STYLAND HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 211)

ANNOUNCEMENT OF RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008

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 2008 together with the comparative figures as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Six months ended 30 September 2008 (Unaudited) *HK$'000*	2007 (Unaudited) *HK$'000*
TURNOVER	2	**62,559**	122,032
Cost of sales		**(59,232)**	(90,694)
Gross profit		**3,327**	31,338
Other income		**2,294**	1,336
Administrative expenses		**(12,449)**	(12,883)
Selling and distribution costs		**(842)**	(711)
Written-back of impairment loss recognized in respect of loan receivables and trade receivables		**375**	1,010
Change in fair value of financial assets at fair value through profit and loss		**(7,137)**	11,498
Change in fair value of investment properties		**(3,200)**	–
Other operating expenses		**(29)**	(1,155)
Finance costs		**(265)**	(996)
(LOSS)/PROFIT BEFORE TAXATION	3	**(17,926)**	29,437
Income tax expenses	4	**(71)**	(525)
(LOSS)/PROFIT FOR THE PERIOD		**(17,997)**	28,912
ATTRIBUTABLE TO:			
Equity holders of the Company		**(17,729)**	29,556
Minority interests		**(268)**	(644)
		(17,997)	28,912
(LOSS)/EARNINGS PER SHARE	6		
Basic		**(HK0.95 cent)**	HK1.58 cent
Diluted		**N/A**	HK1.57 cent

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	At 30 September 2008 (Unaudited) *HK$'000*	At 31 March 2008 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**2,444**	2,138
Investment properties	7	**70,800**	74,000
Available-for-sale investments		**379**	183
		73,623	76,321
CURRENT ASSETS			
Inventories		**260**	498
Loan receivables	8	**20,774**	28,581
Trade and bills receivables	9	**16,975**	9,321
Other receivables, deposits and prepayments		**4,550**	4,773
Tax recoverable		**53**	–
Financial assets at fair value through profit and loss	7	**7,855**	14,960
Client trust funds		**7,951**	11,746
Pledged bank deposit		**5,000**	5,000
Cash and bank balances		**25,047**	32,927
		88,465	107,806
Interest in a joint venture held-for-sale	10	**174,776**	174,776
		263,241	282,582
CURRENT LIABILITIES			
Trade and bills payables	11	**13,440**	16,566
Other payables and accruals		**119,253**	121,198
Tax liabilities		**1,334**	1,307
Derivative financial instruments – options	12	**1,989**	1,989
Bank borrowings – due within one year		**6,141**	4,688
		142,157	145,748
NET CURRENT ASSETS		**121,084**	136,834
TOTAL ASSETS LESS CURRENT LIABILITIES		**194,707**	213,155

	Notes	At 30 September 2008 (Unaudited) HK$'000	At 31 March 2008 (Audited) HK$'000
NON-CURRENT LIABILITY			
Bank borrowings – due after one year		**13,185**	13,832
NET ASSETS		**181,522**	199,323
CAPITAL AND RESERVES			
Share capital		**18,712**	18,712
Reserves		**124,471**	142,004
Equity attributable to equity holders of the Company		**143,183**	160,716
Minority interests		**38,339**	38,607
TOTAL EQUITY		**181,522**	199,323

NOTES TO THE CONDENSED CONSOLIDATED 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 ("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 financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies.

The accounting policies adopted in preparation of these condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 March 2008.

The Group has applied, for the first time, a number of new or revised standards, amendments and interpretations ("HKFRSs") issued by the HKICPA, which are either effective for accounting periods beginning on or after 1 April 2008. The adoption of the new HKFRSs had no material effect on the results or the financial position of the Group for the current or prior accounting period. Accordingly, no prior period adjustment has been required.

The Group has not early applied the new standards, amendment or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these new standards, amendment or interpretations will have no material impact on the results or the financial position of the Group.

