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STYLAND HOLDINGS LIMITED

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

INTERIM REPORT 2010/2011

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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. Li Hancheng
Mr. Lo Tsz Fung Philip
Mr. Yeung Shun Kee Edward

AUDIT COMMITTEE

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

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. Lo Tsz Fung Philip
Mr. Yeung Shun Kee Edward

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

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 Chong Hing Bank Limited DBS Bank (Hong Kong) Limited Standard Chartered Bank
PRINCIPAL REGISTRAR	HSBC Securities Services (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 Road 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/

The Board of Directors (the "Board") of Styland Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2010 together with the comparative figures as follows:

Condensed Consolidated Income Statement

	Notes	Six months ended 30 September	
		2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
• Turnover		180,224	167,359
Revenue	2	39,008	42,759
Cost of sales		(26,425)	(11,864)
• Gross profit		12,583	30,895
Other income		7,446	1,040
Administrative expenses		(12,465)	(15,805)
Selling and distribution expenses		(20)	(212)
Change in fair value of financial assets at fair value through profit or loss		(584)	598
Gain on disposal of financial assets at fair value through profit or loss		10,196	18,214
Gain on disposal of available-for-sale investments		241	–
Impairment loss recognised in respect of trade receivables		–	(112)
Reversal of impairment loss recognised in respect of trade receivables		–	315
Impairment loss recognised in respect of loan receivables		–	(171)
Reversal of impairment loss recognised in respect of loan receivables		121	121
Bad debt recovery of loan receivables		20	15
Bad debt written-off		(7)	(425)
• PROFIT FROM OPERATIONS		17,531	34,473
Finance costs		(95)	(188)
• PROFIT BEFORE TAX	3	17,436	34,285
Income tax expenses	4	(200)	(1,500)
• PROFIT FOR THE PERIOD		17,236	32,785
• PROFIT FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		17,236	33,252
Non-controlling interests		–	(467)
• PROFIT FOR THE PERIOD		17,236	32,785
• EARNINGS PER SHARE	6		
Basic and diluted		HK0.92cent	HK1.78 cents

Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30 September	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
• PROFIT FOR THE PERIOD	17,236	32,785
Other comprehensive income (expenses):		
Reclassification adjustment for the cumulative gain (expenses) included in profit or loss upon disposal of available-for-sale investments	12	(31)
• TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	17,248	32,754
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:		
Owners of the Company	17,248	33,221
Non-controlling interests	–	(467)
• TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	17,248	32,754

Condensed Consolidated Statement of Financial Position

	Notes	At 30 September 2010 (Unaudited) HK\$'000	At 31 March 2010 (Audited) HK\$'000
• NON-CURRENT ASSETS			
Plant and equipment		1,851	2,165
Investment property		57,000	57,000
Promissory note receivable	7	42,771	40,391
Available-for-sale investments	8	3,857	14,034
		105,479	113,590
• CURRENT ASSETS			
Inventories		384	344
Loan receivables	9	28,671	31,485
Trade receivables	10	14,617	11,414
Other receivables, deposits and prepayments		2,855	2,223
Financial assets at fair value through profit or loss		6,261	6,377
Client trust funds	11	328,523	229,996
Pledged bank deposit		5,000	5,000
Bank balances and cash		91,614	77,776
		477,925	364,615
• CURRENT LIABILITIES			
Trade and bills payables	11	336,637	239,134
Other payables and accruals		13,211	20,989
Dividend payables		–	1,294
Tax liabilities		1,526	1,365
Bank borrowings – due within one year		1,200	1,200
Obligations under finance leases – due within one year		77	83
		352,651	264,065
• NET CURRENT ASSETS			
		125,274	100,550
• TOTAL ASSETS LESS CURRENT LIABILITIES			
		230,753	214,140
• NON-CURRENT LIABILITIES			
Bank borrowings – due after one year		6,300	6,900
Obligations under finance leases – due after one year		151	186
		6,451	7,086
• NET ASSETS			
		224,302	207,054
• CAPITAL AND RESERVES			
Share capital		18,712	18,712
Reserves		205,590	188,342
		224,302	207,054
Equity attribution to owners of the Company		224,302	207,054
Non-controlling interests		–	–
		224,302	207,054
• TOTAL EQUITY			
		224,302	207,054

Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company							Total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Special capital reserve HK\$'000	Contributed surplus HK\$'000	Investment revaluation reserve HK\$'000	Accumulated losses HK\$'000			
At 1 April 2010	18,712	35,831	6,040	571,147	598,139	(12)	(1,022,803)	207,054	-	207,054
Total comprehensive income for the period	-	-	-	-	-	12	17,236	17,248	-	17,248
At 30 September 2010	18,712	35,831	6,040	571,147	598,139	-	(1,005,567)	224,302	-	224,302
At 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 income (expenses) for the period	-	-	-	-	-	(31)	33,252	33,221	(467)	32,754
At 30 September 2009	18,712	35,831	6,040	571,147	599,433	(28)	(1,055,969)	175,166	38,364	213,530

Condensed Consolidated Statement of Cash Flows

	Six months ended 30 September	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
Net cash generated from operating activities	4,888	23,487
Net cash generated from investing activities	9,686	188
Net cash used in financing activities	(736)	(1,175)
	13,838	22,500
• Net increase in cash and cash equivalents		
Cash and cash equivalents at 1 April	77,776	20,528
	91,614	43,028
• Cash and cash equivalents at 30 September		
	91,614	43,028
• Analysis of the balances of cash and cash equivalents		
Bank balances and cash	91,614	44,378
Bank overdrafts	–	(1,350)
	91,614	43,028
• Cash and cash equivalents at 30 September		
	91,614	43,028

Notes to the Condensed Consolidated Interim Financial Statements

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of Preparation

The condensed consolidated financial statements of Styland Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Principal Accounting Policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain investment property and financial instruments, which are measured at fair values, as appropriate.

