



大凌集團有限公司  
STYLAND HOLDINGS LIMITED


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

INTERIM  
REPORT 2009/2010



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

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

#### Independent Non-Executive Directors

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

### AUDIT COMMITTEE

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

### REMUNERATION COMMITTEE

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

### NOMINATION COMMITTEE

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

### COMPANY SECRETARY

Mr. Wang Chin Mong Jimmy

### AUDITORS

SHINEWING (HK) CPA Limited

### LEGAL ADVISERS

*As to Hong Kong Law:*  
P.C. Woo & Co.  
D.S. Cheung & Co. Solicitors  
Michael Li & Co.  
Andrew Law & Franki Ho, Solicitors  
Chiu & Partners, Solicitors  
Huen & Partners, Solicitors  
(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  
Chong Hing Bank Limited  
DBS Bank (Hong Kong) Limited  
The Industrial & Commercial Bank of China  
Wuhan Economic and Technology Development  
Zone Branch

**PRINCIPAL REGISTRAR**

The Bank of 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  
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**SHAREHOLDERS' SERVICE**

Telephone: (852) 2959 3123  
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 (the "Board") of directors (the "Director(s)") 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 2009 together with the comparative figures as follows:

## CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended 30 September	
	Notes	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
• Turnover	2	167,359	62,592
Revenue		42,759	33,642
Cost of sales		(11,864)	(28,387)
• Gross profit		30,895	5,255
Other income		1,040	2,263
Administrative expenses		(15,805)	(12,453)
Selling and distribution costs		(212)	(842)
Change in fair value of investment properties		–	(3,200)
Change in fair value of financial assets at fair value through profit or loss		598	(7,137)
Gain (loss) on disposal of listed trading securities		18,214	(1,895)
Impairment loss recognised in respect of trade receivables		(112)	(27)
Reversal of impairment loss recognised in respect of trade receivables		315	152
Impairment loss recognised in respect of loan receivables		(171)	–
Reversal of impairment loss recognised in respect of loan receivables		121	223
Bad debt recovery of loan receivables		15	–
Bad debt written-off		(425)	–
• <b>PROFIT (LOSS) FROM OPERATIONS</b>		34,473	(17,661)
Finance costs		(188)	(265)
• <b>PROFIT (LOSS) BEFORE TAXATION</b>	3	34,285	(17,926)
Income tax expenses	4	(1,500)	(71)
• <b>PROFIT (LOSS) FOR THE PERIOD</b>		32,785	(17,997)
<b>ATTRIBUTABLE TO:</b>			
Equity holders of the Company		33,252	(17,729)
Minority interests		(467)	(268)
• <b>PROFIT (LOSS) FOR THE PERIOD</b>		32,785	(17,997)
• <b>EARNINGS (LOSS) PER SHARE</b>	6		
Basic		HK1.78 cent	(HK0.95 cent)
Diluted		N/A	N/A

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended  
30 September

	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
• <b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>32,785</b>	(17,997)
Available-for-sale investment reserve: Fair value changes taken (from) to equity	(31)	196
• <b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD, NET OF TAX</b>	<b>32,754</b>	(17,801)
<b>ATTRIBUTABLE TO:</b>		
Equity holders of the Company	<b>33,221</b>	(17,533)
Minority interests	(467)	(268)
• <b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD, NET OF TAX</b>	<b>32,754</b>	(17,801)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 September 2009 (Unaudited) HK\$'000	At 31 March 2009 (Audited) HK\$'000
	Notes		
• <b>NON-CURRENT ASSETS</b>			
Plant and equipment		1,927	2,188
Investment properties		78,000	78,000
Available-for-sale investment		219	230
		<b>80,146</b>	<b>80,418</b>
• <b>CURRENT ASSETS</b>			
Inventories		532	156
Loan receivables	7	19,961	17,639
Trade and bills receivables	8	9,651	8,797
Other receivables, deposits and prepayments		8,417	5,477
Financial assets at fair value through profit or loss		3,966	4,973
Tax recoverable		185	114
Client trust funds	9	480,307	15,446
Pledged bank deposit		5,000	5,000
Bank balances and cash		44,378	25,507
		<b>572,397</b>	<b>83,109</b>
Interest in a joint venture held-for-sale		<b>178,080</b>	<b>178,080</b>
• <b>CURRENT LIABILITIES</b>			
Trade and bills payables	9	482,049	18,143
Other payables and accruals		117,668	122,196
Tax liabilities		2,834	1,334
Bank borrowings – due within one year		3,246	6,875
Obligations under finance leases – due within one year		82	78
		<b>605,879</b>	<b>148,626</b>
• <b>NET CURRENT ASSETS</b>		<b>144,598</b>	<b>112,563</b>
• <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>224,744</b>	<b>192,981</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(continued)