2. **Segmental information**

(a) **Business segments**

The following tables present revenues and results of the Group's business segments for the six months ended 30 September 2008 and 2007 respectively:

	General import and export trading	Securities dealing and broking	Financing	Trading of securities	Property development and investment	Strategic investments	Corporate	Others	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2008										
Segment revenue:										
External sales	27,385	5,837	386	28,951	–	–	–	–	–	62,559
Inter-segment sales	–	176	–	–	600	–	4,061	–	(4,837)	–
Total turnover	27,385	6,013	386	28,951	600	–	4,061	–	(4,837)	62,559
Segment results	(1,255)	318	214	(9,031)	(3,178)	(1,557)	(2,895)	(378)	(181)	(17,943)
Unallocated income										282
Finance costs										(265)
Loss before taxation										(17,926)
Taxation										(71)
Loss for the period										(17,997)

	General import and export trading	Securities dealing and broking	Financing	Trading of securities	Property development and investment	Strategic investments	Corporate	Others	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2007										
Segment revenue:										
External sales	14,804	11,336	968	94,924	–	–	–	–	–	122,032
Inter-segment sales	–	46	–	–	600	43	8,386	–	(9,075)	–
Total turnover	14,804	11,382	968	94,924	600	43	8,386	–	(9,075)	122,032
Segment results	(1,031)	1,053	1,724	32,262	184	(3,253)	(567)	(58)	(69)	30,245
Unallocated income										188
Finance costs										(996)
Profit before taxation										29,437
Taxation										(525)
Profit for the period										28,912

(b) Geographical segments

The following table presents turnover of the Group's geographical segments for the six months ended 30 September 2008 and 2007 respectively:

	Six months ended 30 September	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Hong Kong	**55,097**	109,683
Europe	**3,622**	7,234
North America	**3,725**	4,088
Others	**115**	1,027
	62,559	122,032

3. **(Loss)/profit before taxation**

(Loss)/profit before taxation is arrived at after charging:

	Six months ended 30 September	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Depreciation	**290**	275
Staff costs	**5,422**	5,064

4. **Income tax expenses**

Hong Kong Profits Tax has been provided at the rate of 16.5% (2007: 17.5%) on the estimated assessable profits arising in Hong Kong during the current period.

	Six months ended 30 September	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Provision for the period	**71**	525

5. **Dividends and distributions**

As stated in the announcement of the Company dated 21 July 2008, certain conditions for the proposed final dividend for the year ended 31 March 2008 (the "Previous Proposed Dividend"), including resumption of trading in shares of the Company, have not been fulfilled within 3 months from the date of the annual general meeting of the Company for the year 2008, namely on or before 19 December 2008, the Company is not in a position to proceed with the Previous Proposed Dividend.

Notwithstanding the fact that the shares of the Company are still suspended for trading, the Board has resolved to declare an interim scrip dividend of HK$18 for every 10,000 shares of the Company or HK0.18 cent per share to the shareholders whose names appear on the register of members of the Company on 23 January 2009. The scrip shares are expected to be dispatched to the shareholders within 21 days after the resumption of trading in the shares of the Company which have been suspended since 21 April 2004, subject to the granting by the Listing Committee of the Stock Exchange of the listing and permission to deal in the new shares of the Company to be issued. A circular containing details of the scrip dividend scheme and the calculation basis of the number of new shares to be allotted to a shareholder will be sent to the shareholders of the Company as soon as practicable.

In addition, further to the gift distributions on 20 August 2007 and 27 February 2008, the Company will arrange another gift distribution to its shareholders, the option holder (as announced on 21 June 2007), subscribers for convertible bonds (as announced on 16 August 2007) and subscribers for the new shares (as announced on 19 November 2007) of the Company in order to reward their continuing support to the Company. Details of the gift distribution will be announced in due course.

The Board did not recommend the payment of any interim dividend for the six months ended 30 September 2007.

6. **(Loss)/earnings per share**

The calculation of the basis (loss)/earnings per share is based on the loss attributable to equity holders of the Company of HK$17,729,000 for the six months ended 30 September 2008 (2007: profit of HK$29,556,000) on 1,871,188,679 (2007: 1,871,188,679) ordinary shares in issue during the period.

Diluted loss per share for the six months ended 30 September 2008 has not been disclosed as the options outstanding had an anti-dilutive effect on the basic loss per share for the period.

The calculation of diluted earnings per share for the six months ended 30 September 2007 is based on the profit attributable to equity holders of the Company of HK$29,556,000 and the weighted average of 1,880,570,100 ordinary shares after adjusting for the effects of all dilutive potential ordinary shares assumed to have been issued for the outstanding share options during the period.

7. The decreases in "Investment properties" and "Financial assets at fair value through profit and loss" were mainly attributable to the adjustment of fair value at the balance date.

