THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser.

If you have sold or transferred all your shares in Styland Holdings Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This document includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Styland Holdings Limited. The directors collectively and individually accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

STYLAND HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 211)

VERY SUBSTANTIAL DISPOSAL

Financial adviser to the Company

Donvex 富域資本

Donvex Capital Limited
富域資本有限公司

A letter from the Board is set out on pages 4 to 14 of this circular.

A notice convening the SGM to be held on 28th Floor, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong on Tuesday, 30 March 2010 at 10:30 a.m. is set out on pages 132 to 133 of this circular. Whether or not you intend to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of 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, as soon as possible and in any event not less than 48 hours before the appointed time for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM and any adjournment thereof (as the case may be) should you so wish.

15 March 2010

CONTENTS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

"Agreement"	the sale and purchase agreement dated 10 February 2010 entered into among the Vendor, the Purchaser and the Guarantor for the disposal of the Sale Shares and the assignment of the Shareholder's Loan at the total consideration of HK$48 million which will be satisfied partly by cash and partly by the Promissory Note
"Board"	the board of Directors
"BVI"	the British Virgin Islands
"By-laws"	the bye-laws of the Company
"Company"	Styland Holdings Limited, a company incorporated under the laws of Bermuda with limited liability and the shares of which are listed on the Stock Exchange (stock code: 211)
"Completion"	means completion of the Disposal pursuant to the terms of the Agreement
"Completion Date"	means 31 March 2010 or such other date as the Vendor and the Purchaser may agree
"Connected Person(s)"	has the meaning given to that term in the Listing Rules
"Consideration"	HK$48 million, being the aggregate consideration for the Sale Shares and the Shareholder's Loan
"Deposit"	refundable cash deposit in the sum of HK$1 million paid by the Purchaser to the Vendor pursuant to the terms and conditions of the Agreement
"Directors"	the directors of the Company
"Disposal"	the proposed disposal of the Target Group and the assignment of the Shareholder's Loan subject to the terms and conditions of the Agreement
"Group"	the Company and its subsidiaries
"Guarantor"	Lu Yu Dong, the sole shareholder and director of the Purchaser, an independent third party of the Company and its subsidiaries (as defined in the Listing Rules)

"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	(a) party(ies) who is/are not Connected Person(s) of the Company and who together with its ultimate beneficial owner(s) are independent of the Company and of the Connected Person(s) of the Company
"Latest Practicable Date"	12 March 2010 being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
"LCH"	LCH (Asia-Pacific) Surveyors Ltd, an independent firm of qualified professional valuers
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	the 7th business day before the Completion Date (or such other date as the Vendor and the Purchaser may agree)
"Percentage Ratios"	the "percentage ratios" as defined in rule 14.04(9) of the Listing Rules
"PRC"	The People's Republic of China
"Promissory Note"	the promissory note in the principal amount of HK$44 million to be issued by the Purchaser pursuant to the Agreement
"Purchaser"	Lucky Global Investments Limited, being the purchaser of the Sale Shares under the Agreement
"Remaining Group"	means the Group subsisting after the Completion
"Sale Shares"	means 9 issued and fully paid shares of US$1.00 each in the share capital of the Target Company representing 90% of the share capital of the Target Company immediately before completion of the Disposal, which are legally and beneficially owned by the Vendor
"SFO"	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company to be convened to approve, inter alia, the Agreement and the transactions contemplated thereunder

"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Share Charge"	means share charge in respect of the Sale Shares to be given by the Purchaser to the Vendor until the repayment of the Consideration in full by the Purchaser to the Vendor
"Shareholder(s)"	holder(s) of the Share(s)
"Shareholder's Loan"	the unsecured debt in the amount of approximately HK$253 million owed by the Target Company to the Vendor as at the Completion Date
"Sheng Da"	Sheng Da Investment Holding (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a non wholly-owned subsidiary of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"SHINEWING"	SHINEWING (HK) CPA Limited, the reporting accountant of the Company
"Target Company"	Onland Investment Limited, a company incorporated under the laws of the BVI and the entire issued share capital of which is held by the Vendor as at the date of the Agreement
"Target Group"	means the group of the companies consisting of the Target Company, it subsidiaries and associated companies
"Vendor"	Simplex Inc., being the vendor of the Sale Shares and the Shareholder's Loan under the Agreement
"%"	per cent.

STYLAND HOLDINGS LIMITED

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

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

Independent non-executive Directors:
Zhao Qingji *(Chairman)*
Yeung Shun Kee Edward
Li Hancheng
Lo Tsz Fung Philip

Registered Office:
Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Head office and principal place of business in Hong Kong:
28th Floor, Aitken Vanson Centre
61 Hoi Yuen Road
Kwun Tong
Kowloon
Hong Kong

15 March 2010

To the Shareholders,

Dear Sir or Madam,

VERY SUBSTANTIAL DISPOSAL

INTRODUCTION

Reference is made to the announcement of the Company dated 24 February 2010, in which the Board announced that on 10 February 2010, the Vendor, being the wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser and the Guarantor, pursuant to which the Purchaser conditionally agreed to acquire from the Vendor the Sale Shares and the assignment of the Shareholder's Loan at the total consideration of HK$48 million to be paid to the Vendor partly by cash and partly by the Promissory Note.

THE AGREEMENT

Date: 10 February 2010

Parties:

Vendor: Simplex Inc., an investment holding company, is wholly-owned by the Company

Purchaser: Lucky Global Investments Limited, a company incorporated under the laws of the BVI with limited liability. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Lucky Global Investments Limited and its ultimate beneficial owner(s) are third parties independent of the Company and the Connected Persons of the Company.