	Notes	At 30 September 2009 (Unaudited) HK\$'000	At 31 March 2009 (Audited) HK\$'000
• <b>NON-CURRENT LIABILITIES</b>			
Bank borrowings – due after one year		10,988	11,936
Obligations under finance leases – due after one year		226	269
		11,214	12,205
• <b>NET ASSETS</b>		213,530	180,776
• <b>CAPITAL AND RESERVES</b>			
Share capital		18,712	18,712
Reserves		156,454	123,233
Equity attributable to equity holders of the Company		175,166	141,945
Minority interests	10	38,364	38,831
• <b>TOTAL EQUITY</b>		213,530	180,776



## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company									
	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	Total HK\$'000	Minority interests HK\$'000	Total HK\$'000
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 (loss) 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
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 (loss) for the period	-	-	-	-	-	196	(17,729)	(17,533)	(268)	(17,801)
At 30 September 2008	18,712	35,831	6,040	571,147	599,433	152	(1,088,132)	143,183	38,339	181,522

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

Six months ended  
30 September

	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Net cash generated from (used in) operating activities	23,487	(6,183)
Net cash generated from (used in) investing activities	188	(1,825)
Net cash used in financing activities	(1,175)	(1,242)
• Increase (decrease) in cash and cash equivalents	22,500	(9,250)
Cash and cash equivalents at 1 April	20,528	30,135
• Cash and cash equivalents at 30 September	43,028	20,885
• Analysis of the balances of cash and cash equivalents		
Cash and bank balances	44,378	25,047
Bank overdrafts	(1,350)	(4,162)
• Cash and cash equivalents at 30 September	43,028	20,885

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 1. Basis of preparation and accounting policies

The unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The unaudited condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2009.

The unaudited condensed consolidated interim financial statements have been prepared under the historical cost basis except for certain financial instruments and investment properties, which are measured at fair values, as explained in the accounting policies.

The accounting policies adopted in preparation of these condensed consolidated interim financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 March 2009.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2009 except in relation to the following new and revised Hong Kong Financial Reporting Standards ("HKFRS") that are adopted for the first time for the current period's financial information.

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRSs (Amendments)	Improvements to HKFRS May 2008 except the amendments to HKFRS 5
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7	Disclosures: Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
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

The adoption of the new HKFRS had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

## 1. Basis of preparation and accounting policies (continued)

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

HKFRSs (Amendments)	Improvements to HKFRSs May 2008 <sup>1</sup>
HKFRSs (Amendments)	Improvements to HKFRSs April 2009 <sup>2</sup>
HKAS 24 (Revised)	Related Party Disclosures <sup>7</sup>
HKAS 27 (Revised)	Consolidated and Separate Financial Statements <sup>3</sup>
HKAS 32 (Amendment)	Classification of Right Issues <sup>8</sup>
HKAS 39 (Amendment)	Eligible hedged items <sup>3</sup>
HKFRS 1 (Revised)	First-time Adoption of HKFRSs <sup>3</sup>
HKFRS 1 (Amendment)	First-time Adoption of HKFRSs <sup>6</sup>
HKFRS 2 (Amendments)	Share-based Payment – Group Cash-Settled Share-based Payment Transactions <sup>6</sup>
HKFRS 3 (Revised)	Business Combinations <sup>3</sup>
HKFRS 9	Financial Instruments <sup>9</sup>
HK(IFRIC) – Interpretation ("INT") 9 and HKAS 39 (Amendments)	Embedded Derivatives <sup>4</sup>
HK(IFRIC) – INT 17	Distribution of Non-cash Assets to Owners <sup>3</sup>

<sup>1</sup> Amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009.

