

2010

金都酒店



Get Nice Holdings Limited

(incorporated in the Cayman Islands with limited liability)

Stock code : 64



UNAUDITED INTERIM RESULTS

The Board of Directors of Get Nice Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30th September, 2010 together with comparative figures for the last corresponding period. The unaudited condensed consolidated interim financial statements for the six months ended 30th September, 2010 have been reviewed by the Company's audit committee.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Unaudited Six months ended 30th September,	
		2010 HK\$'000	2009 HK\$'000
Turnover	2	123,845	159,100
Other operating income		9,818	8,639
Other gains		1,223	868
Commission expense		(10,403)	(15,966)
Depreciation and amortisation of property and equipment		(4,084)	(2,752)
Finance costs		(337)	(2,808)
Staff costs		(7,357)	(7,102)
Other operating expenses		(18,068)	(17,723)
Share of results of jointly controlled entities		(14,260)	23,611
Profit before taxation		80,377	145,867
Taxation	3	(14,511)	(19,032)
Profit for the period		<u>65,866</u>	<u>126,835</u>
Profit attributable to:			
– Equity holders of the Company		65,866	126,617
– Minority interests		–	218
		<u>65,866</u>	<u>126,835</u>
Dividends	4	<u>84,990</u>	<u>77,140</u>
Earnings per share	5		
Basic		<u>1.55 cents</u>	<u>3.66 cents</u>
Diluted		<u>1.55 cents</u>	<u>3.61 cents</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited	
	Six months ended	
	30th September,	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the period	65,866	126,835
Other comprehensive income:		
– Exchange difference on translation of financial statement of an overseas subsidiary	<u>(154)</u>	<u>(92)</u>
Total comprehensive income for the period	<u><u>65,712</u></u>	<u><u>126,743</u></u>
Total comprehensive income attributable to:		
Equity holders of the Company	<u>65,712</u>	126,525
Minority interests	<u>–</u>	<u>218</u>
	<u><u>65,712</u></u>	<u><u>126,743</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited At 30th September, 2010 HK\$'000	Audited At 31st March, 2010 HK\$'000
	<i>Notes</i>		
Non-current assets			
Property and equipment		144,314	121,845
Investment properties		64,860	80,052
Intangible assets		8,504	8,504
Goodwill		15,441	15,441
Interests in jointly controlled entities		693,660	707,920
Other assets		4,438	2,977
Amounts due from jointly controlled entities		479,245	406,487
Loans and advances	7	8,753	18,330
Deposit		145,000	12,924
Investments in securities		84,829	84,829
		1,649,044	1,459,309
Current assets			
Accounts receivable	6	1,524,796	1,478,668
Loans and advances	7	73,105	101,927
Properties under development for sale		42,243	42,239
Prepayments, deposits and other receivables		15,667	3,660
Taxation recoverable		–	567
Investments in securities		39,583	43,766
Bank balances – client accounts		204,106	224,690
Bank balances – general accounts and cash		276,338	380,690
		2,175,838	2,276,207