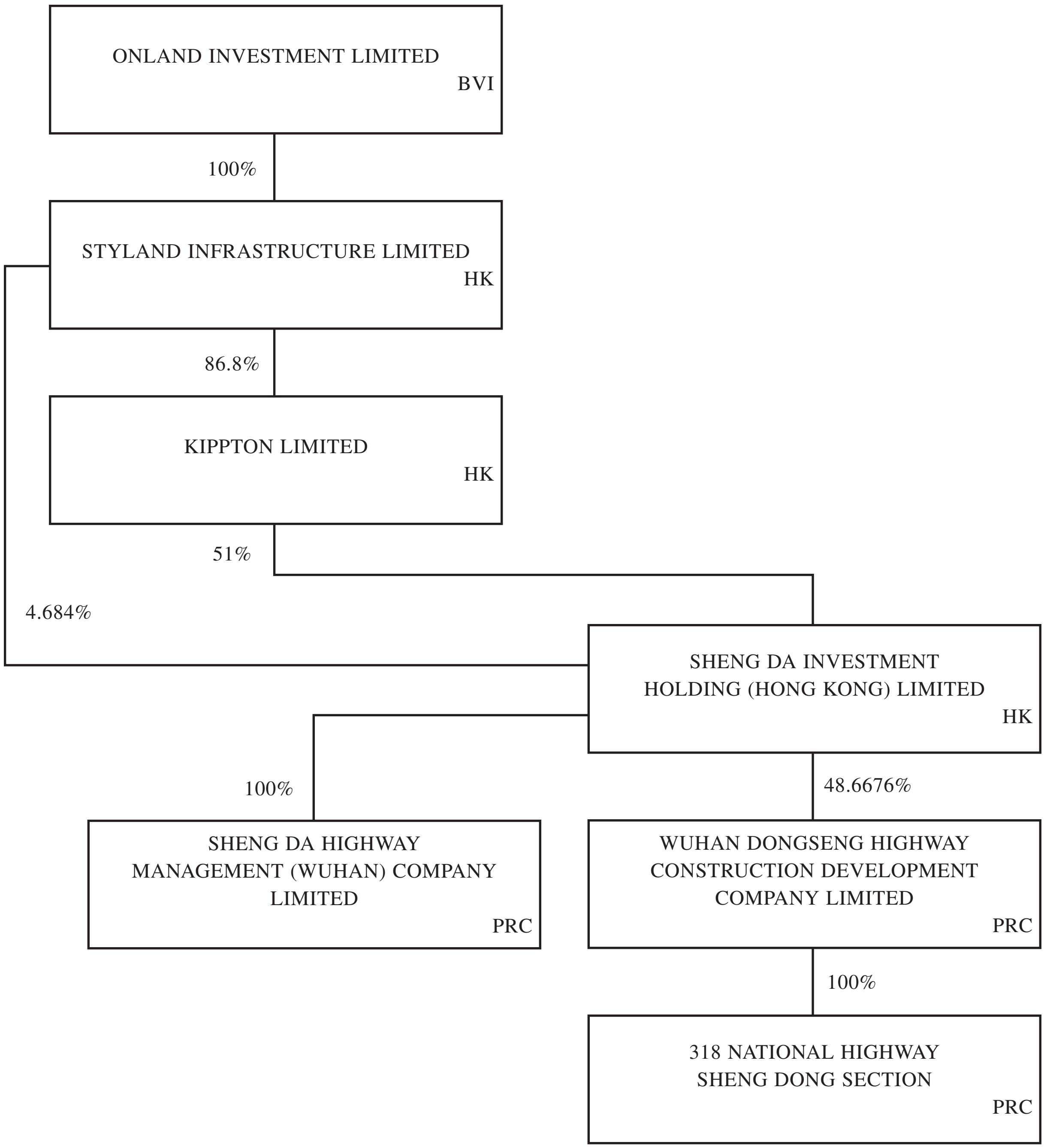
Guarantor: Lu Yu Dong

Assets to be disposed of

The assets to be disposed of include (i) the Sale Shares, representing 90% of the issued share capital of the Target Company held by the Vendor; and (ii) the Shareholder's Loan. The Vendor shall assign the Shareholder's Loan to the Purchaser. The Shareholder's Loan was advanced by the Group to the Target Group for the investment and administrative expenses relating to the infrastructure project.

The Target Group has consolidated audited net liabilities of approximately HK$214.1 million as at 31 March 2009. Its consolidated audited net (losses)/profit before and after taxation for the years ended 31 March 2008 and 31 March 2009 were approximately (HK$10.0 million) and HK$0.1 million respectively. For reference purpose only, the consolidated unaudited net liabilities of the Target Group as of 31 January 2010 were approximately HK$214.6 million including the Shareholder's Loan.

Shareholding Structure of the Target Group



In view of the above shareholding structure, no consent for the Disposal is required from the minority shareholders of Kippton Limited, Sheng Da and Wuhan Dongseng Highway Construction Development Company Limited.

Consideration

The total consideration for the Sale Shares and the assignment of the Shareholder's Loan under the Disposal is HK$48 million which will be satisfied in the following manner:

(a) as to HK$1 million, being a refundable deposit and in part payment of the Consideration will be paid to the Vendor upon signing of the Agreement. The Deposit has been received by the Group upon signing of the Agreement;

(b) as to HK$3 million, being the first payment and in part payment of the Consideration will be paid to the Vendor upon Completion; and

(c) the remaining balance of HK$44 million shall be satisfied on Completion by the Purchaser delivering to the Vendor a duly executed Promissory Note and Share Charge.

The Vendor shall refund the Deposit and all part payments made to the Purchaser in the event that the conditions precedent have not been fulfilled or waived by the Long Stop Date.

The Consideration for the Disposal was arrived at based on normal commercial terms after arm's length negotiations between the parties of the Agreement and by reference to (a) the net assets value of HK$37.9 million after excluding the Shareholder's Loan of the Target Group as at 30 September 2009; (b) the fair value of Sheng Da as at 31 January 2010 of approximately HK$39.5 million as appraised by LCH, the independent valuer. According to the valuation report prepared by LCH as set out in Appendix IV to this circular, LCH has used the asset based approach of which has no discounted cash flow. Therefore no discount rate and long term growth rate was used in the valuation and no sensitivity analysis has been performed by Sheng Da which currently has no business operation and no future business plan. As such, it is inappropriate to use market approach and income approach for the valuation of Sheng Da. The Board had reviewed the principal assumptions and basis of the valuation and considered that those principal assumptions and basis, to the best of their knowledge, have been adopted after their due and careful enquiry; and (c) other factors set out in the paragraph headed "Reasons for entering into the Agreement" below. In view of the premium, the Company is of the view that it will benefit from the Disposal by accepting the offer from the Purchaser.

Based on the factors mentioned above, the Consideration for the Disposal is considered by the Board as fair and reasonable and in the interests of the Company and of the Shareholders as a whole.

Conditions precedent

Completion of the Agreement is subject to the fulfillment of, inter alia, the following conditions precedent:

(a) all approvals by the shareholder(s) of the Vendor, its ultimate holding company, the Company, and regulatory authorities, corporate approvals and consents for the transactions contemplated under the Agreement being obtained;

(b) compliance with all relevant regulatory requirements (including but not limited to those under the Listing Rules and all relevant regulatory requirements in Hong Kong); and

(c) having completed the due diligence and having notified the Vendor that the Purchaser is satisfied with the result of the due diligence.

The Purchaser may waive in writing any of the conditions precedent specified (save and except for conditions (a) and (b)) at any time. If all the conditions precedent specified above have not been satisfied or waived by the Long Stop Date (or such other date to be agreed between the parties to the Agreement in writing), then the Agreement shall lapse. All rights and obligations of the parties will cease upon such termination except that termination will not affect the then accrued rights and obligations of the parties (including the right to damages for the breach, if any, giving rise to the termination and any other pre-termination breach by any of the parties).

Completion

Completion of the sale and purchase of the Sale Shares and the assignment of the Shareholder's Loan shall take place simultaneously subject to the conditions precedent are satisfied or waived by the Purchaser. Upon Completion, the Target Company will cease to be the subsidiary of the Company and will be classified as investment available for sale in the accounts of the Vendor in accordance with Hong Kong Financial Reporting Standards.

Charge of the Sale Shares

In consideration of the Vendor agreeing to allow a certain period of time to the Purchaser to repay the remaining balance of the Consideration of HK$44 million to the Vendor, the Purchaser agrees to charge the Sale Shares to the Vendor.

Guarantee

The Guarantor, being an Independent Third Party to the Company, agrees to guarantee the Purchaser complete and punctual performance of all obligations under the Agreement and the Promissory Note.

Terms and conditions of the assignment of proceeds

Pursuant to the Agreement, the Purchaser has agreed with the Vendor to issue the Promissory Note in the principal amount of HK$44 million as settlement of part of the Consideration payable under the Agreement.

To secure the Purchaser's due performance of all its obligations under the Promissory Note, the Purchaser shall cause the Assignors (stated below) upon Completion, to grant security to the Vendor by way of assigning of all income payable to the Assignors upon the following terms and conditions.

