NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Accounting policies

Kong Statement of Standard Accounting Practice No. 25 "Interim Financial Reporting" issued by the Hong Kong Society of Accountants. The accounting policies and basis of preparation used in the preparation of the interim financial

The condensed consolidated interim financial statements are prepared in accordance with Hong

statements are the same as those used in the annual financial statements for the year ended 31st March. 2000.

Segmental information

-	Segmental information					
				Contribution to		
				profit from		
		Turnover		operating activities		
		Six mo	onths ended	30th September		
		2000	1999	2000	1999	

(Unaudited)

HK\$'000

72,289

10,051

16,244

98,645

46,512

48,083

3,710

98,645 ___

6

340

61

Financing business

By geographical area:

Other Asian countries

North America

Trading

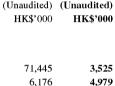
Others

By principal activities:

Gross profits / (losses) from securities trading

People's Republic of China, Hong Kong

Securities dealing and broking



4,217

81,921

46,025

23,802

10,272

1,822

81,921

83

(Unaudited)

HK\$'000

4,791

6,674

19,830

31,439

(374)

31,065

144

HK\$'000

3,525

4,979

22,515

31,114

31,193

95

79

Interest expenses

Depreciation

Profit before tax

3

4 Tax

Profit before tax was determined after charging the following:

Six months ended 30th September 2000

(Unaudited)

HK\$'000

As at 30th

(Unaudited)

HK\$'000

100,291

100,749

201,040

September, 2000

As at 31st

March, 2000

(Unaudited)

HK\$'000

147,280

51,195

198,475

8,672

816

1999

(Unaudited)

HK\$'000

14,202

937

Hong Kong profits tax had been provided for at the rate of 16% (1999: 16%) on the estimated assessable profits arising in Hong Kong during the period.

5 Earnings per share

The calculation of earnings per share is based on the profit attributable to shareholders of

HK\$18,362,000 (1999: HK\$7,377,000) and the weighted average number of 36,480,991,896 (1999:

3,142,078,334) shares in issue during the period.

The comparative amount of earnings per share has been adjusted for the rights issue of 25,478,787,991 shares of the Company in March 2000 and the bonus issue of shares during the

period.

The calculation of diluted earnings per share for the period is based on the profit attributable to shareholders of HK\$18,362,000 (1999: HK\$7,377,000) and the weighted average number of 36,875,011,442 (1999: 3,202,344,584) shares which include the weighted average of 394,019,546

of share options of the Company that were outstanding during the period. The 2000 Warrants outstanding during the period had an anti-dilutive effect on the basic earnings per share.

Accounts and loans receivable

Aging analysis of accounts and loans receivable are as follows: Current to 3 months

The Group usually grants an average credit period of approximately 60 days to its trade customers.

(1999: 60,266,250) shares assumed to have been issued at no consideration on the deemed exercise

Over 3 months

7	Accounts payable									
	As at 30th September, 2000 (Unaudited) HK\$'000						As at 31st March, 2000 (Unaudited) HK\$'000			
	Aging analysis of accounts payable are as follows:									
	Current to 3 months Over 3 months					0,024 1,774 1,798	72,700 982 73,682			
	Other payables and accru	ied expenses	3			3,273	137,919 211,601			
8	Reserves									
	Movement of reserves during the period are as follows:									
		Share premium account HK\$'000	Special capital reserve HK\$'000	Contributed surplus HK\$'000	Accumulated losses HK\$'000	Exchange fluctuation reserve HK\$'000	Total			
	At 31st March, 2000 and 1st April, 2000 (audited)	675,663	215,965	809	(184,280)	(718) 707,439			

(72,962)

(116,575)

21.323

18,362

557,312

As at 31st

(Audited)

HK\$'000

249,000

March, 2000

(3)

(3)

(721)

18,362

(165,918)

As at 30th

(Unaudited)

HK\$'000

269,000

STYLAND HOLDINGS LIMITED

September, 2000

809

(272)

(72,962)

602,429

Guarantees given to banks in connection with facilities granted to subsidiaries

(272)

(116,575)

21,323

120,713

8

Issue of bonus shares

Share issue expenses

Goodwill on acquisition of an associate

Capital reserve on acquisition of subsidiaries

Profit retained for the period

Exchange realignments

At 30th September, 2000 (unaudited)

Contingent liabilities