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

		Unaudited At 30th September, 2010 HK\$'000	Audited At 31st March, 2010 HK\$'000
	Notes		
Current liabilities			
Accounts payable	8	319,933	284,950
Accrued charges and other accounts payable		23,295	12,427
Amounts due to minority shareholders		17,000	17,000
Taxation payable		22,289	14,778
Bank borrowings		10,273	–
		<u>392,790</u>	<u>329,155</u>
Net current assets		<u>1,783,048</u>	<u>1,947,052</u>
Total assets less current liabilities		<u>3,432,092</u>	<u>3,406,361</u>
Non-current liability			
Deferred tax liabilities		4,474	4,858
Net assets		<u>3,427,618</u>	<u>3,401,503</u>
Capital and Reserves			
Share capital		424,948	424,948
Reserves		3,002,670	2,976,555
Total equity		<u>3,427,618</u>	<u>3,401,503</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company										
	Share capital	Share premium	Special reserve	Convertible note equity reserve	Properties Revaluation reserve	Share option reserve	Translation reserve	Retained profits	Total	Minority interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1st April, 2010	424,948	2,197,299	123,337	-	1,538	3,314	26	651,041	3,401,503	-	3,401,503
Profit for the period	-	-	-	-	-	-	-	65,866	65,866	-	65,866
Other comprehensive income for the period											
Exchange differences arising on translation	-	-	-	-	-	-	(154)	-	(154)	-	(154)
	-	-	-	-	-	-	(154)	-	(154)	-	(154)
Total comprehensive income for the period	-	-	-	-	-	-	(154)	65,866	65,712	-	65,712
Release from share option reserve	-	-	-	-	-	(3,314)	-	3,314	-	-	-
Share options granted	-	-	-	-	-	2,898	-	-	2,898	-	2,898
Dividend paid	-	-	-	-	-	-	-	(42,495)	(42,495)	-	(42,495)
At 30th September, 2010	<u>424,948</u>	<u>2,197,299</u>	<u>123,337</u>	<u>-</u>	<u>1,538</u>	<u>2,898</u>	<u>(128)</u>	<u>677,726</u>	<u>3,427,618</u>	<u>-</u>	<u>3,427,618</u>
At 1st April, 2009	316,888	1,914,904	123,337	-	1,548	-	122	503,969	2,860,768	17,933	2,878,701
Recognition of equity component of convertible notes	-	-	-	27,463	-	-	-	-	27,463	-	27,463
Issue of shares by conversion of convertible notes	63,360	95,906	-	(27,463)	-	-	-	-	131,803	-	131,803
Issue of shares by placement	10,900	49,050	-	-	-	-	-	-	59,950	-	59,950
Share options granted	-	-	-	-	-	3,314	-	-	3,314	-	3,314
Dividend paid	-	-	-	-	-	-	-	(38,025)	(38,025)	-	(38,025)
Arising from acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	(18,138)	(18,138)
Total comprehensive income for the period	-	-	-	-	-	-	(92)	126,617	126,525	218	126,743
At 30th September, 2009	<u>391,148</u>	<u>2,059,860</u>	<u>123,337</u>	<u>-</u>	<u>1,548</u>	<u>3,314</u>	<u>30</u>	<u>592,561</u>	<u>3,171,798</u>	<u>13</u>	<u>3,171,811</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	
	Six months ended	
	30th September,	
	2010	2009
	HK\$'000	HK\$'000
Net cash from operating activities	140,942	65,462
Net cash used in investing activities	(212,918)	(38,248)
Net cash (used in) from financing activities	<u>(32,222)</u>	<u>178,382</u>
Net (decrease) increase in cash and cash equivalents	(104,198)	205,596
Effect on foreign exchange rate changes	(154)	(2,273)
Cash and cash equivalents at beginning of period	<u>380,690</u>	<u>94,834</u>
Cash and cash equivalents at end of period	<u><u>276,338</u></u>	<u><u>298,157</u></u>
Being:		
Bank balances – general accounts and cash	<u><u>276,338</u></u>	<u><u>298,157</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th September, 2010

1. Basis of preparation

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

Principal accounting policies

The unaudited condensed consolidated interim financial statements have been prepared under the historical cost convention except for certain financial instruments and properties, which are measured at fair value as appropriate.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st March, 2010 except as described below:

Amendment to HKAS 17 Leases

As part of Improvements to HKFASs issued in 2009, HKAS 17 has been amended in relation to the classification of leasehold land. Before the amendment to HKAS 17, the Group classified leasehold land as operating leases and presented leasehold land as prepaid lease payments in the consolidated statement of financial position. The amendment has removed such a requirement.

In accordance with the transitions provisions of HKAS 17, the Group reassessed the classification of unexpired leasehold land as at 1 April, 2010 based on information which existed at the inception of the leases. Leasehold land that qualifies the finance lease classification has been reclassified from "prepaid lease payments" to "property and equipment" retrospectively. The adjustments in respect of the comparative figures are as follows:

	31.3.2010 Originally stated HK\$'000	Adjustments HK\$'000	31.3.2010 Restated HK\$'000
Prepaid lease payments	91,331	(91,331)	–
Property and equipment	30,514	91,331	121,845
	<u>121,845</u>	<u>–</u>	<u>121,845</u>
Release from prepaid lease payments	1,225	(1,225)	–
Depreciation and amortisation of property and equipment	1,527	1,225	2,752
	<u>2,752</u>	<u>–</u>	<u>2,752</u>

2. Segment information

An analysis of the Group's unaudited turnover and segment results for the period by principal activities and the Group's unaudited total assets by operation segments are as follows:

Business segments

For the six months ended 30th September, 2010

	Broking HK\$'000	Securities margin financing HK\$'000	Money lending HK\$'000	Corporate finance HK\$'000	Investments HK\$'000	Hotel and entertainment HK\$'000	Consolidated HK\$'000
REVENUE							
Turnover	48,753	64,981	5,930	3,108	1,073	-	123,845
RESULTS							
Segment profit (loss)	20,095	62,962	5,737	2,658	10,370	(14,260)	87,562
Unallocated corporate expenses							(7,185)
Profit before taxation							80,377
Taxation							(14,511)
Profit for the period							65,866