Assignor(s) : Onland Investment Limited, Styland Infrastructure Limited and Kippton Limited

Discharge Date	:	means all monies and obligations incurred to the Vendor by the Purchaser under the Promissory Note has been irrevocably and unconditionally paid to the Vendor and discharged in full;
Assignment	:	The Assignors as beneficial owners hereby, from the date of the Assignment of Proceeds up to and until the Discharge Date, assigns to the Vendor absolutely as first assignment all the proceeds and each and any part thereof for the payment or discharge to the Vendor on demand of all monies and obligations incurred to the Vendor by the Purchaser under the Promissory Note

Terms and conditions of the Promissory Note

Principal Amount	:	HK$44 million
Maturity Date	:	18th month from the date of the Promissory Note
Interest	:	The Promissory Note shall bear interest from the date of issue at the rate of 6% per annum on the outstanding principal amount of the Promissory Note, which subject to provided herein, shall be payable by the Company in arrears on the Maturity Date or in case of permitted partial repayment, on such partial repayment date
Redemption	:	The noteholder may at any time and from time to time prior to the Maturity Date, by 10 business day prior written notice to the Company elect to redeem the whole or part of the then outstanding principal amount of the Promissory Note at 100% of the principal amount of the Promissory Note outstanding and sought to be redeemed together with any interest accrued thereon

INFORMATION ON TARGET GROUP

The Target Company, a wholly owned subsidiary of the Vendor, is an investment holding company incorporated under the laws of the BVI on 10 March 2004. The principal assets of the Target Company consists of (i) 318 National Highway Sheng Dong Section located in Wuhan, the PRC; and (ii) 48.9% shareholding interest in Sheng Da Highway Management (Wuhan) Company Limited.

In respect of the operation of 318 National Highway Sheng Dong Section, the traffic flow of the toll road has reduced due to the relocation of the toll station in 2003 by the relevant government department which offered alternative road for vehicle users. As such, 318 National Highway Sheng Dong Section has no revenue contribution since 2004. Sheng Da Highway Management (Wuhan) Company Limited, a dormant company since its incorporation, has been established for the management of 318 National Highway Sheng Dong Section and should receive management fee from Wuhan Dongseng Highway Construction Development Company Limited. However, due to the relatively low level of the traffic flow of 318 National Highway Sheng Dong Section, Sheng Da Highway Management (Wuhan) Company Limited did not entered into any management agreement with Wuhan Dongseng Highway Construction Development Company Limited. As such Sheng Da Highway Management (Wuhan) Company Limited has no revenue contribution since its incorporation.

The consolidated financial information of the Target Group are as follows:

HK'000	For the year ended 31/3/2009	For the year ended 31/3/2008
Turnover	NIL	NIL
Net profit/(loss) before tax	131.0	(10,023.4)
Net profit/(loss) after tax before minority interests	131.0	(10,023.4)
Total assets	182,617.0	179,219.1
Net liabilities	214,074.8	213,982.1

The subsidiaries and associated companies of the Target Company are as follows:

Name	Place of incorporation/ operations	Percentage of equity attributable to the Target Company	Principal activities
Styland Infrastructure Limited	Hong Kong	100%	Investment Holding
Kippton Limited	Hong Kong	86.8%	Investment Holding
Sheng Da	Hong Kong	48.9%	Investment Holding
Sheng Da Highway Management (Wuhan) Company Limited	PRC	48.9%	Management Services
Wuhan Dongseng Highway Construction Development Company Limited	PRC	23.8%	Investment Holding

Based on the management accounts of Target Group for the period from 1 April 2009 to 30 September 2009, it is estimated that upon Completion, the Group will record a gain of approximately HK$10 million on the Disposal before deducting the relevant expenses, which is calculated by reference to the net assets of approximately HK$37.9 million after excluding the Shareholder's Loan of the Target Group, the minority interest in the Target Group as at 30 September 2009 and the Consideration of HK$48 million. The Group will record a gain of approximately HK$4.7 million on the Disposal after deducting the relevant expenses, which is calculated by reference to the net asset of approximately HK$37.9 million after excluding the Shareholder's Loan of the Target Group, the minority interest in the Target Group as at 30 September 2009 and the consideration of HK$44 million after taking into account the fair value of the Promissory Note.

INFORMATION ON THE PURCHASER

The Purchaser, which is an investment holding company incorporated under the laws of the BVI, has no other business and/or investment save for the acquisition of the Sale Shares. The Guarantor, being the sole shareholder and director of Purchaser, is in the trading business in the PRC since 1980s, including but not limited to the wholesale of electronic parts for the infrastructure projects. As such, the Guarantor has developed a strong business network in the PRC. In 1998, the Guarantor set up his own company and is currently a sole distributor of some branded electronic items in Shanghai, the PRC.

The Company has performed credit assessment on the Guarantor by enquiring the business reputation of the Guarantor in Shanghai, the PRC and the Board is satisfied on such credit assessment. The Company is of the view that through the strong network of the Guarantor, especially in Wuhan, the Target Group, including the operation of 318 National Highway Sheng Dong Section, held by Wuhan Dongseng Highway Construction Development Company Limited, could take advantage of the connection of the Guarantor in Wuhan and having the Guarantor as one of the shareholder of the Target Group will be in best interest to the shareholders of Wuhan Dongseng Highway Construction Development Company Limited in the future.

In order to secure recoverability of the Promissory Note, (i) the Guarantor agrees to guarantee the Purchaser complete and punctual performance of all its obligations under the Agreement and the Promissory Note; (ii) the Purchaser agrees to charge the Sale Shares to the Vendor; (iii) the Purchaser shall cause the Assignors to grant security to the Vendor by way of assigning all income payable to the Assignors; and (iv) each of the Purchaser, the Target Company, Styland Infrastructure Limited and Kippton Limited has agreed to give the Company an irrevocable negative pledge, as at Completion, to the effect that each of them would not dispose of its interest in the subsidiaries and associated companies before the Promissory Note is fully paid.

REASONS FOR ENTERING INTO THE AGREEMENT

The Company is an investment holding company. The principal activities of the Group consists of investment holdings, securities dealing and broking, financing, trading of securities, general import and export trading and property redevelopment and investment.

The Board believes that the Group would prefer to maintain minimal participation in its non core business and concentrate on its existing securities dealing and broking business. Under such circumstances, the Board considers that (i) the Disposal represents a good opportunity for realization of its investment in the Target Company; (ii) the Disposal would improve the cash inflow of the Group; (iii) the Group will no longer be subject to any substantial risk from the operation of the Target Group; and (iv) the net proceeds from the Disposal will provide additional working capital for the Group to develop its existing business.

In addition, the Company has considered disposing of 100% instead of disposing of 90% shareholding interest of the Target Company. However, the Purchaser insisted the Company to maintain 10% shareholding interest in the Target Company and remain as the strategic partner of the Target Company in order to promote the reputation of the operation in the PRC. In respect of the assignment of Shareholder's Loan, the Company assigns 100% of the Shareholder's Loan to the Purchaser as the Company is of the view that it has difficulty in controlling the priority of the repayment of the Shareholder's Loan after disposing of the Sales Shares and becoming a minority shareholder of the Target Company.

Given the Consideration payable by the Purchaser represents a premium over the net assets of HK$37.9 million of the Target Group as at 30 September 2009 after excluding the Shareholder's Loan and the minority interest in the Target Group as at 30 September 2009, the Board, including the independent non-executive Directors, considers that the terms and conditions of the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FURTHER INFORMATION OF THE LITIGATION

In June 2003, Hainan Wanzhong Shiye Touzi Co Ltd urged the Haikou Intermediate People's Court of Hainan Province to issue a Notice for Assistance in Execution to Wuhan Dongseng Highway Construction Development Company Limited to retain an amount of RMB19.27 million to be distributed to Sheng Da.