Except as described below, the accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those of the Group's annual financial statements for the year ended 31 March 2010.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA.

HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 (Amendment)	Classification of Right Issues
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Revised)	First-time Adoption of HKFRSs
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
Hong Kong (International Financial Reporting Interpretations Committee ("HK(IFRIC)"))	Distributions of Non-cash Assets to Owners
– Interpretation ("Int") 17	

The Group applies HKFRS 3 (Revised) Business Combinations prospectively to business combinations for which the acquisition date is on or after 1 January 2010. The requirements in HKAS 27 (Revised) Consolidated and Separate Financial Statements in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1 January 2010.

As there was no transaction during the current interim period in which HKFRS 3 (Revised) and HKAS 27 (Revised) are applicable, the application of HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to other HKFRSs had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

Notes to the Condensed Consolidated Interim Financial Statements (*Continued*)

1. BASIS OF PREPARATION AND ACCOUNTING POLICES (*Continued*)

Principal Accounting Policies (*Continued*)

Results of the Group in future periods may be affected by future transactions for which HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to the other HKFRSs are applicable.

The application of the other new and revised HKFRSs had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

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

HKFRSs (Amendments)	Improvements to HKFRSs 2010 ¹
HKAS 24 (Revised)	Related Party Disclosures ³
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ²
HKFRS 7	Financial Instruments: Disclosures – Transfers of Financial Assets ⁴
HKFRS 9	Financial Instruments ²
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement ³
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments ²

¹ Amendments that are effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate.

² Effective for annual periods beginning on or after 1 July 2010.

³ Effective for annual periods beginning on or after 1 January 2011.

⁴ Effective for annual periods beginning on or after 1 July 2011.

⁵ Effective for annual periods beginning on or after 1 January 2013.

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 standard 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.

The Directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

Notes to the Condensed Consolidated Interim Financial Statements (*Continued*)

2. 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 the 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 re-designation of the Group's reportable segments as compared with 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 period, 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 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 and electronic accessories;
- the securities dealing and broking services segment provides underwriting, trading and broking services mainly on marketable securities;
- the financing segment engages in money lending and its related services;
- 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.

Notes to the Condensed Consolidated Interim Financial Statements (*Continued*)**2. SEGMENT INFORMATION** (*Continued*)

The following is an analysis of the Group's revenues and results by reportable segments for the six months ended 30 September 2010 and 2009 respectively:

For the six month ended 30 September 2010

	General import and export trading HK\$'000	Securities dealing and broking services HK\$'000	Financing HK\$'000	Trading of securities HK\$'000	Property redevelopment and investment HK\$'000	Strategic investments HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Segment revenue:								
External sales	26,210	10,439	2,274	85	-	-	-	39,008
Inter-segment sales	-	547	-	-	-	-	(547)	-
	26,210	10,986	2,274	85	-	-	(547)	39,008
Segment profit (loss)	2,259	3,344	6,376	9,629	(349)	(71)	-	21,188
Unallocated income and expenses								(3,752)
Profit before tax								17,436

For the six month ended 30 September 2009

	General import and export trading HK\$'000	Securities dealing and broking services HK\$'000	Financing HK\$'000	Trading of securities HK\$'000	Property redevelopment and investment HK\$'000	Strategic investments HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Segment revenue:								
External sales	8,548	31,786	2,136	289	-	-	-	42,759
Inter-segment sales	-	86	-	-	-	-	(86)	-
	8,548	31,872	2,136	289	-	-	(86)	42,759
Segment (loss) profit	(388)	23,318	1,792	19,101	(234)	(577)	-	43,012
Unallocated income and expenses								(8,727)
Profit before tax								34,285

Notes to the Condensed Consolidated Interim Financial Statements (*Continued*)2. SEGMENT INFORMATION (*Continued*)

Other segment information

For the six month ended 30 September 2010

	General import and export trading HK\$'000	Securities dealing and broking services HK\$'000	Financing HK\$'000	Trading of securities HK\$'000	Property redevelopment 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 financial assets at fair value through profit or loss	-	-	-	(584)	-	-	-	(584)
Gain on disposal of financial assets at fair value through profit or loss	-	-	-	10,196	-	-	-	10,196
Reversal of impairment loss recognised in respect of loan receivables	-	-	121	-	-	-	-	121
Bad debt recovery for loan receivables	3	17	-	-	-	-	-	20
Depreciation	-	56	-	-	1	-	163	220
Gain on disposals of plant and equipment	-	-	-	-	-	-	231	231
Bad debt written-off	7	-	-	-	-	-	-	7
Addition to non-current assets (Note)	-	26	-	-	87	-	26	139
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	222	4	1	-	-	2,380	1	2,608
Finance costs	-	-	-	-	88	-	7	95
Income tax expenses	-	200	-	-	-	-	-	200

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

Notes to the Condensed Consolidated Interim Financial Statements (*Continued*)