<sup>2</sup> Effective for annual periods beginning on or after 1 July 2009 and 1 January 2010 as appropriate.

<sup>3</sup> Effective for annual periods beginning on or after 1 July 2009.

<sup>4</sup> Effective for annual periods ending on or after 30 June 2009.

<sup>5</sup> Effective for transfers of assets from customers received on or after 1 July 2009.

<sup>6</sup> Effective for annual periods beginning on or after 1 January 2010.

<sup>7</sup> Effective for annual periods beginning on or after 1 January 2011.

<sup>8</sup> Effective for annual periods beginning on or after 1 February 2010.

<sup>9</sup> 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. The directors of the Company anticipate that the application of the other revised standards, amendments or interpretations will have no material impact on the results and financial position of the Group.

## 2. Segmental information

The group has adopted HKFRS 8 "Operating Segments" with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports on the components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to these segments and to assess 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, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments.

In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a re-designation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14, nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

## 2. Segmental information (continued)

The following tables present revenues and results of the Group's business segments for the six months ended 30 September 2009 and 2008 respectively:

	General import and export trading HK\$'000	Securities dealing and broking HK\$'000	Financing HK\$'000	Trading of securities HK\$'000	Property development and investment HK\$'000	Strategic investments HK\$'000	Others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
<b>2009</b>									
Segment revenue									
External sales	8,548	31,786	2,136	289	-	-	-	-	42,759
Inter-segment sales	-	86	-	-	600	-	9,488	(10,174)	-
Total revenue	8,548	31,872	2,136	289	600	-	9,488	(10,174)	42,759
Trading of securities	-	-	-	124,600	-	-	-	-	124,600
Total turnover	8,548	31,872	2,136	124,889	600	-	9,488	(10,174)	167,359
Segment results	(705)	15,881	1,476	18,503	186	(1,131)	18,057	(18,354)	33,913
Change in fair value of financial assets at fair value through profit or loss	-	-	-	598	-	-	-	-	598
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 of loan receivables	-	15	-	-	-	-	-	-	15
Bad debt written-off	(425)	-	-	-	-	-	-	-	(425)
Unallocated income									219
Finance costs									(188)
Profit before taxation									34,285
Income tax expenses									(1,500)
Profit for the period									32,785

## 2. Segmental information (continued)

	General import and export trading HK\$'000	Securities dealing and broking HK\$'000	Financing HK\$'000	Trading of securities HK\$'000	Property development and investment HK\$'000	Strategic investments HK\$'000	Others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
2008									
Segment revenue									
External sales	27,385	3,498	2,725	34	-	-	-	-	33,642
Inter-segment sales	-	176	-	-	600	-	4,061	(4,837)	-
Total revenue	27,385	3,674	2,725	34	600	-	4,061	(4,837)	33,642
Trading of securities	-	-	-	28,950	-	-	-	-	28,950
Total turnover	27,385	3,674	2,725	28,984	600	-	4,061	(4,837)	62,592
Segment results	(1,380)	(2,202)	2,511	(1,860)	22	(1,557)	(3,273)	(181)	(7,920)
Change in fair value of investment properties	-	-	-	-	(3,200)	-	-	-	(3,200)
Change in fair value of financial assets at fair value through profit or loss	-	-	-	(7,137)	-	-	-	-	(7,137)
Impairment loss recognised in respect of trade receivables	(27)	-	-	-	-	-	-	-	(27)
Reversal of impairment loss recognised in respect of trade receivables	152	-	-	-	-	-	-	-	152
Reversal of impairment loss recognised in respect of loan receivables	-	-	223	-	-	-	-	-	223
Unallocated income									248
Finance costs									(265)
Loss before taxation									(17,926)
Income tax expenses									(71)
Loss for the period									(17,997)

### 3. Profit (loss) before taxation

Profit (loss) before taxation is arrived at after charging:

	Six months ended 30 September	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Depreciation	239	290
Staff costs	5,705	5,422

### 4. Income tax expenses

Hong Kong Profits Tax has been provided at the rate of 16.5% (2008: 17.5%) on the estimated assessable profits arising in Hong Kong during the current period.