In October 2006, the Haikou Intermediate People's Court of Hainan Province dismissed the claims from Hainan Wanzhong Shiye Touzi Co Ltd and Sheng Da had recovered the retained money of RMB19.27 million.

In March 2007, Hainan Wanzhong Shiye Touzi Co Ltd had filed its appeal against the judgment of the Haikou Intermediate People's Court of Hainan Province.

In June 2007, Sheng Da was informed that the Haikou Intermediate People's Court of Hainan Province had issued a Notice for Assistance in Execution on 6 June 2007 to Wuhan Transport Development Co Ltd, the Chinese joint venture partner of Sheng Da in Wuhan Dongseng Highway Construction Development Co Limited requesting for retaining an amount of RMB19.27 million from the payment of equity transfer amount to Sheng Da until the dispute is resolved.

In February 2009, Sheng Da received from one of its shareholders the written ruling from the Supreme People's Court of the People's Republic of China (the "**PRC Supreme Court**"), pursuant to which the case was accepted for appeal by the PRC Supreme Court.

In December 2009, the PRC Supreme Court dismissed the judgment of the Haikou Intermediate People's Court of Hainan Province.

All the litigations between Sheng Da and Hainan Wanzhong Shiye Touzi Co Ltd have been settled. The Group will no longer bear any liabilities arising from the litigations between Sheng Da and Hainan Wanzhong Shiye Touzi Co Ltd upon Completion.

REMAINING OPERATION OF THE GROUP

The remaining business of the Group consists of investment holdings, securities dealing and broking, financing, trading of securities, general import and export trading and property redevelopment and investment upon Completion. As the Target Group does not contribute any turnover to the Group, the revenue of the Group will not be affected after the Disposal. The revenue for the Group as at 31 March 2009 and 30 September 2009 were HK$132.1 million and HK$167.4 million respectively, contributing from the existing business of securities dealing and broking, financing, the trading of securities, general import and export trading and property redevelopment and investment after the Disposal.

Upon Completion, the bank balance of the Group will be increased by approximately HK$0.2 million due to the fact that the cash received from the Purchaser being net off by the cash balance of the Disposal Group of approximately HK$2.3 million; the non current assets of the Group will be increased by approximately HK$40 million due to the increase of the amount of the Promissory Note and; the current assets of the Group will be reduced by approximately HK$180 million due to the Disposal. The total assets and liabilities of the Remaining Group as at 30 September 2009 were HK$690.7 million and HK$510.8 million respectively.

IMPLICATIONS OF THE LISTING RULES

The Disposal constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules and is subject to Shareholders' approval. As no Shareholders have any material interest in the Disposal, no Shareholder is required to abstain from voting at the SGM on the resolution to approve the Disposal and the transactions contemplated thereunder.

SGM

A notice convening the SGM to be held on 28th Floor, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong, on Tuesday, 30 March 2010 at 10:30 a.m. is set out on pages 132 to 133 of this circular. Whether or not you intend to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of 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, as soon as possible and in any event not less than 48 hours before the appointed time for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM and any adjournment thereof (as the case may be) should you so wish.

PROCEDURE TO DEMAND A POLL AT GENERAL MEETING

Pursuant to Rule 13.39 of the Listing Rules, all votes of Shareholders at a general meeting must be taken by poll. The Chairman of the meeting will therefore demand a poll for every resolution put to the vote at the SGM. An announcement on the poll results will be made by the Company after the SGM.

RECOMMENDATION

All Directors (including independent non-executive Directors) are of the opinion that the terms of the Agreement are on normal commercial terms, fair and reasonable and that the Disposal is in the interests of the Company and all Shareholders as a whole. The Directors recommend all Shareholders to vote in favour of the resolution as set out in the notice of the SGM to approve, among other things, the transactions contemplated under the Agreement and the Disposal at the SGM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices of this circular.

By the order of the Board
Zhang Yuyan
Director

I THE ACCOUNTANT'S REPORT OF THE GROUP FOR THE THREE FINANCIAL YEARS ENDED 31 MARCH 2007, 2008 AND 2009 AND THE SIX MONTHS ENDED 30 SEPTEMBER 2008 AND 2009

The following is the text of an accountant's report of the Group for the three financial years ended 31 March 2007, 2008 and 2009 and the six months ended 30 September 2008 and 2009 received from SHINGWING (HK) CPA Limited Certified Public Accountants, the independent report accountants, for the purpose of incorporation in this circular.

信永中和 ShineWing

SHINEWING (HK) CPA Limited
16/F., United Centre
95 Queensway, Hong Kong

15 March 2010

The Board of Directors
Styland Holdings Limited
28th Floor, Aitken Vanson Centre,
61 Hoi Yuen Road,
Kwun Tong, Kowloon,
Hong Kong

Dear Sirs,

We set out below our report on the financial information (the "Financial Information") of Styland Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") for the three years ended 31 March 2007, 2008 and 2009 and the six months ended 30 September 2008 and 2009 (the "Relevant Periods") for inclusion in the Company's circular dated 15 March 2010 (the "Circular") in connection with the very substantial disposal of 90% equity interest in Onland Investment Limited.

The Financial Information comprises the consolidated statements of financial position as at 31 March 2007, 2008 and 2009 and 30 September 2009, and the consolidated income statements, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for the Relevant Periods, and a summary of significant accounting policies and other explanatory notes.

The Company was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda. As at the date of this report, the address of the registered office is Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and the principal place of business of the Company is 28th Floor, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong.

The Group has adopted 31 March as its financial year end date. The consolidated financial statement of the Group for the year ended 31 March 2007 were audited by Li, Lai & Cheung Certified Public Accountants and we have acted as auditors of the Group for the two years ended 31 March 2008 and 2009. The audited Financial Information has been prepared in accordance with accounting principles generally accepted in Hong Kong for each of the Relevant Periods.

The Company acts as an investment holding company. As at the date of this report, the Company has direct or indirect interests in the followings subsidiaries and a joint venture held for sale, all of which are private companies with limited liabilities. None of the subsidiaries had any debt securities subsisting as at 30 September 2009 or any time during the Relevant Periods.

A. PRINCIPAL SUBSIDIARIES

Company	Place of incorporation/ operation	Proportion of ownership interest		Nominal value of paid-up share/ registered capital	Principal activities
		Direct	Indirect		
Styland Enterprises Limited	Hong Kong	100%	–	HK$2	Provision of management services
City Faith Investments Limited	Hong Kong	–	100%	HK$2	Property investment
City Lion Worldwide Limited	British Virgin Islands ("BVI")	–	100%	US$1	Securities trading
Devonia Development Limited	Hong Kong	–	100%	HK$10,000	Property investment
Ever-Long Asset Management Limited	Hong Kong	–	100%	HK$10,000,000	Securities trading
Ever-Long Capital Limited	BVI	–	100%	US$4,000,000	Provision of financing services
Ever-Long Finance Limited	Hong Kong	–	100%	HK$22,500,000	Provision of financing services

Company	Place of incorporation/ operation	Proportion of ownership interest Direct	Indirect	Nominal value of paid-up share/ registered capital	Principal activities
Ever-Long Securities Company Limited	Hong Kong	–	100%	HK$100,000,000	Securities broking and provision of financing services
Kalomex (International) Limited	Hong Kong	–	100%	HK$2,000,000	Trading of garment
Kippton Limited	Hong Kong	–	86.8%	HK$10,000	Investment holding
Long River Investments Holdings Limited	BVI	–	100%	US$200	Securities trading
Onland Investment Limited	BVI	–	100%	US$1	Investment holding
Sheng Da Investment Holding (HK) Limited	Hong Kong	–	* 48.9%	HK$204,082	Investment holding
Styland (International) Limited	Hong Kong	–	100%	HK$100,000	Securities trading and general trading

* Sheng Da Investment Holding (HK) Limited is a subsidiary of Kippton Limited, a 86.8% indirectly owned subsidiary of the Company and, accordingly, is accounted for as a subsidiary of the Group by virtue of control.