8. **Loan receivables**

	As at 30 September 2008 (Unaudited) ***HK$'000***	As at 31 March 2008 (Audited) *HK$'000*
Securities dealing and broking business:		
– Secured margin loans	**28,228**	35,841
Less: Impairment	**(9,673)**	(9,673)
	18,555	26,168
Financing business:		
– Secured loans	**503**	–
– Unsecured loans *(Note)*	**19,431**	20,351
	19,934	20,351
Less: Impairment *(Note)*	**(17,715)**	(17,938)
	2,219	2,413
Total	**20,774**	28,581

Note: No significant movement in the impairment of loan receivables during the period under review and the impairment mainly arose from the unsecured loans.

No aged analysis on margin loans is disclosed as, in the opinion of the Directors, an aged analysis is not meaningful in view of the nature of the business of securities margin financing. The aged analysis of the Group's loan receivables net of impairment for the financing business is as follows:

	As at 30 September 2008 (Unaudited) *HK$'000*	As at 31 March 2008 (Audited) *HK$'000*
Within 6 months	**1,265**	1,943
Between 7 to 12 months	**604**	405
Over 1 year	**350**	65
	2,219	2,413

9. Trade and bills receivables

	As at 30 September 2008 (Unaudited) *HK$'000*	As at 31 March 2008 (Audited) *HK$'000*
Trade receivables	**16,316**	9,385
Bill receivables	**1,786**	1,189
	18,102	10,574
Less: Impairment	**(1,127)**	(1,253)
	16,975	9,321
Balance in relation to:		
– Securities dealing and broking	**3,467**	2,734
– General trading	**13,508**	6,587
	16,975	9,321

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

Within 6 months	**16,250**	8,148
Between 7 to 12 months	**191**	471
Over 1 year	**534**	702
	16,975	9,321

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

10. Interest in a joint venture held-for-sale

Reference is made to the sub-section “Investment in infrastructure” under the section “Investments” in the results announcement of the Company for the year ended 31 March 2008. According to the arbitration report of Wuhan Arbitration Commission ((2005)武仲裁字第1041號), the Group could transfer its interests in the JV at the consideration of RMB157,298,300 and could recover the arbitration fee of RMB1,000,968 from the JV Partner.

In April 2007, the Group received RMB75,000,000, stated as re-purchase fund, from Wuhan Communications Commission (武漢市交通委員會). The Group is continued to negotiate with the JV Partner regarding the transfer of its interests in JV and the payment of the remaining balance of the judgement amount in accordance with the arbitration report.

The Group was informed by the JV that the existing PRC JV partner, Wuhan Transport Development Company (武漢交通發展公司) will be replaced by another company which is also under the control of Wuhan Communications Commission (武漢市交通委員會).

11. Trade and bills payables

	As at 30 September 2008 (Unaudited) *HK$'000*	As at 31 March 2008 (Audited) *HK$'000*
Balance in relation to:		
Securities dealing and broking	**8,117**	13,673
General trading	**5,323**	2,893
	13,440	16,566

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

Within 6 months	**9,924**	13,344
Between 7 to 12 months	**1,225**	1,117
Over 1 year	**2,291**	2,105
	13,440	16,566

12. The Group did not involve in any derivative hedging investment. For details of the derivative financial instruments – options, please refer to the section of “Capital structure” below.

13. 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 2008 (Unaudited) ***HK$'000***	As at 31 March 2008 (Audited) *HK$'000*
Within one year	**1,133**	811
In the second to fifth years, inclusive	**818**	63
	1,951	874

14. Contingent liabilities

As at 30 September 2008, the Company had contingent liabilities in respect of corporate guarantees given to banks in connection with the banking facilities granted to certain subsidiaries, of which HK$14.8 million (31 March 2008: HK$15.7 million) had been utilized at 30 September 2008.

15. Litigations

(1) Reference is made to the sub-section “Investment in infrastructure” under the section headed “Investments” in the results announcement of the Company for the year ended 31 March 2008 relating to the litigations (i) outstanding legal fee of RMB100,000 claimed by a PRC law firm who acted as legal advisor in the arbitration; and (ii) the judgment of Haikou Intermediate People’s Court of Hainan in Haikou Hainan. The Directors are of the opinion that the outstanding legal fee is immaterial and the Group should not be liable for any debt arising from the Haikou litigation and the claim from Hainan Wanzhong (海南萬眾) has no ground. The Directors consider that the litigations did not have material impact on the Group and no provisions have been made at 30 September 2008.