	Six months ended 30 September	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Provision for the period	1,500	71

## 5. Dividends

The Board recommended an interim scrip dividend for the six months ended 30 September 2008, which will be wholly paid and satisfied by allotment and issue of scrip shares credited as fully paid without offering any right to shareholders of the Company ("Shareholders") to elect to receive such dividend in cash in lieu of such allotment (the "Old Scheme"). The Old Scheme was approved by Shareholders on 18 August 2009 but still subject to the granting by the Listing Committee of the Stock Exchange of the listing of and permission to deal in the scrip shares to be issued.

The Group recorded a profit of HK\$32.8 million for the current period, turning loss into profit. The earnings per share was significantly improved to HK1.78 cent per share for the current period while the net asset value per share rose from HK\$0.097 at 31 March 2009 to HK\$0.114 at 30 September 2009, an increase of 18%.

The Directors have resolved to declare an interim cash dividend of HK\$16 for every 10,000 shares of the Company or HK0.16 cent per share to Shareholders whose names appear on the register of members of the Company on 31 December 2009 (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 (the "New Scheme"). 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 10 shares held by the Shareholders on the Record Date (the "Bonus Issue Proposal"). *(Note: The Listing Division of the Stock Exchange has not yet granted the resumption of trading of the shares of the Company. As such, the Company will put the Bonus Issue Proposal on record, and the bonus shares will only be issued to Shareholders after the shares of the Company can be traded on the market freely.)*

Both the New Scheme and the Bonus Issue Proposal are conditional on the granting by the Listing Committee of the Stock Exchange of the listing of and permission to deal in the scrip shares and bonus shares to be issued. A circular containing details of the New Scheme and the Bonus Issue Proposal will be sent to the Shareholders as soon as practicable.

For those Shareholders who have relatively low shareholding in the Company may encounter certain technical difficulty, for example, the cash dividends and the value of bonus shares they are going to receive may be unable to cover the handling charges to the brokers or banks or other expenses. As trading in shares of the Company has been suspending for more than five years, the Company hereby calls on brokers or banks to waive the handling charges that Shareholders may be required to pay in respect of the two dividend schemes and the Bonus Issue Proposal. For enquiry or any special arrangement, please contact the following company:

<b>Company name:</b>	<b>Ever-Long Securities Company Limited</b>
Address:	18/F, Dah Sing Life Building, 99-105 Des Voeux Road, Central, Hong Kong
Telephone:	(852) 2815 3625
Facsimile:	(852) 2581 0638

**or the shareholders' service division at:**

Telephone:	(852) 2959 3123
Facsimile:	(852) 2310 4824
E-mail address:	shareholder@styland.com



## 6. Earnings (loss) per share

The calculation of the basis earnings (loss) per share is based on the profits (loss) attributable to equity holders of the Company of HK\$33,252,000 for the six months ended 30 September 2009 (2008: loss of HK\$17,729,000) on 1,871,188,679 (2008: 1,871,188,679) ordinary shares in issue during the period.

No diluted earnings (loss) per share has been presented for the periods ended 30 September 2009 and 2008 as there were no potential ordinary shares outstanding for both periods.

## 7. Loan receivables

	As at 30 September 2009 (Unaudited) HK\$'000	As at 31 March 2009 (Audited) HK\$'000
Securities dealing and broking services:		
– Secured margin loans	27,483	25,312
Less: Impairment loss recognised	(9,588)	(9,587)
	17,895	15,725
Financing business:		
– Total loans	19,806	19,604
Less: Impairment loss recognised	(17,740)	(17,690)
	2,066	1,914
Total	19,961	17,639

## 7. Loan receivables (continued)

No significant movement in the impairment of loan receivables during the period under review. For financing business, the balance of secured loans was HK\$893,000 at 30 September 2009 (At 31 March 2009: nil).