B. JOINT VENTURE HELD FOR SALE

Company	Place of incorporation/ operation	Proportion of ownership interest Direct	Proportion of ownership interest Indirect	Nominal value of paid-up share/ registered capital	Principal activities
Wuhan Dongseng Highway Construction Development Company Limited	People's Republic of China ("PRC")	–	23.87%	RMB 71,200,000	Development and operation of toll expressway

The above tables list the subsidiaries and a jointly controlled entity of the Company which, in the opinion of the directors of the Company, principally affected the results for the Relevant Periods or formed a substantial portion of the net assets of the Group at the end of each reporting period of the Relevant Periods. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

For the purpose of this report, the directors of the Company have prepared the consolidated financial statements of the Group for the Relevant Periods in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") (the "Underlying Financial Statements").

We have performed an independent audit on the Underlying Financial Statements and for the purpose of this report, we have examined the Underlying Financial Statements in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" as recommended by the HKICPA.

The Financial Information of the Group for the Relevant Periods as set out in this report has been prepared based on the Underlying Financial Statements for the Relevant Periods without making any adjustments for the purpose of inclusion in the Circular.

The Underlying Financial Statements are the responsibility of the directors of the Company. The directors of the Company are also responsible for the contents of the Circular in which this report is included. It is our responsibilities to compile the Financial Information set out in this report from the Underlying Financial Statements, to form an independent opinion on the Financial Information and to report our opinion to you.

OPINION

In our opinion, the Financial Information gives, for the purpose of this report, a true and fair view of the state of affairs of the Group as at 31 March 2007, 2008, 2009 and 30 September 2009 and of the consolidated results and cash flows of the Group for the Relevant Periods.

EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to note 28 to the Financial Information as at 30 September 2009 in this report which indicates that the interests in a joint venture were continuously classified as assets held-for-sale while the deposits received from the joint venture partner were included in other payables as a current liability as at 30 September 2009. The directors consider the classification is appropriate as the proposed disposal of 90% equity interest in Onland Investment Limited, of which the major asset is the interests in the joint venture, is subject to the approval in the Company's shareholders' meeting.

COMPARATIVE FINANCIAL INFORMATION

The comparative consolidated income statement, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flow of the Group for the six months ended 30 September 2008 together with the notes thereto (the "30 September 2008 Financial Information") have been extracted from the Group's unaudited financial information for the same period, which was prepared by the directors of the Company solely for the purpose of this report. We have reviewed the 30 September 2008 Financial Information in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. Our review of the 30 September 2008 Financial Information consists principally of making enquiries of the Group's management and applying analytical procedures to the 30 September 2008 Financial Information and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the 30 September 2008 Financial Information.

REVIEW CONCLUSION

On the basis of our review which does not constitute an audit, we are not aware of any material modification that should be made to the 30 September 2008 Financial Information.

1. FINANCIAL INFORMATION

Consolidated Income Statements

		Year ended 31 March			Six months ended 30 September	
		2007	**2008**	**2009**	**2008**	**2009**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
					(Unaudited)	
Turnover	8	108,793	187,604	132,146	62,592	167,359
Revenue		29,081	51,278	54,125	33,642	42,759
Cost of sales		(14,529)	(31,636)	(43,535)	(28,387)	(11,864)
Gross profit		14,552	19,642	10,590	5,255	30,895
Other income	8	12,279	11,359	5,335	6,032	1,040
Administrative expenses		(27,581)	(27,428)	(25,749)	(12,453)	(16,230)
Selling and distribution expenses		(1,169)	(1,423)	(1,452)	(842)	(212)
Reversal of impairment loss recognised in respect of property held for redevelopment		2,000	–	–	–	–
Change in fair value of investment properties		400	10,000	4,000	(3,200)	–
Change in fair value of financial assets at fair value through profit or loss		3,453	965	(7,737)	(7,137)	598
Gain (loss) on disposal of listed trading securities		–	22,128	(2,555)	(1,895)	18,214
Gain on disposal of available-for-sale investment		–	153	–	–	–
Impairment loss recognised in respect of trade receivables		(84)	(643)	(625)	(27)	(112)
Reversal of impairment loss recognised in respect of trade receivables		–	16	153	152	315
Impairment loss recognised in respect of other receivables		–	(16,885)	(319)	–	–
Impairment loss recognised in respect of loan receivables		(60)	(2,326)	(120)	–	(171)
Reversal of impairment loss recognised in respect of loan receivables		–	252	454	223	121
Bad debt recovery of loan receivables		4,038	1,373	96	–	15
Finance costs	9	(7,019)	(1,333)	(578)	(265)	(188)
Profit (loss) before taxation		809	15,850	(18,507)	(14,157)	34,285
Income tax credit (expenses)	10	4,790	(1,551)	(87)	(71)	(1,500)
Profit (loss) for the year/period	11	5,599	14,299	(18,594)	(14,228)	32,785

Consolidated Income Statements *(continued)*

		Year ended 31 March			Six months ended 30 September	
		2007	2008	2009	2008	2009
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
					(Unaudited)	
Attributable to:						
Equity holders of the Company		6,008	18,549	(18,818)	(13,960)	33,252
Minority interests		(409)	(4,250)	224	(268)	(467)
		5,599	14,299	(18,594)	(14,228)	32,785
Earnings (loss) per share						
Basic (HK cents)	15	0.32	0.99	(1.01)	(0.75)	1.78

Consolidated Statements of Comprehensive Income

		Year ended 31 March			Six months ended 30 September	
		2007	2008	2009	2008	2009
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
					(Unaudited)	
Profit (loss) for the year/period	11	5,599	14,299	(18,594)	(14,228)	32,785
Available-for-sale investment						
Change in fair value during the year/period		1,557	10	47	196	(31)
Less: Reclassification adjustment:						
Loss included in profit or loss on disposal		–	4	–	–	–
Other comprehensive income (loss) for the year/period, net of tax		1,557	14	47	196	(31)
Total comprehensive income (loss) for the year/period, net of tax		7,156	14,313	(18,547)	(14,032)	32,754
Attributable to:						
Equity holders of the Company		7,565	18,563	(18,771)	(13,764)	33,221
Minority interests		(409)	(4,250)	224	(268)	(467)
		7,156	14,313	(18,547)	(14,032)	32,754

