bank deposit saving rate (2009: bank deposit savings rate) per annum and repayable on demand.

(iii) The amount is unsecured, interest bearing at the bank deposit saving rate (2009: bank deposit savings rate) per annum and repayable on demand.

(iv) The amount is unsecured, non-interest bearing and repayable on demand.

On 24 July 2009, a director of the Company, signed a letter of undertaking in relation to the Group's interests in a joint venture held-for-sale as at 31 March 2009 (note 28). The undertaking was released upon the disposal of the joint venture held-for-sale as at 31 March 2010.

41. LITIGATION

In respect to the litigation between Hainan Wanzhong Shiye Touzi Co., Ltd. (海南萬眾實業投資有限公司) ("Hainan Wanzhong (海南萬眾)") and Sheng Da Investment Holding (Hong Kong) Ltd. ("Sheng Da (HK)"), in July 2008, Sheng Da (HK) received an the official judgement for the appeal from Hainan Wanzhong (海南萬眾), pursuant to which Sheng Da (HK) was ordered, among other things (i) to pay to Hainan Wanzhong (海南萬眾) RMB19,270,000 and late payment interest charges and (ii) to be collectively liable for the costs of the legal case. The Chinese JV partner of Sheng Da (HK) in Dongseng was requested to assist in execution of the judgement to transfer RMB27,234,582 to the accounts of the court. However, no such amount was ever transferred by Sheng Da (HK) and the Group further appealed for the aforesaid official judgement.

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41. LITIGATION *(Continued)*

In February 2009, the Group received the written ruling from the Supreme People's Court of the People's Republic of China (the "Supreme Court"), pursuant to which the case is accepted for re-examination by the Supreme Court. The Board, based on legal advice, continues to believe that the Group is not liable for any debt arising from the lawsuit (the "Lawsuit") and the claim from Hainan Wanzhong (海南萬眾) has no ground. Accordingly, the Board considers that the Group had valid ground for the Lawsuit and no provision has been made as at 31 March 2009.

In December 2009, a written judgement from the Supreme Court was received by Sheng Da (HK) which indicates that Sheng Da (HK) won the case. The directors, base on legal advice, considered that the written judgement is the final decision of the case. Accordingly, the directors consider that no provision regarding the Lawsuit was required to be made.

42. PETITION

As more fully detailed in the Company's announcement dated 11 September 2008 and a supplemental circular dated 9 April 2009, it has been disclosed that the Company, as one of the defendants, and certain of its current and former directors have been served a petition (the "Petition") by the Securities and Futures Commission in relation to certain past transactions of the Group. The Petition was first heard on 17 December 2008. After the submission of affirmations by the defendants, the hearing was restored on 16 December 2009 for directions. The next hearing for the Petition is scheduled on 12 January 2011. The directors consider that the case does not have significant financial and operating impact to the Group.

43. NON-CASH TRANSACTION

During the year ended 31 March 2009, the Group entered into finance lease arrangements in respect of motor vehicle with a total capital value at the inception of leases of approximately HK$514,000 (2010: nil).

44. PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries as at 31 March 2010 and 31 March 2009 are as follows:

Name of subsidiaries	Place of incorporation/ operations	Class of shares held	Issued and fully paid share capital	Percentage of equity attributable to the Group 2010	2009	Principal activities
Direct subsidiary						
Styland Enterprises Limited	Hong Kong	Ordinary	HK$2	**100**	100	Provision of management services
Indirect subsidiaries						
City Faith	Hong Kong	Ordinary	HK$2	**–*** **	100	Property investment
City Lion Worldwide Limited	The British Virgin Islands (the "BVI")	Ordinary	US$1	**–*** **	100	Securities trading
Devonia Development Limited	Hong Kong	Ordinary	HK$10,000	**100**	100	Property investment
Ever-Long Asset Management Limited	Hong Kong	Ordinary	HK$10,000,000	**100**	100	Securities trading
Ever-Long Capital Limited	BVI	Ordinary	US$4,000,000	**100**	100	Provision of financing services
Ever-Long Finance Limited	Hong Kong	Ordinary	HK$22,500,000	**100**	100	Provision of financing services
Ever-Long Securities Company Limited	Hong Kong	Ordinary	HK$100,000,000	**100**	100	Securities broking and provision of financing services
Kalomex (International) Limited	Hong Kong	Ordinary	HK$2,000,000	**100**	100	Trading of garment
Kippton Limited	Hong Kong	Ordinary	HK$10,000	**–***	86.8	Investment holding
Long River Investments Holdings Limited	BVI	Ordinary	US$200	**100**	100	Securities trading
Sheng Da (HK)	Hong Kong	Ordinary	HK$204,082	**–***	48.9*	Investment holding
Styland (International) Limited	Hong Kong	Ordinary	HK$100,000	**100**	100	Securities trading and general trading
Onland	BVI	Ordinary	US$10	**–****	100	Investment holding