2. SEGMENT INFORMATION (*Continued*)
Other segment information (*Continued*)
For the six month ended 30 September 2009

	General import and export trading HK\$'000	Securities dealing and broking services HK\$'000	Financing HK\$'000	Trading of securities HK\$'000	Property redevelopment 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 financial assets at fair value through profit or loss	-	-	-	598	-	-	-	598
Gain on disposal of financial assets at fair value through profit or loss	-	-	-	18,214	-	-	-	18,214
Impairment loss recognised in respect of trade receivables	(112)	-	-	-	-	-	-	(112)
Reversal of impairment loss recognised in respect of trade receivables	315	-	-	-	-	-	-	315
Impairment loss recognised in respect of loan receivables	-	-	(171)	-	-	-	-	(171)
Reversal of impairment loss recognised in respect of loan receivables	-	-	121	-	-	-	-	121
Bad debt recovery for loan receivables	-	15	-	-	-	-	-	15
Depreciation	-	57	-	-	-	-	182	239
Loss on disposals of plant and equipment	14	-	-	-	-	-	18	32
Reversal of allowance for inventories	23	-	-	-	-	-	-	23
Bad debt written-off	425	-	-	-	-	-	-	425
Addition to non-current assets (Note)	-	-	-	-	-	-	10	10
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	146	57	-	-	-	4	12	219
Finance costs	28	-	-	-	151	-	9	188
Income tax expenses	-	1,500	-	-	-	-	-	1,500

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

Notes to the Condensed Consolidated Interim Financial Statements (*Continued*)**3. PROFIT BEFORE TAX**

Profit before tax is arrived at after charging:

	Six months ended 30 September	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
Depreciation	220	239
Staff costs	6,322	5,705

4. INCOME TAX EXPENSES

Hong Kong Profits Tax has been provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profits arising in Hong Kong during the current period.

	Six months ended 30 September	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
Current income tax charge:		
Income tax expenses	200	1,500

5. DIVIDENDS

- Interim Dividend for 2011**

The Directors have resolved to declare an interim cash dividend of HK0.05 cent per share to its shareholders whose names appear on the register of members of the Company on 31 December 2010 (the "**Record Date**") with a scrip alternative to offer the right to shareholders to elect to receive such interim dividend wholly or partly by allotment of new shares credited as fully paid in lieu of cash dividend (the "**2011 Interim Dividend**").

In addition, the Directors proposed the 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 20 shares held by the shareholders on the Record Date (the "**2011 Bonus Share Issue Proposal**").

Both the 2011 Interim Dividend and the 2011 Bonus Share Issue Proposal are conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Scrip Shares and Bonus Shares to be issued. A circular containing details of the 2011 Interim Dividend and the 2011 Bonus Share Issue Proposal will be sent to the shareholders as soon as practicable.

Due to the prolonged suspension of trading of shares of the Company, the market value of its shares cannot be reflected. In addition, after the recommendations of the 2011 Interim Dividend and the 2011 Bonus Share Issue Proposal, the theoretical ex-entitlement price of the Company's shares will be adjusted to HK\$0.01 per share, which is the lowest benchmark price for a listed company pursuant to the Listing Rule 13.64. The Company regrets to announce that there may be a technical problem to declare further dividends if the trading in its shares remains suspended even though it continues to record positive returns. The Company believes that the prolonged suspension is not in the interests of its shareholders.

Notes to the Condensed Consolidated Interim Financial Statements (*Continued*)

5. DIVIDENDS (*continued*)

- **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"**).

On 19 July 2010, the Board also proposed an issue of bonus 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 **"2010 Second Bonus Share Issue Proposal"**).

Both the 2010 Final Dividend and the 2010 Second Bonus Share Issue Proposal were approved by shareholders at the Special General Meeting of the Company on 29 September 2010, and an amount of approximately HK\$860,000 had been paid to shareholders who elected to receive cash for the 2010 Final Dividend; however, up to the date of this report, the Company has not yet proceeded to issue the Scrip Shares or Bonus Shares under the 2010 Final Dividend and the 2010 Second Bonus Share Issue Proposal respectively as both are conditional upon the Stock Exchange granting 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"**).

On 27 November 2009, the Board also proposed an issue of bonus 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 shareholders (the **"2010 First Bonus Share Issue Proposal"**).

Both the 2010 Interim Dividend and the 2010 First Bonus Share Issue Proposal were approved by shareholders at the Special General Meeting of the Company on 30 March 2010, and an amount of approximately HK\$1,294,000 had been paid to shareholders who elected to receive cash for the 2010 Interim Dividend; however, up to the date of this report, the Company has not yet proceeded to issue the Scrip Shares or Bonus Shares under the 2010 Interim Dividend and the 2010 First Bonus Share Issue Proposal respectively as both of these issues are subject to (i) the Stock Exchange granting the listing of, and permission to deal in, the Scrip Shares and Bonus Shares to be issued; and (ii) the resumption of trading in the shares of the Company.

- **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 an allotment (the **"2009 Interim Dividend"**).

The 2009 Interim Dividend was approved by shareholders at the Special General Meeting of the Company held on 18 August 2009; however, up to the date of this report, the Company had not yet proceeded to issue the Scrip Shares under the 2009 Interim Dividend as it is still subject to 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.

Notes to the Condensed Consolidated Interim Financial Statements (Continued)

6. EARNINGS PER SHARE

The calculation of the earnings per share is based on the Group's profits attributable to owners of the Company of HK\$17,236,000 for the six months ended 30 September 2010 (2009: HK\$33,252,000) on 1,871,188,679 (2009: 1,871,188,679) ordinary shares in issue during the period.

No diluted earnings per share has been presented for the six months ended 30 September 2010 and 2009 as there were no potential ordinary shares outstanding for both periods.