Consolidated Statements of Financial Position

		As at 31 March			As at 30 September
		2007	**2008**	**2009**	**2009**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets					
Plant and equipment	16	2,588	2,138	2,188	1,927
Investment properties	17	15,000	74,000	78,000	78,000
Property held for redevelopment	18	49,000	–	–	–
Available-for-sale investment	19	227	183	230	219
		66,815	76,321	80,418	80,146
Current assets					
Inventories	20	32	498	156	532
Loan receivables	21	21,505	28,581	17,639	19,961
Trade and bills receivables	22	3,831	9,321	8,797	9,651
Other receivables, deposits and prepayments	23	21,145	4,773	5,477	8,417
Financial assets at fair value through profit or loss	24	10,509	14,960	4,973	3,966
Tax recoverable		564	–	114	185
Client trust funds	25	9,237	11,746	15,446	480,307
Pledged bank deposit	26	5,000	5,000	5,000	5,000
Bank balances and cash	27	19,359	32,927	25,507	44,378
		91,182	107,806	83,109	572,397
Interest in a joint venture held-for-sale	28	157,298	174,776	178,080	178,080
Current liabilities					
Trade and bills payables	29	11,466	16,566	18,143	482,049
Other payables and accruals	30	22,607	122,198	122,196	117,668
Tax liabilities		39	1,307	1,334	2,834
Derivative financial instruments – options	31	–	989	–	–
Bank borrowings – due within one year	32	80,445	4,688	6,875	3,246
Obligations under finance leases – due within one year	33	–	–	78	82
		114,557	145,748	148,626	605,879
Net current assets		133,923	136,834	112,563	144,598
Total assets less current liabilities		200,738	213,155	192,981	224,744

Consolidated Statements of Financial Position *(continued)*

			As at 31 March		As at 30 September
		2007	**2008**	**2009**	**2009**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Capital and reserves					
Share capital	34	18,712	18,712	18,712	18,712
Reserves		123,441	142,004	123,233	156,454
Equity attributable to equity holders of the Company		142,153	160,716	141,945	175,166
Minority interests		42,857	38,607	38,831	38,364
Total equity		185,010	199,323	180,776	213,530
Non-current liabilities					
Bank borrowings – due after one year	32	15,728	13,832	11,936	10,988
Obligations under finance leases – due after one year	33	–	–	269	226
		15,728	13,832	12,205	11,214
		200,738	213,155	192,981	224,744

Consolidated Statements of Changes in Equity

	Attributable to equity holders of the Company									
	Share capital	Share premium	Capital redemption reserve	Special capital reserve *Note 36(a)*	Contributed Surplus *Note 36(b)*	Investment revaluation reserve	Accumulated losses	Sub-total	Minority interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2006	18,712	35,831	6,040	571,147	599,433	(1,615)	(1,094,960)	134,588	43,266	177,854
Total comprehensive income (expense) for the year	–	–	–	–	–	1,557	6,008	7,565	(409)	7,156
At 31 March 2007 and 1 April 2007	18,712	35,831	6,040	571,147	599,433	(58)	(1,088,952)	142,153	42,857	185,010
Total comprehensive income (expense) for the year	–	–	–	–	–	14	18,549	18,563	(4,250)	14,313
At 31 March 2008 and 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 (expense) for the year	–	–	–	–	–	47	(18,818)	(18,771)	224	(18,547)
At 31 March 2009 and 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 (expense) income 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

Consolidated Statements of Cash Flows

	Year ended 31 March			Six months ended 30 September	
	2007	**2008**	**2009**	**2008**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Operating activities					
Profit (loss) before taxation	809	15,850	(18,507)	(14,157)	34,285
Adjustments for:					
Depreciation	566	608	601	290	239
Change in fair value of derivative financial instruments – options	–	989	–	–	–
Finance costs	7,019	1,333	578	265	188
Allowance for inventories	–	–	192	–	–
Reversal of allowance for inventories	–	(18)	–	–	(21)
Dividend income	–	(28)	(57)	(33)	(289)
Interest income	(563)	(525)	(423)	(248)	(219)
Loss on disposals of plant and equipment	184	160	7	5	–
Plant and equipment written off	–	–	–	–	32
Change in fair value of financial assets at fair value through profit or loss	(3,453)	(965)	7,737	7,137	(598)
Change in the fair value of investment properties	(400)	(10,000)	(4,000)	3,200	–
Reversal of impairment loss recognised in respect of property held for redevelopment	(2,000)	–	–	–	–
Gain on disposal of available-for-sale investment	–	(153)	–	–	–
Impairment loss recognised in respect of trade receivables	84	643	625	27	112
Reversal of impairment loss recognised in respect of trade receivables	–	(16)	(153)	(153)	(315)
Impairment loss recognised in respect of loan receivables	4,170	2,326	120	–	171
Reversal of impairment loss recognised in respect of loan receivables	(4,110)	(252)	(454)	(222)	(121)
Impairment loss recognised in respect of other receivables	–	16,885	319	–	–

Consolidated Statements of Cash Flows *(continued)*

	Year ended 31 March			Six months ended 30 September	
	2007	**2008**	**2009**	**2008**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Cash generated from (used in) operations before changes in working capital	2,306	26,837	(13,415)	(3,889)	33,464
Decrease (increase) in inventories	160	(448)	150	238	(355)
Decrease (increase) in loan receivables	19,731	(9,150)	11,276	8,030	(2,372)
Decrease (increase) in trade and bills receivables	4,676	(6,117)	52	(7,529)	(651)
(Increase) decrease in other receivables, deposits and prepayments	(8)	1,033	(1,383)	(188)	(2,940)
(Increase) decrease in financial assets at fair value through profit or loss	(4,602)	(3,486)	2,250	(32)	1,605
(Increase) decrease in client funds	(931)	(2,509)	(3,700)	3,795	(464,861)
(Decrease) increase in trade and bills payables	(172)	5,100	1,577	(3,126)	463,906
(Decrease) increase in other payables and accruals	(2,475)	15,258	4,518	324	(4,528)
Dividend received	19,153	28	57	33	289
Effect of foreign exchange in respect of interest in a joint venture held-for-sale	(3,422)	(17,478)	(3,304)	(3,769)	–
Cash from (used in) operations	34,416	9,068	(1,922)	(6,113)	23,557
Hong Kong Profits Tax refunded (paid)	11	281	(174)	(97)	(71)
Net cash from (used in) operating activities	34,427	9,349	(2,096)	(6,210)	23,486

Consolidated Statements of Cash Flows *(continued)*

	Year ended 31 March			Six months ended 30 September	
	2007	2008	2009	2008	2009
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Investing activities					
Proceeds from disposal of available-for-sale investment	4,428	211	–	–	–
Decrease in pledged bank deposit	4,000	–	–	–	–
Interest received	563	525	423	248	219
Proceeds from disposal of plant and equipment	249	1,170	7	–	–
Payment for purchase of plant and equipment	(1,136)	(1,488)	(151)	(601)	(10)
Payment for purchase of available-for-sale investment	–	–	–	–	(20)
Deposit received for a joint venture held-for-sale	–	83,333	–	–	–
Net cash from (used in) investing activities	8,104	83,751	279	(353)	189
Financing activities					
Repayments of bank borrowings	(14,769)	(75,896)	(1,896)	(564)	(948)
Interest paid	(7,019)	(1,333)	(578)	(265)	(188)
Repayments of obligations under finance leases	(402)	–	(167)	–	(39)
Deposit refunded in respect of subscription of new shares	–	–	(3,520)	–	–
Deposit received in respect of options granted	–	1,000	–	–	–
Net cash used in financing activities	(22,190)	(76,229)	(6,161)	(829)	(1,175)
Net increase (decrease) in cash and cash equivalents	20,341	16,871	(7,978)	(7,392)	22,500
Cash and cash equivalents at beginning of the year/period	(3,489)	14,810	30,135	30,135	20,528
Effect of foreign exchange rate changes	(2,042)	(1,546)	(1,629)	(1,858)	–
Cash and cash equivalents at the end of the year/period	14,810	30,135	20,528	20,885	43,028
Analysis of the balances of cash and cash equivalents, represented by:					
Bank balances and cash	19,359	32,927	25,507	25,047	44,378
Bank overdrafts – secured	(4,549)	(2,792)	(4,979)	(4,162)	(1,350)
	14,810	30,135	20,528	20,885	43,028

NOTES TO THE FINANCIAL INFORMATION

1. GENERAL INFORMATION

Styland Holdings Limited (the "Company") was incorporated in Bermuda on 31 July 1991 as an exempted company with limited liability under the Companies Act 1981 of Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office is Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and the principal place of business of the Company is 28th Floor, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong.