For the six months ended 30th September, 2009

	Broking HK\$'000	Securities margin financing HK\$'000	Money lending HK\$'000	Corporate finance HK\$'000	Investments HK\$'000	Consolidated HK\$'000
REVENUE						
Turnover	72,391	55,609	16,028	1,771	13,301	159,100
RESULTS						
Segment profit	41,991	53,382	14,909	1,386	16,306	127,974
Other operating income						6,304
Unallocated expenses						(12,022)
Share of results of jointly controlled entities						23,611
Profit before taxation						145,867
Taxation						(19,032)
Profit for the period						126,835

2. Segment information (Continued)

Business segments (Continued)

As at 30th September, 2010 (Unaudited)

	Securities margin financing	Money lending	Corporate finance	Property development	Investments	Hotel and entertainment	Consolidated	
	Broking HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Segment assets	435,840	1,581,837	82,787	8,774	42,416	211,149	1,317,905	3,680,708
Unallocated assets								144,174
Consolidated total assets								3,824,882

As at 31st March, 2010 (Audited)

	Securities margin financing	Money lending	Corporate finance	Property development	Investments	Hotel and entertainment	Consolidated	
	Broking HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Segment assets	577,153	1,524,023	121,337	7,595	42,419	214,069	1,114,407	3,601,003
Unallocated assets								134,513
Consolidated total assets								3,735,516

Geographical information

Other than the operations of jointly controlled entities in Macau and an investment property located in Taiwan, the activities of the Group are based in Hong Kong. Accordingly, the majority of the Group's revenue is derived from Hong Kong as the clients of the Group are mainly based in Hong Kong. In addition, the Group's non-current assets are located in Hong Kong apart from the investment property located in Taiwan and interests in jointly controlled entities located in Macau.

3. Taxation

	Six months ended 30th September,	
	2010	2009
	HK\$'000	HK\$'000
Hong Kong Profits Tax		
Current period	14,896	19,042
Deferred taxation	(385)	(10)
	14,511	19,032

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both periods.

4. Dividends

	Six months ended 30th September,	
	2010	2009
	HK\$'000	HK\$'000
Final dividend paid	42,495	38,025
Proposed interim dividend of HK1.0 cent (2009: HK1.0 cent) per share	42,495	39,115
	84,990	77,140

On 7th September, 2010, a dividend of HK1.0 cent per share was paid to shareholders as the final dividend for the year ended 31st March, 2010.

At a meeting held on 26th November, 2010, the directors recommended an interim dividend of HK1.0 cent per share for the six months ended 30th September, 2010 to the shareholders whose names appear in the register of members on 10th December, 2010. This proposed dividend is not reflected as a dividend payable in these unaudited condensed consolidated interim financial statements, but will be reflected as an appropriation of retained earnings for the year ended 31st March, 2011.

5. Earnings per share

	Six months ended 30th September,	
	2010 HK\$'000	2009 HK\$'000
Earnings		
Profit for the purpose of basic earnings per share	65,866	126,617
Effect of dilutive potential ordinary shares:		
Interest on convertible notes	—	536
	<u> </u>	<u> </u>
Profit for the purpose of diluted earnings per share	<u>65,866</u>	<u>127,153</u>
	2010	2009
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	4,249,476	3,459,949
Effect of dilutive potential ordinary shares:		
Convertible notes	—	65,325
	<u> </u>	<u> </u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>4,249,476</u>	<u>3,525,274</u>

Note: The computation of diluted earnings per share for the periods ended 30th September, 2010 and 30th September, 2009 does not assume the exercise of the Company's outstanding share options as the exercise price of those options is higher than the average market price for shares for both periods.

6. Accounts receivable

	At 30th September, 2010 HK\$'000	At 31st March, 2010 HK\$'000
Accounts receivable arising from the business of dealing in securities:		
– Cash clients	41,491	38,563
– Margin clients:		
– Directors and their associates	2,039	1,934
– Other margin clients	1,467,208	1,409,060
– Hong Kong Securities Clearing Company Ltd	22,761	32,086
Accounts receivable from futures clearing house arising from the business of dealing in futures contracts	<u>2,865</u>	<u>8,593</u>
	1,536,364	1,490,236
Less: Impairment allowance	<u>(11,568)</u>	<u>(11,568)</u>
	<u>1,524,796</u>	<u>1,478,668</u>

The normal settlement terms of accounts receivable from cash clients and securities clearing house are two days after trade date while account receivable from futures clearing house is one day after trade date, respectively.

Included in the accounts receivable from cash clients are debtors with a carrying amount of HK\$1,349,000 (2010: HK\$6,792,000) which are past due at the reporting date but which the Directors of the Company consider not to be impaired as there has not been a significant change in credit quality and a substantial portion of the carrying amount is subsequently settled.