No aged analysis on margin loans is disclosed as, in the opinion of the Directors, an aged analysis may not be applicable 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 2009 (Unaudited) HK\$'000	As at 31 March 2009 (Audited) HK\$'000
Within 6 months	1,130	189
Between 7 to 12 months	126	838
Over 1 year	810	887
	<b>2,066</b>	<b>1,914</b>

## 8. Trade and bills receivables

	As at 30 September 2009 (Unaudited) HK\$'000	As at 31 March 2009 (Audited) HK\$'000
Trade receivables	11,174	9,797
Bills receivables	–	725
	<b>11,174</b>	<b>10,522</b>
Less: Impairment loss recognised	<b>(1,523)</b>	<b>(1,725)</b>
	<b>9,651</b>	<b>8,797</b>
Balance in relation to:		
– Securities dealing and broking	3,293	2,094
– General trading	6,358	6,703
	<b>9,651</b>	<b>8,797</b>
An aged analysis of the Group's trade and bills receivables net of impairment is as follows:		
Within 6 months	9,451	8,208
Between 7 to 12 months	188	448
Over 1 year	12	141
	<b>9,651</b>	<b>8,797</b>

No significant movement in the impairment of trade and bills receivables during the period under review.

## 9. Trade and bills payables

	As at 30 September 2009 (Unaudited) HK\$'000	As at 31 March 2009 (Audited) HK\$'000
Balance in relation to:		
Securities dealing and broking (note)	480,197	16,428
General trading	1,852	1,715
	<b>482,049</b>	<b>18,143</b>
An aged analysis of the Group's trade and bills payables is as follows:		
Within 6 months	481,647	13,016
Between 7 to 12 months	–	1,708
Over 1 year	402	3,419
	<b>482,049</b>	<b>18,143</b>

*Note:* During the six months ended 30 September 2009, the Group had properly managed the fund flows of approximately HK\$7.6 billion for its brokerage business. The Board has tried their best to oversee the operation 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 them are independent non-executive Directors who provide the Board the valuable advices on the matters of internal control system. The independent non-executive Directors are satisfied with the corporate governance of the Group. Due to the effective internal control procedure, the Group has maintained the record of zero complaint over the past years. Thanks to clients' trust in our internal control and services that they placed their funds in their trading accounts with the Group, and this is the reason for the increase in the balance of client trust accounts. The Company also appreciates the Board (including the independent non-executive Directors) for their prudent approach taken in the running of the business. Accordingly, the corresponding balance was recognised as payables at the end of the reporting period.

## 10. Minority interests

The minority interests representing the portion of interests shared by the minority shareholders of Sheng Da Investment Holding (HK) Limited ("Sheng Da"), a non-wholly owned subsidiary of the Company which makes investment in a toll road in Wuhan (the "Toll Road"). Please refer to the sub-section of Infrastructure under the Management Discussion and Analysis for details of the Toll Road. For the best interests of the Group, the Group is considering to dispose of its shareholding interests in Sheng Da and will consult financial advisers and lawyers about the disposal.

## 11. Operating lease arrangements

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of the rental premises which fall due are as follows:

	As at 30 September 2009 (Unaudited) HK\$'000	As at 31 March 2009 (Audited) HK\$'000
Within one year	1,247	1,030
In the second to fifth years, inclusive	317	431
	1,564	1,461

## 12. Contingent liabilities

As at 30 September 2009, the Group had no material contingent liability other than those outstanding litigations as set out below.