(2) Reference is also made to the Company’s announcement dated 11 September 2008 in which it disclosed that the Company, as one of the defendants, and certain of its current and former directors have been served a petition by the Securities and Futures Commission (the “SFC”) in relation to certain past transactions of the Group. The petition was heard on 17 December 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

During the period under review, the Group recorded a loss of HK$18.0 million for the six months ended 30 September 2008 (2007: profit HK$28.9 million) while the turnover was HK$62.6 million (2007: HK$122.0 million).

Review of operations

During the period under review, due to the sub-prime credit crisis in the United States and the then financial tsunami which had resulted in weak investors' sentiment in the financial market, the overall trading volume of Hong Kong stock market fell significantly as investors were uncertain about the direction of the market. When compared to the corresponding period in the previous year, the closing Hang Seng Index as at 30 September 2008 decreased by 34%. Because of global credit crunch, it was in danger of plunging into recession in the territory. As a result, most of the initial public offers and other fund raising activities were postponed or withdrawn.

To reduce the risk to over-reliance on individual product, the Group's general trading business comprises of consumer goods and food products. Benefit from this multi-product strategy, the turnover of the general trading marked a rise as compared to the corresponding period in 2007. However, in light of the keen competition, the Group continues to prudently manage the operating costs. More resources will be allocated to profit-oriented products, or measures may be taken, for example, to implement performance reward scheme, so that sale teams will be more target-oriented.

In order to minimize its exposure to the market risk, the Group had therefore tightened its credit control during the period under review and this was the main reason for the decrease of revenue from brokerage and financial services; however, thanks to our lean operating structure, the Group continued to record net profits from the segments of brokerage and financial services. Also, to boast effective internal control system and to strictly follow regulations, the Securities and Futures Ordinance and the corporate governance as required by the Stock Exchange, the Group received zero complaint from its customers in managing the fund flows of approximately HK$2.2 billion for the half year which involved more than 19,000 transactions.

Capital structure

Though the long suspension of trading in shares of the Company, we are grateful that we can still obtain the continuing support from public investors. To this end the Company has concluded with certain independent and public investors for the subscription of 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. The exercisable period is 18 months commencing from the date of fulfilment of conditions precedent set out in the option agreement, which were not fulfilled at 30 September 2008. 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 were rank pari passu with the existing shares of the Company.

On 9 July 2007, the Company entered into eight subscription agreements in respect of the issue of convertible bonds in the aggregate principal amount of HK$9,880,000 due 2012. The convertible bonds 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. 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 conditions as set out in the subscription agreements, which were not fulfilled at 30 September 2008.

On 15 November 2007, the Company entered into eight several subscription agreements to issue 600,000,000 shares of the Company at the price of HK$0.08 per share which involves the total subscription price of HK$48,000,000. On 15 January 2008, four of the subscribers mutually agreed with the Company to release each other from the respective subscription agreements to subscribe for an aggregate of 200 million subscription shares. Conditions precedent for the completion of the remaining 400,000,000 shares were not fulfilled at 30 September 2008.

Staff

As at 30 September 2008, the Group had 50 employees, excluding employees of part-time job. 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

The Group is dedicated to be a responsible corporate citizen in the territory. To allow employees to share the fruitful results of the Group and to fulfil its promise to raise the salaries, the Board resolved to adjust upward the overall payroll of the Group in early 2008. Though the deterioration of economic condition in Hong Kong, a number of local businesses, including leading enterprises, have started to lay off staff. Being a caring organisation, the Group has no present intention to lay off its staff and salaries are paid on time as usual as it did over the last thirty years. To enhance employees' sense of belonging, we continue to organize monthly gathering to create a caring environment to staff.

Apart from employees' welfare, the Company is also dedicated to create value to its shareholders. In addition to the Previous Proposed Dividend, the Company had two times distributed free gifts to its shareholders in 2007 and 2008. The gift arrangements were well accepted and received by the shareholders. For more details of the gift distributions, please refer to the announcements of the Company dated 20 August 2007 and 27 February 2008.

During the current period, to express our sympathy to Sichuan earthquake victims, the Group has donated the whole amount of the brokerage commissions for a certain period to HSBC China Earthquake Relief, which was used to help survivors to rebuild their livelihood in Sichuan.

We also express our appreciation to Mr. Cheung Chi Shing Kenneth, a substantial shareholder of the Company, and his family for their generosity. They donated HK$1.2 million to help the victims of nationwide snow storm and earthquake in Sichuan. In October 2007, Mr. Cheung also donated HK$1.0 million to help students of the closed English Language College to complete their courses.