In respect of accounts receivable from cash clients which are past due but not impaired at the respective end of the reporting period, the ageing analysis (from settlement date) is as follows:

	At 30th September, 2010 HK\$'000	At 31st March, 2010 HK\$'000
0 – 30 days	1,349	783
31 – 60 days	<u>–</u>	<u>6,009</u>
	<u>1,349</u>	<u>6,792</u>

The accounts receivable from cash clients with a carrying amount of HK\$40,142,000 (2010: HK\$31,771,000) are neither past due nor impaired at the reporting date and the Directors of the Company are of the opinion that the amounts are considered recoverable.

Loans to securities margin clients are secured by clients' pledged securities with fair value of HK\$4,374,169,000 (2010: HK\$4,063,163,000). The loans are repayable on demand and carry interest at Hong Kong prime rate + 3% to 4% (2010: Hong Kong prime rate + 3% to 4%). No ageing analysis is disclosed as in the opinion of the Directors, the ageing analysis does not give additional value in view of the nature of business of securities margin financing.

7. Loans and advances

	At 30th September, 2010 HK\$'000	At 31st March, 2010 HK\$'000
Fixed-rate loan receivables	70,518	107,396
Variable-rate loan receivables	25,233	25,989
Less: allowance for impaired debts	(13,893)	(13,128)
	81,858	120,257
Secured	15,395	89,396
Unsecured	66,463	30,861
	81,858	120,257
Analysed as:		
Current assets	73,105	101,927
Non-current assets	8,753	18,330
	81,858	120,257
Effective interest rate:		
Fixed-rate loan receivables	10% – 24%	10% – 24%
Variable-rate loan receivables	Prime rate to Prime rate + 4%	Prime rate to Prime rate + 4%

The loan and advances are secured by pledged properties with a fair value at 30th September, 2010 of HK\$56,780,000 (2010: HK\$143,290,000).

As at 31st March, 2010, included in the Group's loans and advances are debtors with a carrying amount of HK\$2,784,000 which are past due but not impaired at the reporting date. The Directors of the Company consider such debts as recoverable since the amounts are either fully secured by a pledge over properties with an estimated market value of HK\$1,360,000 or were subsequently settled and thus no impairment allowance is considered necessary.

7. Loans and advances (Continued)

In respect of loans and advances which are past due but not impaired at the end of the reporting period, the ageing analysis (from due date) is as follows:

	At 30th September, 2010 HK\$'000	At 31st March, 2010 HK\$'000
0 – 30 days	–	35
31 – 60 days	–	2,587
Over 90 days	–	162
	<hr/>	<hr/>
	–	2,784
	<hr/> <hr/>	<hr/> <hr/>

The loans and advances with a carrying amount of HK\$81,858,000 (2010: HK\$117,473,000) are neither past due nor impaired at the reporting date. In view of the repayment history of these customers and collateral security, the Directors of the Company consider the amount to be recoverable and of good credit quality.

8. Accounts payable

	At 30th September, 2010 HK\$'000	At 31st March, 2010 HK\$'000
Accounts payable arising from the business of dealing in securities:		
– Cash clients	121,210	124,827
– Margin clients	187,358	140,541
Accounts payable to clients arising from the business of dealing in futures contracts	11,365	19,582
	<hr/>	<hr/>
	319,933	284,950
	<hr/> <hr/>	<hr/> <hr/>

The normal settlement term of accounts payable to cash clients is two days after trade date. The age of these balances is within 30 days.

Amounts due to securities margin clients are repayable on demand and carry interest at 0.25% (2010: 0.25%) per annum. No ageing analysis is disclosed as, in the opinion of Directors, the ageing analysis does not give additional value in view of the nature of business of securities margin financing.

8. Accounts payable (Continued)

Accounts payable to clients arising from the business of dealing in futures contracts are margin deposits received from clients for their trading of futures contracts on the Hong Kong Futures Exchange Limited ("HKFE"). The excesses of the outstanding amounts over the required initial margin deposits stipulated by the HKFE are repayable to clients on demand. No ageing analysis is disclosed as, in the opinion of Directors, the ageing analysis does not give additional value in view of the nature of business of futures contract dealing.

Included in accounts payable to margin clients arising from the business of dealing in securities are amounts due to Directors and their associates of HK\$277,000 (2010: HK\$977,000).

9. Financial risk management

The Group adopts stringent risk management policies and monitoring system in particular on the exposure associated with the financial risks as set out below:

- *Market risk*

Interest rate risk

The Group's interest rate risk relates primarily to loans and advances, accounts receivable, amount due from jointly controlled entities, bank balances and amount due to minority shareholders. The Group currently does not have an interest rate hedging policy. However, the Group is closely monitoring its exposure arising from margin financing and other lending activities undertaken by allowing an appropriate margin on the interest received and paid by the Group.