7. PROMISSORY NOTE RECEIVABLE

The promissory note was received with a 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 current accounts owed by the Onland Group to Simplex Inc., a wholly-owned subsidiary of the Company, on 31 March 2010.

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

8. AVAILABLE-FOR-SALE INVESTMENTS

During the period under review, the Group realised the profits generated from its investment in the subordinated notes issued by Bank of China (Hong Kong) Limited at the price of US\$1,338,820 (equivalent to approximately HK\$10,442,796). The profits, including the value increment and accumulated interests, represent a return of 5.3% for approximately 6 months which is much higher than the interest rate for fixed deposits at a well-recognized financial institution in Hong Kong.

9. LOAN RECEIVABLES

	As at 30 September 2010 (Unaudited) HK\$'000	As at 31 March 2010 (Audited) HK\$'000
Securities dealing and broking services:		
– Secured margin loans	35,200	38,749
Less: Impairment loss recognised	(8,678)	(8,695)
	26,522	30,054
Financing business:		
– Total loans	9,235	8,638
Less: Impairment loss recognised	(7,086)	(7,207)
	2,149	1,431
Total	28,671	31,485

Notes to the Condensed Consolidated Interim Financial Statements (*Continued*)**9. LOAN RECEIVABLES** (*continued*)

There was no significant movement in the impairment of loan receivables during the period under review. For the financing business, there were no secured loans at 30 September 2010 (31 March 2010: HK\$501,000).

No aged analysis on margin loans 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 margin financing. The aged analysis of the Group's loan receivables net of impairment for the financing business is as follows:

	As at 30 September 2010 (Unaudited) HK\$'000	As at 31 March 2010 (Audited) HK\$'000
Within 6 months	1,254	197
Between 7 to 12 months	188	698
Over 1 year	707	536
	2,149	1,431

10. TRADE RECEIVABLES

	As at 30 September 2010 (Unaudited) HK\$'000	As at 31 March 2010 (Audited) HK\$'000
Trade receivables	15,306	13,257
Less: Impairment loss recognised	(689)	(1,843)
	14,617	11,414
Balance in relation to:		
– Securities dealing and broking services	4,258	3,477
– General trading	10,359	7,937
	14,617	11,414

Notes to the Condensed Consolidated Interim Financial Statements (*Continued*)**10. TRADE RECEIVABLES** (*continued*)

An aged analysis of the Group's trade receivables net of impairment is as follows:

	As at 30 September 2010 (Unaudited) HK\$'000	As at 31 March 2010 (Audited) HK\$'000
Within 6 months	14,610	10,392
Between 7 to 12 months	1	1,009
Over 1 year	6	13
	14,617	11,414

There was no significant movement in the impairment of trade receivables during the period under review.

11. CLIENT TRUST FUNDS/ TRADE AND BILLS PAYABLES

	As at 30 September 2010 (Unaudited) HK\$'000	As at 31 March 2010 (Audited) HK\$'000
Balance in relation to:		
– Securities dealing and broking services (<i>note</i>)	333,480	237,742
– General trading	3,157	1,392
	336,637	239,134

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

Within 6 months	330,747	226,911
Between 7 to 12 months	3,384	10,624
Over 1 year	2,506	1,599
	336,637	239,134

Note: During the six months ended 30 September 2010, the Group managed the fund flows of approximately HK\$5.0 billion for its brokerage business and had strictly complied with the Securities and Futures Ordinance (the "SFO"). The Group has four senior responsible officers registered under the SFO, who are responsible for monitoring the compliance with the SFO of its brokerage operation. In addition, the Group has five certified public accountants, two of whom are Independent Non-Executive Directors who will advise the Group on the matters pertaining to the internal controls system in the Board. Due to the effectiveness of its internal controls system, the Group received no complaints over the past years. The main reason for the increase in the account balance of client trust funds was attributable to clients' trust in our internal controls system and operation services. Accordingly, the corresponding balance was recognised as payables at the end of the reporting period.

Notes to the Condensed Consolidated Interim Financial Statements (*Continued*)**12. OPERATING LEASE ARRANGEMENTS**

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 rental premises which fall due as follows:

	As at 30 September 2010 (Unaudited) HK\$'000	As at 31 March 2010 (Audited) HK\$'000
Within one year	1,495	847
In the second to fifth years, inclusive	978	5
	2,473	852

13. CONTINGENT LIABILITIES

As at 30 September 2010, the Group had no material contingent liabilities other than the outstanding petition as set out below.

14. PETITION

Reference is also made to the Company's announcement dated 11 September 2008 and a supplemental circular dated 9 April 2009 which disclosed that the Company, as one of defendants, and certain of its current and former directors have been served a 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 to be held on 12 January 2011. According to the petition, the petitioner prays the court, among others, to order the Company to bring proceedings against the concerned current and former directors as the court considers appropriate. The Directors believe that the case does not have significant financial and operating impact to the Group.

15. SUBSEQUENT EVENT

On 22 October 2010, Styland (International) Limited, a wholly-owned subsidiary of the Company, acquired the perpetual capital securities issued by Hutchison Whampoa International (10) Limited which are guaranteed on a subordinated basis by Hutchison Whampoa Limited, whose shares are listed on the Stock Exchange (stock code:13), at a total consideration of US\$1,301,950 (equivalent to approximately HK\$10,155,210). For further details, please refer to the announcement of the Company dated 27 October 2010.