## 13. Litigations

- (1) Reference is made to the note 40(a) to the financial statements for the year ended 31 March 2009. The Directors are of the opinion that the Group is not liable for any debt arising from the lawsuit and the claim from Hainan Wanzhong Shiye Touzi Co. Ltd. (海南萬眾實業投資有限公司) has no ground. The Directors consider that the lawsuit does not have material impact on the Group and no provision has been made at 30 September 2009. However, to the best interests of the Group, the Group is considering to dispose of its shareholding interests in Sheng Da.
- (2) Reference is also made to the Company's announcement dated 11 September 2008 and a supplemental circular dated 9 April 2009, in which it disclosed that the Company, as one of respondents, 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 Company. The petition was first heard on 17 December 2008. After the submission of affirmations by respondents, the hearing will be restored on 16 December 2009. According to the petition, the petitioner prays, among others, an order that the Company shall bring proceedings against other respondents as the court considers appropriate. As such, the Company is seeking for legal advices on the possible settlement between the Company, the petitioner and other respondents instead of legal proceedings.

## 14. Subsequent event

On 27 October 2009, the Group entered into a sale and purchase agreement to dispose of its interest in City Faith Investments Limited, a wholly-owned subsidiary of the Company and holding an investment property, at a consideration of HK\$25 million. For more details, please refer to the announcement of the Company dated 4 November 2009.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Results

When the global economic markets as well as Hong Kong's were significantly impacted by the financial tsunami, the Group confirmed that it had not involved in Lehman Minibonds or any Accumulator product that it can preserve its strength for the market recovery. Thanks are offered to Directors, who are accountable to Shareholders, for their deliberate financial decisions for the Group's investments. For the six months ended 30 September 2009, the Group recorded a profit of HK\$32.8 million (2008: loss HK\$18.0 million) and a turnover of HK\$167.4 million (2008: HK\$62.6 million).

#### Review of operations

**Brokerage business:** As a result of the fiscal and monetary stimulus packages by governments globally in the first quarter of 2009, investor confidence has been rebounded and the economic reality has bottomed out in the second quarter of this year. To capitalise on improved market trend, the Group has therefore strengthen its sales and marketing ability and services, targeted at both new and existing customers bases, to boost its brokerage business. Due to the efforts of the management and staff, the brokerage commission incomes have increased 7.7 times as compared to the corresponding period last year.

The Group has put in place the effective internal control for its operations; in particular, it has fully followed the SFO for brokerage business, thus it could smoothly managed the fund flows of approximately HK\$7.6 billion for the half year with zero complaint.

**Financing business:** Following the recovery of market sentiment, initial public offerings and share placements make a comeback in the stock market. The Group, during the period under review, participated in the financing of initial public offerings and share placements. For the money lending business, in order to minimize its exposure to the uncertainty of the market environment before the real economy is fully picked up, the Directors continued the prudent strategy towards this segment operation. As such, the Group will focus on the development of its existing trustworthy customers. Thanks to its strict credit control policies, the Directors believe that the aging of its loan receivables will be further improved and the possibility of their impairment will become low.



**Property Investment:** Residential properties in Hong Kong have recorded vigorous recovery since December 2008 and continued the upward trend this year. In light of the revitalizing property market, the Group was considering to realise one of its investment properties or redevelop another precious property which is located at Fei Ngo Shan and has a gross site area of approximately 17,000 square feet.

According to the a valuation report of an independent valuer, the fair value of the property at Fei Ngo Shan, on redevelopment basis, was HK\$80 million, representing HK\$24 million more than the book value. To reflect the higher fair value of the property, the Group has resolved to redevelop it and will invite the redevelopment proposal by a public tender.

On 27 October 2009, the Group entered into a sale and purchase agreement to dispose of its interest in a subsidiary which is holding an investment property at a consideration of HK\$25 million. As a result of the disposal, the Group is expected to record a gain of approximately HK\$2.3 million and net proceeds of approximately HK\$20 million after repaying the mortgage loan. The proceeds would further enhance the Group's cash position.

**Infrastructure:** As disclosed in the Company's announcement dated 27 February 2004, the PRC joint venture (the "JV") partner (the "JV Partner") in the Toll Road had unilaterally decided to relocate the toll station of the Toll Road, which resulted in significant drop in traffic flows of the Toll Road. The Group kept negotiating with the JV Partner for compensation for the losses since then. The Group applied through the Wuhan Arbitration Commission ("WAC") for arbitration in China in October 2004.