Equity price risk

The Group is exposed to equity price risk as a result of changes in fair value of its investments in equity securities. The Directors of the Company manage the exposure by closely monitoring the portfolio of equity investments.

9. Financial risk management (*Continued*)

- *Credit risk*

As at 30th September, 2010, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failures to discharge an obligation by the counterparts is arising from the carrying amount of the respective recognised financial assets as stated in the condensed consolidated statement of financial position and the amount of contingent liabilities in relation to the financial guarantees provided to a jointly controlled entity.

The Group takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Impairment allowances are made for losses that have been incurred at the end of the reporting period. Significant changes in the economy, or in the health of a particular industry segment, could result in losses that are different from those provided for at the end of the reporting period. Management therefore carefully manages its exposure to credit risk.

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to a quarterly or more frequent review.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral and corporate and personal guarantees.

The credit risk on bank balances and deposits is limited as the counterparties are banks with high credit rating assigned by international credit-rating agencies.

Apart from the exposure to concentration of credit risk from amount due from its jointly controlled entities to which the Group closely monitors, the Group has no other significant concentration of credit risk on accounts receivable and loans and advances with exposure spread over a number of counterparts and customers.

- *Liquidity risk*

As part of ordinary broking activities, the Group is exposed to liquidity risk arising from timing difference between settlement with clearing houses or brokers and clients. To address the risk, treasury team works closely with the settlement division on monitoring the liquidity gap.

10. Acquisition of a subsidiary

On 12th February, 2009, the Group entered into an agreement with Cheung Chung Kiu to acquire an additional 10% interest in More Profit International Limited ("More Profit"), through the acquisition of the entire equity interest of Group Success International Limited ("GSI") at a consideration of HK\$100 million. On 27th July, 2009, the transaction was completed and thereafter the Group held a 100% equity interest in More Profit. The Group's effective interest in the Macau investment properties held by Great China Company Limited ("Great China"), the jointly controlled entity of More Profit has increased from 45% to 50% as a result of this transaction. The fair value of Group's share of the interest in the jointly controlled entity has been determined based on the fair value of the property interest at the date of acquisition, which was valued by Messrs. Vigers Appraisal & Consulting Limited at market value determined by reference to market comparables.

The assets and liabilities acquired in the transaction are as follows:

	<i>HK\$'000</i>
Net assets acquired:	
Interest in More Profit	25,561
Amount due from More Profit	74,439
Loan from former shareholder	(64,966)
	<hr/>
	35,034
Shareholder's loan assigned to the Group	64,966
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Total consideration	100,000
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Satisfied by cash consideration paid	100,000
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GSI contributed profit of HK\$1,071,000 to the Group's profit for the period between the date of acquisition and 30th September, 2009.

11. Related Party Transactions

Name of related party	Nature of transaction	Six months ended 30th September,	
		2010 HK\$'000	2009 HK\$'000
Messrs. Shum Kin Wai, Frankie, Cham Wai Ho, Anthony, Cheng Wai Ho, and Wong Sheung Kwong, and their associates	Commission income (Note i)	165	191
Honeylink Agents Limited	Commission income (Note i)	4	174
Messrs. Cheng Wai Ho, Wong Sheung Kwong, and their associates	Interest income (Note ii)	73	60

Notes:

- (i) Commission was charged at 0.125% on the total value of transactions for both periods.
- (ii) Interest was charged at Hong Kong Prime Rate +2% to 4% on the outstanding balance of margin loans for both periods.

12. EVENTS AFTER THE REPORTING PERIOD

- (a) As described in the announcement of the Company dated 30th May, 2010, the Group entered into the following agreements with various parties:
- (i) More Profit, a wholly owned subsidiary of the Company, and Fast Profit Investments Limited (“FPI”) entered into an agreement for the acquisition from FPI of a 15% shareholding in Great China at a total consideration of approximately HK\$324 million subject to adjustment. Great China is currently a 50% jointly controlled entity of the Group. Upon completion, Great China will become a 65% owned subsidiary of the Company.
 - (ii) Clever Switch Limited, a wholly owned subsidiary of the Company, entered into an agreement with Wise Gain Profits Limited (“Wise Gain”) for the acquisition from Wise Gain of a 15% shareholding in GWE for a total consideration of HK\$2. GWE is currently a 50% jointly controlled entity of the Group. Upon completion, GWE will become a 65% owned subsidiary of the Company.

These transactions were completed on 4th October, 2010

- (b) On 31st August, 2010, the Company entered into a warrant subscription agreement with Honeylink agents Limited (“Honeylink”) pursuant to which a total of 840,000,000 warrants will be issued by the Company to Honeylink at the warrant subscription price of HK\$0.01 per warrant and the warrant exercise price is HK\$0.50 per warrant share. This transaction was completed on 9 November 2010.