Corporate Governance

The Company is committed to uphold good corporate governance practices and considers effective corporate governance an essential element to the Group's success. As such, the Company keeps enhancing its corporate governance. The Group believes that the enhanced corporate governance is a critical contributing factor for its continued positive operational results. Summarised below is a comparison chart that shows the major enhancements made to the Company's corporate governance since the suspension of trading in the shares of the Company on 21 April 2004 (the "Suspension").

	Before 2004	In 2010
Segregation of duties	<ul style="list-style-type: none"> There was room for improvement in terms of separating the roles of Chairman and Chief Executive Officer ("CEO"). 	<ul style="list-style-type: none"> The roles of Chairman and CEO are separate and there is a clear division of power and authority in the Board, so that power is not concentrated in any one individual.
Frequency of meetings	<ul style="list-style-type: none"> There was room for improvement in this area by making the arrangement for board meetings to be held regularly. 	<ul style="list-style-type: none"> Other than the board meetings for daily operations, the Board meets at least on a quarterly basis. Agenda will be sent to the Directors before a regular board meeting. At least 14 days' notice is given prior to such meeting. Critical issues are discussed by the Board, and no individual Director or person can influence the decision of the Board.
Board approval	<ul style="list-style-type: none"> There was room for improvement by setting up a set of more comprehensive guidelines for matters that required the Board's approval. 	<ul style="list-style-type: none"> Any transaction (including connected transactions) over HK\$1 million must be approved by the Board. If a substantial shareholder/Director (or any of his/her associates) has a conflict of interest in a matter, he or she must abstain from voting.
Emphasis on compliance	<ul style="list-style-type: none"> There was room for improvement by repeatedly reviewing new rules or ordinances. 	<ul style="list-style-type: none"> A seminar relating to a new ordinance was arranged for the employees, and a speaker who has extensive experience in that subject was invited to introduce the contents of the ordinance during the seminar. The Company reviews new rules or ordinances more than once.

	Before 2004	In 2010
	<ul style="list-style-type: none"> • There was room for improvement in the ways the Company sought the legal opinions, for example, to seek a second opinion from a different law firm. 	<ul style="list-style-type: none"> • Emphasis is placed on the strict compliance of listing rules and ordinances. In case of doubt, the Company will seek a second professional opinion from a different law firm. • The Group has retained the following legal advisers: <ul style="list-style-type: none"> As to Hong Kong law <ul style="list-style-type: none"> – P.C. Woo & Co. – D.S. Cheung & Co. – Michael Li & Co. – Chiu & Partners – Andrew Law & Franki Ho – Huen & Partners As to Bermuda law <ul style="list-style-type: none"> – Appleby As to the PRC law <ul style="list-style-type: none"> – Hills & Co.
Standardisation of work flow	<ul style="list-style-type: none"> • There was room for improving the Company's corporate governance by developing a corporate governance handbook. • There was room for improvement by setting up the more detailed business operation manuals. 	<ul style="list-style-type: none"> • The Board strictly follows the corporate governance practices, and has properly compiled the Corporate Governance Handbook. • To lower the business risk, the Group has followed the standardised work flow prudently. • The more detailed operation manuals have been set up.
Independent element in the Board	<ul style="list-style-type: none"> • As there were only two Independent Non-Executive Directors ("INEDs") on the Board, there was room to improve the independent element on the Board by increasing the number of INEDs. 	<ul style="list-style-type: none"> • The Company has appointed four INEDs, one more than that required by the Listing Rules. • To uphold the independency of the Board, the Company has set up an Independent Committee to provide the Board independent advice on the matters relating to legal proceedings against certain current and former directors and the prolonged suspension.

	Before 2004	In 2010
Transparency	<ul style="list-style-type: none"> • There was not yet a representative of minority shareholders in a committee of the Company. 	<ul style="list-style-type: none"> • To increase transparency of the Independent Committee, a representative of minority shareholders has been accepted as a member of the Committee.
Efficiency	<ul style="list-style-type: none"> • There was only one committee under the Board. 	<ul style="list-style-type: none"> • To maintain the efficiency of the Board, the Company has set up four committees, namely the Audit Committee, Remuneration Committee, Nomination Committee and Independent Committee.
Professionalism	<ul style="list-style-type: none"> • There was room for improvement in the Group's management and operation styles. 	<ul style="list-style-type: none"> • For its brokerage business, there are four senior responsible officers who are registered under the SFO. • There are five certified public accountants, two of whom are Board members. • There are various experienced legal advisers who provide professional legal opinions to the Board when necessary.
Internal controls	<ul style="list-style-type: none"> • There was room for improvement in the Company's internal controls system. 	<ul style="list-style-type: none"> • An internal controls review is performed annually and the result is satisfactory.
Shareholders' interests	<ul style="list-style-type: none"> • The scope of shareholders' interests can be further expanded. 	<ul style="list-style-type: none"> • A Special General Meeting was convened at the request of minority shareholders in 2009 in which shareholders freely expressed their views. • The votes of shareholders at general meetings are taken by poll. • Starting from the time of Suspension in 2004: <ul style="list-style-type: none"> – A number of dividends and bonus share issue proposals have been recommended and implemented. For more details, please refer to the section titled "Dividends" above; and – the Company has also arranged various gift redemption proposals for its shareholders.