Notes to the Consolidated Financial Statements

For the year ended 31 March 2010

44. PRINCIPAL SUBSIDIARIES *(Continued)*

* *Sheng Da (HK) was a subsidiary of Kippton Limited, an 86.8% indirectly owned subsidiary of the Company and, accordingly, was accounted for as a subsidiary by virtue of control.*

** *In March 2010, the Group disposed of 90% equity interest in Onland (note 38(b)) and its subsidiaries.*

*** *In January 2010, the Group disposed of entire equity interest in City Faith (note 38(a)) and its subsidiary, City Lion Worldwide Limited.*

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities subsisting at the end of the reporting period or any time during the year.

45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2010 HK$'000	2009 HK$'000
Non-current asset			
Investments in subsidiaries		**–**	–
Current assets			
Other receivables		**213**	1,139
Amounts due from subsidiaries	(a)	**178,330**	1,262
Bank balances and cash		**882**	18
		179,425	2,419
Current liability			
Other payables and accruals		**7,796**	7,002
Dividend payables		**1,294**	–
		9,090	7,002
		170,335	(4,583)
Capital and reserves			
Share capital		**18,712**	18,712
Reserves	(b)	**151,623**	(23,295)
		170,335	(4,583)

Notes:

(a) Amounts due from subsidiaries

The amounts due from subsidiaries were unsecured, interest-free and repayable on demand.

45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Notes: (Continued)

(b) Reserves

	Share premium HK$'000	Capital redemption reserve HK$'000	Special capital reserve HK$'000	Contributed surplus HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2008	35,831	6,040	571,147	617,668	(1,257,025)	(26,339)
Profit for the year and total recognised income for the year	–	–	–	–	3,044	3,044
At 31 March 2009 and 1 April 2009	35,831	6,040	571,147	617,668	(1,253,981)	(23,295)
Profit for the year and total recognised income for the year	–	–	–	–	176,212	176,212
Dividends recognised as distribution (note 14)	–	–	–	(1,294)	–	(1,294)
At 31 March 2010	35,831	6,040	571,147	616,374	(1,077,769)	151,623

The details of certain reserve are disclosed in the note 35.

Summary of Financial Information

A summary of the results and of the assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the published audited consolidated financial statements and reclassified and restated as appropriate, is set out below:

RESULTS

	Year ended 31 March				
	2010	2009	2008	2007	2006
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Turnover	**277,147**	132,146	187,604	108,793	71,604
Profit/(loss) before tax	**67,036**	(18,507)	15,850	809	(7,883)
Income tax expenses	**(1,376)**	(87)	(1,551)	4,790	–
Profit/(loss) before minority interests	**65,660**	(18,594)	14,299	5,599	(7,883)
Minority interests	**758**	(224)	4,250	409	(6,107)
Profit/(loss) attributable to owners of the Company	**66,418**	(18,818)	18,549	6,008	(13,990)

ASSETS, LIABILITIES AND MINORITY INTERESTS

	As at 31 March				
	2010	2009	2008	2007	2006
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total assets	**478,205**	341,607	358,903	315,295	333,214
Total liabilities	**(271,151)**	(160,831)	(159,580)	(130,285)	(155,360)
Minority interests	**–**	(38,831)	(38,607)	(42,857)	(43,266)
	207,054	141,945	160,716	142,153	134,588

Details of Property Held

INVESTMENT PROPERTY

Property	Lot no./location	Category of lease	Use
House 4, Customs Pass No. 18 Fei Ngo Shan Road Sai Kung, New Territories Hong Kong	31 In D.D. 228	Medium term	Redevelopment