The Financial Information is presented in Hong Kong dollars ("HK$") which is the same as the functional currency of the Company.

The Company acts as an investment holding company. The principal activities of its subsidiaries (together with the Company collectively referred to as the "Group") are set out in Section A.

2. APPLICATION OF NEW AND REVISED HKFRSs

Throughout the Relevant Periods, the Group has consistently applied all of the new or revised Hong Kong Accounting Standards ("HKASs"), HKFRSs, amendments and interpretation ("INTs") (herein collectively referred to as "New HKFRSs") issued by the HKICPA that are relevant to its operations and effective for annual reporting periods commencing on or after 1 January 2009.

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

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of improvements to HKFRSs issued in 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009[2]
HKAS 1 (Revised)	First-time Adoption of HKFRSs – Limited Exception from Comparative[8]
HKAS 24 (Revised)	Related Party Disclosures[3]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[4]
HKAS 32 (Amendments)	Classification of Right Issues[5]
HKAS 39 (Amendments)	Eligible Hedged Items[4]
HKFRS 1 (Amendments)	Additional Exemptions for First-time Adopters[6]
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions[6]
HKFRS 3 (Revised)	Business Combinations[4]
HKFRS 9	Financial Instruments (relating to the classification and measurement of financial assets)[7]
HK (International Financial Reporting Interpretations Committee ("IFRIC")) – INT 14 (Amendments)	Prepayments of a Minimum Funding Requirement[3]
HK(IFRIC) – INT 17	Distribution of Non-cash Assets to Owners[1]
HK(IFRIC) – INT 19	Extinguishing Financial Liabilities with Equity Instruments[8]

1 Amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009.
2 Effective for annual periods beginning on or after 1 July 2009 and 1 January 2010 as appropriate.
3 Effective for annual periods beginning on or after 1 January 2011.
4 Effective for annual periods beginning on or after 1 July 2009.
5 Effective for annual periods beginning on or after 1 February 2010.
6 Effective for annual periods beginning on or after 1 January 2010.
7 Effective for annual periods beginning on or after 1January 2013.
8 Effective for annual periods beginning on or after 1 July 2010.

2. APPLICATION OF NEW AND REVISED HKFRSs *(continued)*

The application of HKFRS 3 (Revised) may affect the accounting for business combinations 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.

HKFRS 3 (Revised) introduces significant changes in the accounting for business combinations. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results. HKAS 27 (Revised) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The change by HKFRS 3 (Revised) and HKAS 27 (Revised) will affect future acquisitions or loss of control of subsidiaries and transactions with non-controlling interests.

The directors are in the process of assessing the impact of other new or revised standards, amendments or interpretations upon initial adoption. So far, the directors have preliminarily concluded that the initial adoptions of these standards, amendments or interpretations are unlikely to have a significant impact on the Group's results and financial position.

3. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information has been prepared on the historical cost basis except for certain financial instruments and investment properties, which are measured at fair values, as explained in the accounting policies set out below. The Financial Information has been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

Basis of consolidation

The Financial Information incorporates the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the Relevant Periods are included in the consolidated income statements from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Interest in a joint venture held-for-sale

Interest in a joint venture is classified as held-for-sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Interest in a joint venture held-for-sale *(continued)*

Interest in a joint venture classified as held-for-sale is measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

Plant and equipment

Plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is provided to write off the cost of items of plant and equipment over their estimated useful lives, using the reducing balance method.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, the term of the relevant lease.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year/period in which the item is derecognised.

Properties held for redevelopment

Properties held for redevelopment are stated at costs less impairment losses. Costs include the acquisition costs of the properties and all costs attributable to such redevelopment.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

On initial recognition, investment properties are measured at cost including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in the fair value of investment properties are included in consolidated income statement in the year/period in which they arise.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

3. **SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated financial statements when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are all classified into one of three categories, including FVTPL, loans and receivables, and available-for-sale investment. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of the financial assets and of allocating interest income over the Relevant Periods. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial assets, or where appropriate, a shorter period to net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than financial assets classified as at FVTPL, of which interest income is included in net gains and losses.

FVTPL

Financial assets are classified as at FVTPL when the financial asset is held for trading.

A financial asset is classified as held for trading if:

– it has been acquired principally for the purpose of selling in the near future; or

– it is a part of an portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

– on initial recognition it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value, with any gain or loss arising on remeasurement recognised in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial assets.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including loan receivables, trade and bills receivables, other receivables and deposits, client trust funds, pledged bank deposit, bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment losses (see accounting policy in respect of impairment loss of financial assets below).

Available-for-sale investment

Available-for-sale investment is non-derivative that is either designated or not classified as financial assets at FVTPL or loans and receivables.

Available-for-sale investment is measured at fair value at the end of each reporting periods. Changes in fair value are recognised in consolidated statements of comprehensive income and accumulated under the heading of investment revaluation reserve, until the investment is disposed of or determined to be impaired, at which time, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss. (see accounting policy in respect of impairment loss of financial assets below).

Impairment loss of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting periods. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

– significant financial difficulty of the issuer or counterparty; or

– default or delinquency in interest or principal payments; or

– it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as loan receivables, trade and bill receivables and other receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days as well as observable changes in national or local economic conditions that correlate default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of loan receivables, trade and bill receivables and other receivables, where the carrying amount is reduced through the use of an allowance account. When trade and bill receivables, loan receivables, and other receivables is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

3. **SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Financial instruments *(continued)*

Impairment loss of financial assets (continued)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale investment, impairment losses previously recognised in profit or loss are not reversed though profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in consolidated statements of comprehensive income and accumulated under the heading of investment revaluation reserve. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The Group's financial liabilities are generally classified into other financial liabilities.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the Relevant Periods. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis.

Other financial liabilities

Other financial liabilities including trade and bills payables, other payables and accruals, bank borrowings and obligations under finance leases are subsequently measured at amortised cost using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting periods. The resulting gain or loss is recognised in profit or loss immediately.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Derecognition

The Group derecognises a financial asset only when the contractual rights to cash flows from the assets expire, or when a financial asset is transferred, the Group has transferred substantially all the risks and rewards of ownership of the assets to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred assets, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all risks and rewards of ownership of a transferred financial asset, the Group continued to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the course of the ordinary activities, net of discounts and sales related taxes.

Revenue is recognised in the consolidated income statement on the following bases:

(a) revenue from sales of goods is recognised when the goods are delivered and title has passed;

(b) revenue from trading of securities and securities dealing is recognised on the trade date basis;

(c) commission and brokerage income from securities dealing is recognised on a trade date basis;

(d) interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition; and

(e) dividend income excluding from FVTPL, is recognised when the shareholders' right to receive payment has been established.

3. **SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Employee benefits

(a) Retirement benefits scheme

Payments to the Group's Mandatory Provident Fund Scheme are charged as expense when employees have rendered service entitling them to the contributions.