	Before 2004	In 2010
Shareholders' services	<ul style="list-style-type: none"> The shareholders' services can be further strengthened. 	<ul style="list-style-type: none"> A wholly-owned subsidiary, Shareholders Service Centre Limited, has been set up to enhance the Company's shareholders services. Shareholders can contact the Company via the following ways: <ul style="list-style-type: none"> Tel : (852) 2959-7200 Fax : (852) 2310-4824 Email: shareholder@styland.com

During the period under review, the Company has strictly complied with all of the code provisions in the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules except that the Non-Executive Chairman did not attend the Annual General Meeting for the year 2010 due to his personal engagement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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 standard as set out in the Model Code during the period under review.

Management Discussion and Analysis

RESULTS

For the six months ended 30 September 2010, the Group recorded a turnover of HK\$180.2 million as compared to HK\$167.4 million for the same corresponding period last year while the profit for this interim period was HK\$17.2 million as compared to HK\$32.8 million for the same corresponding period last year. The reason for the continued positive results was attributable to the implementation of enhanced corporate governance practices.

REVIEW OF OPERATIONS

General Trading: The Group's trading business has been faced with intense competition from the marketplace over the years. Given this scenario, the Group has always strived to improve its competitive edge through streamlined operation flows and effective cost management in view of improving its profit margin. Additionally, to leverage its ever-increasing working capital, the Group had expanded its general trading sector during the period under review. As a result, the Group recorded an increase in its trading turnover and had successfully turned the previous loss position into a profit position during the period under review.

Brokerage and Financing: As a reputable brokerage firm in Hong Kong, the Group always places internal controls for its securities dealing and broking services as its number one priority. All INEDs are satisfied with the internal controls system. During the period under review, the Group continued to maintain an impressive record of zero complaints for its services. In addition to the good track record that it has achieved over the years, the Group, during the six-month period under review, has managed the fund flows of approximately HK\$5.0 billion which involved 24,164 smooth transactions.

The Group has four senior responsible officers registered under the SFO that closely monitor the brokerage operation's compliance with the SFO. They make sure that the requirements of the SFO are met by the Group's brokerage firm. Thanks to clients' trust for the established measures to safeguard their funds placed in their trading accounts with the Group, the balance of client trust funds account was maintained at a high level, amounting to HK\$328.5 million. To ensure the compliance of the relevant ordinance, the Group had arranged a seminar relating to a new ordinance to its employees in which a speaker that has extensive knowledge in the subject was invited to introduce the contents of that ordinance.

During the period under review, in light of increasing demand for fund raising activities in the market, the Group also involved various fund raising engagements including acting as agent for the placement of new shares or arrangement of loan facilities for its clients. To take advantage of its strong customer base, which is in a healthy financial position, and with a view to providing the value added services to its clients, the Group plans to allocate more resources to such fund raising activities to diversify its sources of income.

Property Development and Investment: For its property investments, after the successful disposal of one of its investment properties in 2009 at the favourable consideration of HK\$25 million, the Group is considering to redevelop another one of its high quality property that has a gross site area of approximately 17,000 square feet. According to the valuation report of an independent valuation company, this valuable property will reach HK\$82 million on a redevelopment basis, which is HK\$25 million more than its existing book value. To follow the prudent accounting standards, the Group had not booked that gain. Architects have been engaged to advise the Group on the redevelopment plans.

Investment in Financial Assets: Following the economic recover in 2009, Hong Kong's economy continued to hold up well in the first half of 2010. Benefiting from the abundant fund flows in the financial market and the positive investment sentiment, the Group recorded good results from its trading activities in listed securities.

During the period under review, the Group also realised profits generated from its investments in the subordinated notes issued by Bank of China (Hong Kong) Limited at the price of US\$1,338,820 (equivalent to approximately HK\$10,442,796). The profits, including the value increment and accumulated interests, represent a return of 5.3% for approximately 6 months, which is much higher than the interest rate of fixed deposits of a well recognized financial institution in Hong Kong.

PROSPECTS

Subsequent to the adoption of the quantitative easing policy in the wake of the world financial crisis, the United States has launched further measures of quantitative easing to support the economic recovery. The Federal Reserve has also announced that it would keep interest rates unchanged. Due to the linked exchange rate system, interest rates in Hong Kong will also remain exceptionally low for an extended period. Both the quantitative easing policy and low interest rates are incentives for people to invest, and these factors will certainly benefit the Group's brokerage and financial services business.

Though the United States and European economies have been weakened by the recession, China's economy is accelerating. In addition, the central government is dedicated to build 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 such Pearl River Delta cities as Guangdong and Shenzhen. The desirable fundamentals of the Chinese Mainland market have attracted general investors to capture the growth potential. To explore such investment opportunities in the PRC, the Group is now setting up a new office in the PRC.

As at 30 September 2010, the cash level of the Group has reached a new high as compared to its cash level at the time of suspension of trading in the Company's shares on 21 April 2004. The Group will also make good use of its working capital to develop its core business. The Directors believe that with a deliberate operation strategy in place and efficient internal controls for minimizing business risks, the Group will continue to attain good results in the future.

LIQUIDITY AND FINANCIAL RESOURCES

At 30 September 2010, the Group had cash at bank and in hand of approximately HK\$91.6 million (31 March 2010: HK\$77.8 million) and net assets value of approximately HK\$224.3 million (31 March 2010: HK\$207.1 million).

Bank borrowings at 30 September 2010 amounted to approximately HK\$7.5 million (31 March 2010: HK\$8.1 million), of which approximately HK\$1.2 million (31 March 2010: HK\$1.2 million) were repayable within one year. All the bank borrowings were related to the mortgage loan for a property with a valuation of HK\$57.0 million.