In April 2006, the WAC arbitrated that the Group could transfer its interests in the JV to the JV Partner at a consideration of RMB157,298,300 and is entitled to the arbitration costs of RMB1,000,968. In April 2007, the Group received RMB75,000,000 from Wuhan Communications Commission (武漢市交通委員會). The Group is using its best endeavor in negotiation with the relevant parties to receive the balance sum.



## Capital structure

Though trading in shares of the Company has been suspending since 2004, the Group can still raise its operating results. During the period of suspension, public investors have many times 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 issued 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 fulfilment of conditions precedent set out in the option agreement. The long stop date for fulfilment of such conditions precedent has been extended 31 December 2009. Exercise in full of the Options would result in issue of 370,000,000 additional shares with an aggregate subscription value of HK\$8,880,000. The new shares 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 covert 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 fulfilment of the conditions as set out in the subscription agreements. The long stop date for fulfilment of such conditions has been extended to 31 December 2009.

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 involved 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 fulfilment of conditions precedent for the completion of the remaining 300,000,000 shares has been extended to 31 March 2010.

## Staff

At 30 September 2009, the Group had 49 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. Staff benefit plans maintained by the Group include medical insurance, hospitalization scheme, mandatory provident fund and share option scheme.



## Social responsibility

To support the 2009 ORBIS Pin Campaign to provide hope for millions of needlessly blind people worldwide, the Directors encouraged its staff to make donation voluntarily and to recruit sponsors. The Company was pleased that more than 60% of employees of the Group had taken part of the campaign, and the funds raised were sent to ORBIS on 28 August 2009.

Being a caring and responsible enterprise in the territory, over the past thirty years we have been providing a caring environment to staff. Also, to ensure a healthy and safe workplace, the Group upgrades office PC from time to time and to maintain a tidy floor area. To perfect the workplace, the Group also promotes green environment in the office. To promote closer relationship between employees, we also organize regular staff parties or gatherings. Benefiting from such sense of belonging, the Group has a low turnover.

The Company also gives weights to shareholders' interests. To comply with the Listing Rules, the Company requested for temporary suspension of trading of its shares to release an announcement in 2004, but the Listing Division of the Stock Exchange has not granted the resumption of trading after that. Notwithstanding the fact that the trading in the shares of the Company has suspended since then, the Directors and staff continue to try every effort to get their job done and the Directors had frequently proposed dividends and gift distributions. The Old Scheme in relation to the interim scrip dividend for the six months ended 30 September 2008 was approved by Shareholders on 18 August 2009. For the third gift distribution scheme, we are pleased that there were numbers of Shareholders taking part in the third gift distribution scheme, and the gifts were despatched to them in August 2009. The gift distribution scheme was well accepted by the independent non-executive Directors, Shareholders and the great majority of people in the territory. For any enquiry, Shareholders can contact the shareholders' service hotline at:

Telephone: (852) 2959 3123  
Facsimile: (852) 2310 4824  
E-mail address: [shareholder@styland.com](mailto:shareholder@styland.com)

## Investments

The Group made no material investment during the six months ended 30 September 2009.





### Credit policies

**T**rading terms with general trading customers are largely on credit, except for new customers, where payment in advance is normally required or 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 will be granted to customers based on individual assessment to financial status, repayment records and the liquidity of collaterals placed by a customer and the applicable interest rate will be determined thereon. Loans will be repayable on demand once a customer fails to repay any deposit, margin or other sum payable to the Group.

To follow the prudent credit control measures, the bad debts provision was therefore kept at a low level. Over the past year, the brokerage operation of the Group has complied with the SFO. Clients satisfied with the services and did not lodge any complaint.

### Foreign exchange exposure

**D**uring the period under review, the Group's business activities and its assets and liabilities were mainly denominated in Hong Kong dollars and Renminbi. In light of linked exchange rate system between Hong Kong dollars and United States dollars and the immaterial liabilities which were denominated in Renminbi, the Group considered its foreign exchange risk was 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

**T**he Group has put in place the 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 SFO, has been set up to monitor the settlement matters of traded securities and cashes. In order to safeguard client's 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 maintaining at a satisfactory level. Over the past year, the brokerage operation of the Group has complied with the SFO. Clients satisfied with the services and did not lodge any complaint.