INTERIM DIVIDEND

The directors have declared an interim dividend of HK1.0 cent per share for the six months ended 30th September, 2010. The interim dividend will be payable on 23rd December, 2010 to those shareholders whose names appear on the register of members on 10th December, 2010.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 13th December, 2010 to 15th December, 2010 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar, Tricor Secretaries Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on 10th December, 2010.

MANAGEMENT DISCUSSION AND ANALYSIS

During a challenging period, the Group has recorded a turnover of HK\$124 million, representing an decrease of 22% as compared to HK\$159 million for the same period last year. Net profit attributable to the equity holders of the Company was lower at HK\$66 million (2009: HK\$127 million). Significant profit drop was mainly due to share of loss of HK\$14 million of a jointly controlled entity (2009: profit of HK\$24 million) and the broking segment recorded a profit of HK\$20 million (2009: HK\$42 million).

Tracing the global financial market, Hong Kong stock market was volatile during the period. The Hang Seng Index closed at 22,358 at the end of the period (2009: 20,955), up 7%. However, with the threatening of the European sovereign debt crisis, the Hang Seng Index dropped to this period's trough at 18,985 in May 2010. The average daily market turnover was HK\$63 billion, fall of 9% as compared to HK\$69 billion of last corresponding period. Trading volume became sluggish since June 2010 due to the spread of European sovereign debt crisis. In September 2010, the US Federal Reserve announced that it would introduce a second round of quantitative easing in response to the slowdown in economic recovery and the risk of deflation, the stock market recorded a strong rebound in both of market turnover and Hang Seng Index in response to this policy's announcement.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

The Group's commission and fee income from brokerage segment recorded HK\$49 million (2009: HK\$72 million) this period, a drop of 33% as compared to last corresponding period. Among which, the Group's placing and underwriting activities achieved a profit of HK\$9 million (2009: HK\$14 million), fall 36% compared to last corresponding period due to weak market sentiment. The division completed 11 placements and underwriting assignments in respect of convertible notes and fund raising exercises in the equity markets. The Group's strategy remains focused on targeting small to mid cap enterprises as there are ample opportunities for further growth in this underserved sector. The brokerage segmental result achieved a profit of HK\$20 million (2009: HK\$42 million), a decrease of 52% on the same period last year due to sluggish trading volume since the spread of European sovereign debt crisis in May 2010.

The Group's margin lending business remained relatively stable, interest income from margin financing up by 17% to HK\$65 million (2009: HK\$56 million), compared a year earlier due to the increase in average outstanding securities margin loans during the period, contributing a segmental profit of HK\$63 million (2009: HK\$53 million). The Group's margin loan book at the period end stood at HK\$1,469 million (2010: HK\$1,411 million).

The money lending, which is provision of consumer and mortgage loans, had recorded a segmental profit of HK\$6 million this period (2009: HK\$15 million), declined by 62% compared to the corresponding period of 2009 due to the decrease in money lending business.

Corporate finance continues to focus on the provision of financial advisory services to listed issuers. The corporate finance completed 6 financial advisory assignments in relation to Listing Rules and Takeover Code, a profit of HK\$2.7 million was recorded for the current period (2009: HK\$1.4 million).

The investments segment handles property and other treasury investments for the Group. For the period ended 30th September, 2010, it recorded a profit of HK\$10 million (2009: HK\$16 million) resulting mainly from interest income from jointly controlled entities and an increase in fair value of investment properties. As at 31st March, 2010, the Group was holding a portfolio of securities and convertible notes with a total value of HK\$124 million (2010: HK\$129 million).

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

The hotel and entertainment businesses are mainly formed by (i) hotel and spa businesses (conducted via 50% owned Grand Waldo Hotel and Carnival Club) and (ii) Macau gaming business (conducted via 50% owned Grand Waldo Entertainment). The Group had shared loss of HK\$14 million (2009: profit of HK\$24 million) from the hotel and spa businesses.

Financial Review

The equity attributable to equity holders of the Company amounted to HK\$3,428 million as at 30th September, 2010, representing an increase of HK\$26 million or 1% from that of 31st March, 2010. The Group continued to maintain a strong cash position and had net current assets amounting to HK\$1,783 million (2010: HK\$1,947 million). The Group relied principally on its internal resources to fund its operations and investment activities. Bank loan was raised occasionally to meet operating cash flow demand. The Group had outstanding bank borrowings of HK\$10 million as at 30th September, 2010 (2010: nil).

The gearing ratio of the Group (total liabilities over the equity attributable to equity holders of the Company) was 0.1 times as at 30th September, 2010 (2010: 0.1 times).