The gearing ratio, being the ratio of total bank borrowings and hire purchase payables approximately HK\$7.7 million to shareholders' fund of approximately HK\$224.3 million, was about 0.03 (31 March 2010: 0.04).

As at 30 September 2010, a time deposit of approximately HK\$5.0 million and a property held for redevelopment of approximately HK\$57.0 million were pledged to banks for granting banking facilities to the Group.

CAPITAL STRUCTURE

Although trading in the shares of the Company has been suspended since 2004, the Group can still boost its operating results. During the period of suspension, it continued to attract the support and recognition of the investing public that 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 (the "Options") to an independent third party at the exercise price of HK\$0.024 per share. The exercisable period is 18 months commencing from the date of fulfilment of conditions precedent set out in the Option Agreement. The long stop date for fulfillment of such conditions precedent has been extended 31 December 2010. Exercise in full of the Options will result in issue of 370,000,000 additional shares with an aggregate subscription value of HK\$8,880,000. The new shares to be issued are 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 the Convertible Bonds in the aggregate principal amount of HK\$9,880,000 due 2012. The Convertible Bonds shall not carry 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. 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 which will involve 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 for fulfillment of conditions precedent for the completion of the remaining 300,000,000 shares has been extended to 31 March 2011.

CREDIT POLICIES

Trading terms with general trading customers are largely on credit, 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 for whom 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 will be granted to customers based on individual assessment of financial status, repayment records and the liquidity of collaterals placed by the customers. The applicable interest rates charged to the customers will be determined by those factors. Loans will be repayable on demand once the customers fail to repay any deposits, margins or other sums that are due to the Group.

In following the prudent credit control measures, the bad debts provision has been kept at a low level.

FOREIGN EXCHANGE EXPOSURE

During the period under review, the Group's business activities and its assets and liabilities were mainly denominated in Hong Kong dollar and Renminbi. In light of the exchange rate peg between the Hong Kong dollar and United States dollar and the immaterial liabilities which were denominated in Renminbi, the Group considered its foreign exchange risk to be minimal. It is the Group's treasury policy to manage its foreign currency exposure whenever its financial impact is material to the Group.

OPERATIONAL RISK

The Group has put in place an effective internal controls system for its operations. Under the business of securities dealing and broking, a monitoring team consisting of Securities and Future Commission ("SFC") licensed responsible officers 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 verification so that our service standard has been maintained at a satisfactory level.

Social Responsibility

CARING FOR EMPLOYEES' DEVELOPMENT

At 30 September 2010, the Group had 52 employees. Remuneration packages are generally structured with reference to prevailing market practice and individual merits. Salaries are reviewed periodically based on performance appraisal and other relevant factors.

In light of the Group's operating results and increasing goods prices, the Group had, after a salary review, resolved to provide salary increments to its employees at the average rate of about 10% effective from April 2010. To take good care of its staff and to fulfil its social responsibility, the Group also maintains certain staff benefits plans including medical insurance, hospitalization scheme, mandatory provident fund and share option scheme.

To enhance employees' job performance, the Group provides not only on-the-job training to its employees but also sponsors them for their continued learning. To encourage employees to participate in the Sponsorship Scheme, the Group will provide guidelines to its employees setting out the criteria and ways which they can apply for the sponsorship.

OCCUPATIONAL HEALTH AND ENVIRONMENTAL PROTECTION

The management of the Group recognizes the importance of employees' health, thus it cares about its employees' health and safety including their mental health. To provide employees a comfortable workplace, the office has been upgraded and made to look beautiful with plants, books and paintings and artworks. To ease work pressure, the Group organises monthly or bi-monthly staff gatherings for its employees. Also, to promote family harmony, staff family members are invited to take part in the parties organised by the Group during major festivals, in which children are given gifts or toys. During the period under review, the Group organized a trip for all its employees which was free of charge to them and half price to their family members. The trip was well accepted by the staff and their family members. The Group believes that it can enhance its employees' sense of belonging and their work-life balance by holding these staff gatherings. The Group also believes that through these gatherings, its employees can gain recognition and support from their family members towards their work.

The Group supports the government's call for environmental protection by reducing carbon emission. To fulfil its responsibilities to society and to benefit the public, the Group continues to promote the awareness of environmental conservation in the workplace by reducing waste and saving energy. To build up the "green office" concept, the Group has adopted the tips provided by CLP and had posted them at the offices for the attention of the employees to teach them about environmental protection.

GIVING TO THE COMMUNITY AND CORPORATE RESPONSIBILITY

The Group continued its support to the ORBIS Pin Campaign to provide hope for millions of blind people worldwide. The Group also encouraged its staff to make donations and recruit sponsors. The Company is pleased that the total number of participating staff and sponsors increased by 39% for the current period under review as compared to the same corresponding period last year. The total amount of funds raised also increased by 40% for the current period under review as compared to the same corresponding period last year. The funds raised were sent to ORBIS on 9 September 2010.

Also, to continue its spirit of giving to the community by providing aid for disaster relief whenever there is a real need for it, during the period under review, the Group made donations to support the rescue and relief work in Qinghai, the PRC. Appreciation is also offered to the Group's Founder Mr. Cheung Chi Shing Kenneth and his family for their generosity as they had made donations in their own names.