Investments

The Group made no material investment during the six months ended 30 September 2008.

Credit policies

Trading terms with general trading customers are on credit, except for new customers, where payment in advance, cash on delivery is normally required or by letter of credit. 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 Securities and Futures Ordinance (the "SFO"). Loans will be granted to customers based on individual assessment to financial status, repayment records and the liquidity of collaterals placed by customers 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.

When there is any doubt on recoverability of receivables, the debt collection division consists of responsible officers and experienced debt collectors will take action immediately to recover the doubtful debts. To follow the prudent credit control measures, bad debts provision was therefore kept at a low level.

Foreign exchange exposure

During the period under review, the Group's business activities and its assets and liabilities were mainly denominated in Hong Kong dollars, United States 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

The Group has put in place an effective internal control system for its operations. Under the business of securities dealing and broking, a monitoring team consisting of the SFC licensed responsible officers and senior management, who have been acting in compliance with the SFO, has been set up to monitor the settlement matters of traded securities and cash. In order to safeguard 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.

Liquidity and financial resources

At 30 September 2008, the Group had cash at bank and on hand of approximately HK$25.0 million (31 March 2008: HK$32.9 million) and net assets value of approximately HK$181.5 million (31 March 2008: HK$199.3 million).

Bank borrowings at 30 September 2008 amounted to approximately HK$19.3 million (31 March 2008: HK$18.5 million), of which approximately HK$6.1 million (31 March 2008: HK$4.7 million) were repayable within one year. Included in the bank borrowings were mortgage loans of HK$14.8 million for properties with an aggregate valuation of HK$70.8 million.

The gearing ratio, being the ratio of total bank borrowings approximately HK$19.3 million to shareholders' fund of approximately HK$143.2 million, was about 0.13 (31 March 2008: 0.12).

As at 30 September 2008, a time deposit of approximately HK$5.0 million, properties held for redevelopment of approximately HK$70.8 million were pledged to banks for their banking facilities granted to the Group.

Prospects

The Group is cautious about Hong Kong's economy in 2009 as the financial tsunami's effects have gradually manifested themselves. However, as the Group has not involved in any derivative hedging products, and given its healthy financial position and cash level, the Group believes that it can adapt itself to the change of economic conditions.

On the other hand, to cope with the economic recession, the central government has formulated a ten-point stimulus package to boost the economy development, pursuant to which the mainland will spend 4 trillion Renminbi in the next two years. Taking the advantage of its proximity to the mainland, Hong Kong will certainly be benefited from that package. Locally, the SAR government has announced policies to enhance the employment market and the domestic demand. The Group hopes what the central government and the SAR government will do will stimulate the economic growth of the territory as well as the Group's business.

Nevertheless, the Group will continue to take steps to control the operating costs, to expand customer base and look for better development opportunities or introduce new businesses to strengthen its revenue and profit foundation. As always, the ultimate goal of the Group is to deliver substantial value to the shareholders.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 21 January to 23 January 2009, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed interim scrip dividend, 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 20 January 2009.

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.

CORPORATE GOVERNANCE

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 2008 with the following major deviations:

Code provision A.2.1

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. The Company does not have any officer with the title of "chief executive officer" ("CEO"). As there exists a clear division of each Director's duties in the Group, no designation of CEO does not have any impact on operations of the Group. The Chairman of the Company is responsible for the overall corporate development and strategic direction of the Group and provides leadership for the Board and oversees the efficient functioning of the Board.

Code provision E.1.2

Under the coder provision E.1.2, the chairman of the board should attend the annual general meeting. Chairman of the Company didn't attend the annual general meeting of 2008 due to his personal reason.

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 three independent non-executive directors of the Company. The audit committee has reviewed the unaudited interim financial statements for the six months ended 30 September 2008 and discussed the financial related matters with the management.

On behalf of the Board
Zhang Yuyan
Director

Hong Kong, 19 December 2008

As at the date of this announcement, the Board consists of four executive Directors, Ms. Yeung Han Yi Yvonne, Ms. Chan Chi Mei Miranda, Mr. Cheung Hoo Win, Ms. Zhang Yuyan and three independent non-executive directors, Mr. Lim Man San David, Mr. Yeung Shun Kee Edward and Mr. Li Hancheng.