The business activities of the Group had not exposed to material fluctuation in exchange rates as majority of the transactions were denominated in Hong Kong dollars, except for certain transactions carried out in Taiwanese dollar for a subsidiary's operation in Taiwan.

As at 30th September, 2010, the Group had available and unutilized banking facilities amounting to HK\$660 million (2010: HK\$627 million). The banking facilities were secured by properties, client's pledged securities and corporate guarantees provided by the Company.

As at 30th September, 2010, the Group and certain parties provided financial guarantees to banks on a joint and several basis in respect of banking facilities granted to Great China Company Limited, the Group's jointly controlled entity. The maximum amount that could be required to be paid if the guarantees were called upon the Group and those parties amounted to HK\$1,250 million (2010: HK\$1,250 million). In addition, the Group and the other joint venturer of Great China Company Limited pledged in favour of the banks all the shares of Great China Company Limited in respect of the aforesaid banking facilities.

Save as aforesaid, the Group had no material contingent liabilities at the period end.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Charges on Group Assets

Investment properties, buildings and interests in land of the Group with a carrying amount of HK\$129 million (2010: HK\$145 million) were pledged for banking facilities granted to the Group.

Capital Commitments

The Group did not have any material capital commitment at the end of the period.

Material Acquisition and Disposals of Subsidiaries, Associates and Jointly Controlled Entities

There were no material acquisitions or disposals of subsidiaries or associate completed during the period.

Staff

As at 30th September, 2010, the Group had a total of 52 employees and 91 account executives, 33 of whom were also employed as full time employee of the Group. The Group remunerated employees based on the industry practice and individual's performance.

PROSPECTS

The market condition in 2010 is challenging. Global demand will remain constrained as long as US economic recovery remains sluggish. Nevertheless, with the backing of Chinese Mainland and a second round of quantitative easing that will be implemented by the US government, the Group is conservatively optimistic about the prospects of the financial market. The Group will adhere its business strategy and focus on its financial services business in Hong Kong, while closely follows the change in the trend of the macro and the regulatory environment. The Group is confident to tackle new challenges by implementing strategic operational initiatives in a timely manner.

The Group increased its interests in its Macau's hotel and entertainment businesses from 50% to 65% through Grand Waldo Group ("GW") in October 2010. It is of the view that the acquisition of additional interests will enable the Group to capture the potential benefits of the rapid growth in Macau tourism industry and also allows the Group to consolidate control of the Macau's hotel and entertainment businesses.

PROSPECTS (continued)

The Group has invested around HK\$40 million in renovating its gaming concourse at Grand Waldo Complex and will continue to renovate “GW” facilities as one of the largest mass market service providers in Cotai. By making our brand of “GW”, the Group is confident that “GW” is tapped to the correct marketing position and plans to further invest HK\$200 million for its continuation development in 2010 and onwards. The Group considers that it would be a new drive to its revenue in future by investing such project and it would be financed by internal resources.

Themed with Japanese styled, the 330,391 sqf sized “GW” Spa will be equipped with over 160 rooms, it would be one of the largest family style SPA centre in Cotai which can offer comprehensive relaxation services targeting the mass spa users sector. The Group is expecting the completion of its renovation in late 2010 of HK\$100 million, “GW” Spa would strengthen customers’ traffic and support the growth of its hotel and entertainment revenue which would sequentially provide a return to shareholders.

DIRECTORS’ INTERESTS IN SHARES

At 30th September, 2010, the interests of the directors and their associates in the shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the “SFO”) or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the “Model Code”), were as follows:

1. Long positions in the ordinary shares of HK10 cents each of the Company

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Mr. Hung Hon Man	Interest of controlled corporation (Note)	1,172,448,583	27.59%

Note: Mr. Hung Hon Man is deemed to be interested in 1,172,448,583 ordinary shares of the Company which are held by Honeylink Agents Limited (“Honeylink”), a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is beneficially owned by Mr. Hung Hon Man.

DIRECTORS' INTERESTS IN SHARES (continued)**2. Long positions in the non-voting deferred shares of HK\$1.0 each of Get Nice Securities Limited, a wholly owned subsidiary of the Company**

Name of director	Capacity	Number of non-voting deferred shares held
Mr. Hung Hon Man	Beneficial owner	36,000,000
Mr. Shum Kin Wai, Frankie	Beneficial owner	4,000,000
		40,000,000

Save as disclosed above, at 30th September, 2010, none of the directors nor their associates had any interests or short positions in any shares or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

At 30th September, 2010, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that the following shareholders had an interest of 5% or more in the issued share capital of the Company and these interests represent long positions in the ordinary shares of HK\$0.1 each of the Company.

Name	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Honeylink Agents Limited	Beneficial owner	1,172,448,583	27.59%

Save as disclosed above, the Company had not been notified of any other relevant interests or short positions in the issued share capital of the Company at 30th September, 2010.