Directors' Interests in Securities

As at 30 September 2010, the interests and short positions of the Directors of the Company (the "Directors") 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 (the "SFO")) or which were required, pursuant to Section 352 of the SFO to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

Interests in ordinary shares of HK\$0.01 each in the Company:

Name of Directors	Number and nature of interest			Shareholding percentage
	Family interests	Personal interests	Total	
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 is 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 30 September 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 30 September 2010, none of the Directors of the Company had any interest or short position whether beneficial or non-beneficial, in the shares or underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

Substantial Shareholders

The Register of Substantial Shareholders maintained under Section 336 of the SFO shows that, as at 30 September 2010, the Company had been notified of the following interests in the Company:

	Number of ordinary shares of HK\$0.01 each held	Shareholding percentage
Mr. Cheung (Note 1)	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%
Mr. 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 for his shareholding in the Company and received a letter dated 13 December 2004 from Mr. Rajkumar M Daswani that he and Shalini R Daswani in joint account held 114,731,667 shares of the Company as at 30 September 2004. The Company didn't receive 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.

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 shares of 165,050,000 and 150,800,000 in the Company. To ensure the accuracy of its Register, the Company wrote to Mr. Lin Wen (林文先生) and Mr. Sun Jin Lin (孫進林先生) to inquire 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. Lin Wen's (林文先生) interests available from the web site of the Stock Exchange and the record of the Company. The Company could not reach Mr. Lin Wen (林文先生) and Mr. Sun Jin Lin (孫進林先生), though it had repeatedly tried to seek valid notification under the SFO from them. According to the High Court order (case no. HCA 3544/03), Mr. Lin Wen (林文先生) and Mr. Sun Jin Lin (孫進林先生) were ordered to pay the legal costs of HK\$861,818 to the Company. The Group has been considering the way to recover the costs.

Share Option Scheme

The Company operates a share option scheme (the "Scheme") for the purpose of attracting and retaining quality personnel and other persons and providing them with incentive to contribute to the business and operations of the Group. Under the Scheme which was approved and adopted in the Special General Meeting of the Company held on 22 August 2002, the Directors may, within a period of 10 years, grant options to any director, employee or consultant of the Group so that they can subscribe for shares in the Company.

The maximum number of shares issuable under the Scheme 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, 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, however, it cannot 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.

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

As at 30 September 2010, the Company had no share options outstanding under the Scheme.

Related Party Transactions

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

	Six months ended 30 September	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
Short-term benefits	1,253	1,117
Post-employment benefits	39	37
	1,292	1,154

The remuneration of Directors and key executives is determined by the Remuneration Committee which takes into consideration the performance of the individual and market trends.

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

	Six months ended 30 September	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
Consultancy fee paid to Mr. Cheung	444	444
Commission income from Hoowin Limited (*)	58	7
Commission income from Mr. Cheung	325	25
Commission income from Ms. Chan Chi Mei Miranda ("Ms. Chan")	–	1
Commission income from Mr. Yeung Shun Kee Edward ("Mr. Yeung")	–	7

* *Hoowin Limited is beneficially owned by Mr. Cheung and Ms. Yeung. The directors of Hoowin Limited are Mr. Cheung, Ms. Yeung and Mr. Cheung Hoo Win ("Mr. Hoowin Cheung").*

Mr. Cheung, the substantial shareholder of the Company, is the spouse of Ms. Yeung and the father of Mr. Hoowin Cheung. Ms. Yeung, Mr. Hoowin Cheung and Ms. Chan are the Directors of the Company.

The amounts of securities dealing transactions of Hoowin Limited, Mr. Cheung, Ms. Chan, and Mr. Yeung during the period were approximately HK\$23,079,000 (2009: HK\$2,683,000), HK\$130,026,000 (2009: HK\$9,955,000), Nil (2009: HK\$300,000) and Nil (2009: HK\$2,543,000) respectively. During the period under review, Hoowin Limited, Mr. Cheung, Ms. Chan and Mr. Yeung did not get loans from the Group in respect of the securities dealing transactions.

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

	Six months ended 30 September	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
Trade payables:		
Amount due to Hoowin Limited (note i)	(4,764)	(364)
Amount due to Mr. Cheung (note i)	(56,201)	(4,998)
Amount due to Ms. Chan (note i)	(7)	(11)
Other payables:		
Amount due to Mr. Zhao Qingji (note ii)	(100)	(79)
Amount due to Mr. Yeung (note ii)	(40)	(40)
Amount due to Mr. Li Hancheng (note ii)	(50)	(50)
Amount due to Mr. Lo Tsz Fung Phillip (note ii)	(40)	(39)

Notes:

- (i) Hoowin Limited, Mr. Cheung and Ms. Chan are clients of the Group's brokerage business. The amount was unsecured, interest bearing at bank deposit saving rate per annum and repayable on clients' demand. The amount was placed in the Group's client trust funds accounts and monitored by the responsible officers.
- (ii) The amount was the accrued director fee.

Purchase, Sale or Redemption of The Company's Listed Securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the period under review.

Closure of Register of Members

The register of members of the Company will be closed from 29 December 2010 to 31 December 2010, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for cash dividend or Scrip Shares under the 2011 Interim Dividend and the Bonus Shares under the 2011 Bonus Share Issue Proposal, shareholders of the Company are reminded to ensure that all completed share transfer forms accompanied by the relevant share 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 4:30 p.m. on 28 December 2010.

Review by Audit Committee

The Company has an Audit Committee comprising four Independent Non-Executive Directors of the Company. The Audit Committee has reviewed the unaudited interim financial statements for the six months ended 30 September 2010 and discussed the financial related matters with the management of the Company.

On behalf of the Board
Zhao Qingji
Non-Executive Chairman

Hong Kong, 22 November 2010