### Liquidity and financial resources

At 30 September 2009, the Group had cash at bank and in hand of approximately HK\$44.4 million (31 March 2009: HK\$25.5 million) and net assets value of approximately HK\$213.5 million (31 March 2009: HK\$180.8 million).

Bank borrowings at 30 September 2009 amounted to approximately HK\$14.2 million (31 March 2009: HK\$18.8 million), of which approximately HK\$3.2 million (31 March 2009: HK\$6.9 million) were repayable within one year. Included in the bank borrowings were mortgage loans of HK\$12.9 million for properties with an aggregate valuation of HK\$78.0 million.

The gearing ratio, being the ratio of total bank borrowings and financial lease of approximately HK\$14.5 million to shareholders' fund of approximately HK\$175.2 million, was about 0.08 (31 March 2009: 0.14).

As at 30 September 2009, a time deposit of HK\$5.0 million and investment properties at an aggregate valuation of HK\$78.0 million were pledged to banks for their banking facilities granted to the Group.

### Prospects

The Group is cautiously optimistic about the business outlooks for the rest of 2009 as the management believes that the global markets have stabilized. Nevertheless, the Group will continue to observe the development of global financial markets.

In light of the cash level at the period end and net proceeds of HK\$20 million arising from the disposal of the investment property, and to thank shareholders and investors for their trust, the Directors will continue to seek business opportunities in the market to make good use of the Group's working capital to sustain the business growth. The Group will also keep on its deliberate approach for its operations and to adopt prudent accounting policies and stick to the founder's perseverance in running its business.

Going forward, the Group is of the view that recovery of stock market and property market is supported by the low interest rates, and the Group's business will take advantage from the positive factors. Nevertheless, the Group will continue to prudently manage its cost structure and strengthen its operation control and efficiency.

## DIRECTORS' INTERESTS IN SECURITIES

As at 30 September 2009, 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 2009, 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 2009, 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 2009, 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)	112,411,667	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:

- 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.
- 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.
- 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.
- 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.

- 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 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 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 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), though it had repeatedly tried to seek valid notification under the SFO from Mr. Lin Wen (林文先生) and Mr. Sun Jin Lin (孫進林先生). 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).



## 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 operation of the Group. 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 options to any director, employee or consultant of the Group to 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 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.

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

As at 30 September 2009, the Company had no share options outstanding under the Scheme.

## RELATED PARTY TRANSACTIONS

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

	Six months ended 30 September	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Short-term benefits	1,117	1,029
Post-employment benefits	37	37
	<b>1,154</b>	<b>1,066</b>

### (b) During the period, the Group has entered into the following transactions with its related party:

	Six months ended 30 September	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Consultancy fee paid to Mr. Cheung	444	444

Mr. Cheung is a substantial shareholder of the Company, the spouse of the Company's Director, Ms. Yeung Han Yi Yvonne, and the father of the Company's Director, Mr. Cheung Hoo Win.

## 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 2009 to 31 December 2009, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed interim dividend under the New Scheme and bonus shares under the Bonus Issue Proposal, Shareholders 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 2009.



## CORPORATE GOVERNANCE

To enhance the Group's corporate governance, the Group has proposed a corporate governance handbook which has been submitted to the Stock Exchange for its approval.

Other than the following major deviation, the Company has complied with all the code provisions in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2009.

Under the Code provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the period, Chairman of the Company resigned in April 2009. The vacancy was not filled until July 2009, when Mr. Zhao Qingji, an independent non-executive Director of the Company, was appointed Chairman of the Company. To have clear power and authority in the Board, Mr. Cheung Hoo Win, an executive Director of the Company, was appointed as the Chief Executive Officer of the Company in July 2009.

### 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.

### 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 2009 and discussed the financial related matters with the management.

On behalf of the Board

**Zhao Qingji**

*Chairman*

Hong Kong, 27 November 2009