ARRANGEMENTS TO PURCHASE SHARES AND OPTIONS

The share option scheme (the "Option Scheme") of the Company was adopted by the Company pursuant to a resolution passed on 16th May, 2002. The Option Scheme became effective on 6th June, 2002 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. The major terms of the Option Scheme has been set out in appendix VII to the Company's prospectus dated 24th May, 2002 under the section headed "Share Option Scheme".

At 30th September, 2010, the total number of shares available for issue under the Option Scheme was 424,947,595, representing 10% of the shares of the Company in issue at the date of approval of the refreshment of the share Option Scheme limit. No share option was exercised during the period.

The following table discloses details of the Company's share options granted and movements in such holdings during the period:

Option grant date	Exercise price per share HK\$	Number of share option			Outstanding as at 30th September, 2010
		Outstanding as at 1st April, 2010	Granted during the period	Lapsed during the period	
F. TV Limited					
21st August, 2009	0.82	19,000,000	-	(19,000,000)	-
Employees/Services providers					
10th August, 2010 (Notes)	0.51	-	115,800,000	-	115,800,000

Notes:

- (1) The options granted on 10th August, 2010 are exercisable from the period commencing on, and including, the date falling six months immediately after the date of granting the options ("Date of Commencement") and expiring on the date falling three years after the Date of Commencement.
- (2) The options were vested in 3 tranches as to (i) one third exercisable from the Date of Commencement (ie 10 February 2011); (ii) two third exercisable within the next 12 months from the first anniversary of the Date of Commencement (ie 10th February, 2012); (iii) fully exercisable within the next 12 months from the second anniversary of the Date of Commencement (ie 10th February, 2013).
- (3) During the period ended 30th September, 2010, the estimated fair values of the share options granted on 10th August, 2010 were HK\$20,465,000, of which HK\$2,898,000 was recognized as expenses for the period ended 30th September, 2010 (2009: HK\$3,314,000).

ARRANGEMENTS TO PURCHASE SHARES AND OPTIONS *(continued)*

These fair values are calculated by using the Trinomial Model Mode. The inputs into the model were as follows:

	Share option grant date 10th August, 2010
Share closing	HK\$0.5
Exercise price	HK\$0.51
Expected volatility	62.78%
Expected exercise multiple	2.2x
Risk-free rate	0.69%
Dividend yield	3.97%

Expected volatility was determined by using the historical volatility of the Company's share price over the previous 182 days. The expected exercise multiples of 2.2x based on an empirical finding by J. Hull and A. White (2003).

Other than as disclosed above, at no time during the period was the Company, its ultimate holding company or any subsidiaries of its ultimate holding company a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the directors, their spouses or children under the age of 18, had any right to subscribe for the shares of the Company, or had exercised any such rights during the period.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the current period, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the listed shares of the Company.

AUDIT COMMITTEE

The audit committee has three members comprising Messrs. Liu Chun Ning, Wilfred, Man Kong Yui and Kwong Chi Kit, Victor, all being independent non-executive directors. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group. The audit committee has reviewed with directors the accounting principals and practices adopted by the Group and discussed internal controls and financial reporting matters related to the preparation of the unaudited condensed consolidated interim financial statements for the current period.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the applicable code provisions of the Code on Corporate Governance Practices (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the six months ended 30th September, 2010, except for certain deviations.

The major areas of deviation are as follows:

- Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term subject to re-election. The non-executive Directors of the Company are not appointed for specific terms but subject to retirement by rotation and re-election at the annual general meeting of the Company according to the provisions of the Company’s Articles of Association.
- Code provision A.2.1 stipulates that the roles chairman and chief executive officer (“CEO”) should be separated and should not be performed by the same individual. The Company does not at present have any officer with the title CEO. Mr. Hung Hon Man is the chairman of the Company and has also carried out the responsibilities of CEO. Mr. Hung possesses the essential leadership skills to manage the Board and extensive knowledge in the business of the Group. The Board considers the present structure is more suitable to the Company because it can promote the efficient formulation and implementation of the Company’s strategies.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the directors. All directors have confirmed, following a specific enquiry by the Company, that they have fully complied with the required standard as set out in the Model Code throughout the period under review.

By order of the Board
Hung Hon Man
Chairman

Hong Kong, 26th November, 2010

As at the date of this report, Mr. Hung Hon Man, Mr. Cham Wai Ho, Anthony, Mr. Shum Kin Wai, Frankie, Mr. Wong Sheung Kwong and Mr. Cheng Wai Ho are executive directors of the Company. Mr. Liu Chun Ning, Wilfred, Mr. Man Kong Yui and Mr. Kwong Chi Kit, Victor are independent non-executive directors of the Company.