(b) Long service payments

Certain of the Group's employees have completed the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance ("Employment Ordinance") in the event of the termination of their employment. The Group is liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Employment Ordinance. A provision is recognised in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their service to the Group to the end of year/period.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting periods.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Information and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investment in subsidiaries and interests in jointly controlled entity, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting periods and reduces to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3. **SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Taxation *(continued)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting periods. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting periods, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in statement of comprehensive income or directly in equity, in which case, the deferred tax is also recognised in statement of comprehensive income or directly in equity respectively.

Borrowing costs

All borrowing costs are recognised as and included in finance costs in the consolidated income statement in the year/period in which they are incurred.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the exchanges rates prevailing on the dates of the transactions. At the end of each reporting periods, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the year/period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year/period.

Impairment losses on tangible assets

At the end of each reporting periods, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Provision

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provision are measured at the directors' best estimate of the expenditure required to settle the obligation at end of each reporting period and discounted to present value where the effect material.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that year/period, or in the period of the revision and future periods if the revision affects both current and future period.

(a) Critical accounting judgements

The following are the estimations that the directors have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in Financial Information.

(i) Classification of interest in a joint venture held-for-sale and deposit received from the joint venture partner

In connection with the classification of interest in a joint venture held-for-sale and deposit received from the joint venture partner, the directors considered the arbitration judgement in regarding to the disposal of interest in joint venture is still valid. Also, the directors expect the disposal transaction will be completed in the foreseeable future on or before 30 September 2010. Therefore, the Group's interest in a joint venture was classified as interest in a joint venture held-for-sale as at 30 September 2009 and the deposit received from the joint venture partner is included in other payables as a current liability as at 30 September 2009.

(ii) Estimated useful lives of plant and equipment

The Group depreciates the plant and equipment over the estimated useful lives, using the reducing balance method, at the rate of 15 – 25% per annum, commencing from the date the plant and equipment is placed into productive use. The estimated useful life reflects the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's plant and equipment. The Group assesses annually the useful lives of plant and equipment and if the expectation differs from the original estimate, such a difference may impact the depreciation in the year and the estimate will be charged in the future period.

(b) Key sources of estimation uncertainty

(i) Carrying amount of interest in a joint venture held-for-sale

In connection with the carrying amount of interest in a joint venture held-for-sale, the Group performs individual assessment on the evaluation of collectability of remaining the balance of judgment amount RMB82,298,300 (equivalent to approximately HK$93,171,000) as at 30 September 2009.

The directors consider the remaining balance of judgment amount of HK$93,171,000 is fully recoverable and no impairment loss was recognised in the consolidated income statement for the six months ended 30 September 2009.

4. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY** *(continued)*

(b) Key sources of estimation uncertainty *(continued)*

(ii) Estimated impairment loss of trade receivables, loan receivables and other receivables

The policy for making impairment loss on trade receivables, loan receivables and other receivables of the Group is based on the evaluation of collectability and aging analysis of accounts and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of customers of the Group are deterioring, resulting in an impairment of their ability to make payments, additional impairment loss may be required.

(iii) Pending litigations of the Group

In connection with the Group's pending litigations as at 30 September 2009, the directors assess the relevant facts and circumstances and considered the appropriateness of provisions, if any, to be made, based on legal advice obtained.

(iv) Reversal of estimated impairment loss of property held for redevelopment

As at 31 March 2007, the directors of the Company reviewed the carrying value of the property held for redevelopment with reference to the valuation performed by Assets Appraisal Limited, independent qualified professional valuer not connected with the Group. In the opinion of the directors, the impairment loss previously recognised for the property held for redevelopment has decreased as the recoverable amount is considered to be higher than the carrying value of the property held for redevelopment as at 31 March 2007, and accordingly, a reversal of impairment loss on property held for redevelopment of HK$2,000,000 has been credited to the consolidated income statement.

5. **CAPITAL RISK MANAGEMENT**

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group is not subject to any externally imposed capital requirements except for certain subsidiaries which engages in securities dealing and broking service, corporate finance and advisory service are the regulated entities under the Hong Kong Securities and Futures Ordinance and are subject to the respective minimum capital requirements.

The capital structure of the Group consists of debts, which included the bank borrowings disclosed in note 32, obligations under finance leases disclosed in note 33, cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on an annual basis. As part of this review, the directors consider the cost of capital and risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through payment of dividends, issue of convertible bonds and share options, new share issues and share buy-back.

There is no change in the capital risk management policy adopted by the Company during the Relevant Periods.

6. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

		As at 31 March		As at 30 September
	2007	**2008**	**2009**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Financial assets				
FVTPL	10,509	14,960	4,973	3,966
Loan and receivables				
– loan receivables	21,505	28,581	17,639	19,961
– trade and bills receivables	3,831	9,321	8,797	9,651
– other receivables and deposits	20,114	2,803	4,910	7,649
– client trust funds	9,237	11,746	15,446	480,307
– pledged bank deposit	5,000	5,000	5,000	5,000
– bank balances and cash	19,359	32,927	25,507	44,378
	79,046	90,378	77,299	566,946
Available-for-sale investment	227	183	230	219
	89,782	105,521	82,502	571,131
Financial liabilities				
Derivative financial instruments – options	–	989	–	–
Other financial liabilities at amortised cost				
– trade and bills payable	11,466	16,566	18,143	482,049
– other payables and accruals	19,876	36,877	35,299	30,771
– bank borrowings	96,173	18,520	18,811	14,234
– obligations under finance leases	–	–	347	308
	127,515	71,963	72,600	527,362
	127,515	72,952	72,600	527,362

b. Financial risk management objectives and policies

The Group's principal financial instruments comprise bank borrowings and obligations under finance leases. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as financial assets at FVTPL, loan receivables, trade and bills receivables, other receivables and deposits, client trust funds, pledged bank deposit, bank balances and cash, available-for-sale investment, derivative financial instruments – options, trade and bills payables and other payables and accruals, which arise directly from its operations. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

6. **FINANCIAL INSTRUMENTS** *(continued)*

b. **Financial risk management objectives and policies** *(continued)*

The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market Risk

(i) Currency risk

The Group's business activities and its assets and liabilities were mainly denominated in HK$, United States dollars ("USD") and Renminbi ("RMB"). The Group currently does not have a foreign currency hedging policy. However, the management will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency monetary assets and liabilities which denominated in USD and RMB are as follows:

Assets		**As at 31 March**		**As at 30 September**
	2007	**2008**	**2009**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
RMB	158,888	159,501	159,554	159,558
USD	609	2,697	1,162	1,205

Liabilities		**As at 31 March**		**As at 30 September**
	2007	**2008**	**2009**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
RMB	74,000	75,000	75,000	75,000
USD	188	1,309	47	532

The following table demonstrates the sensitivity at the end of reporting period to a reasonably possible change in the USD and RMB exchange rate, with all other variables held constant, of the Group's profit (loss) before taxation.

For the year ended 31 March 2007	**Increase (decrease) in foreign exchange rate %**	**Increase (decrease) in profit before tax for the year**
		HK$'000
If HK$ weakens against US$	(1)	(4)
If HK$ strengthens against US$	1	4
If HK$ weakens against RMB	(5)	(4,244)
If HK$ strengthens against RMB	5	4,244

For the year ended 31 March 2008	**Increase (decrease) in foreign exchange rate %**	**Increase (decrease) in profit before tax for the year**
		HK$'000
If HK$ weakens against US$	(1)	(14)
If HK$ strengthens against US$	1	14
If HK$ weakens against RMB	(5)	(4,225)
If HK$ strengthens against RMB	5	4,225

6. **FINANCIAL INSTRUMENTS** *(continued)*

b. **Financial risk management objectives and policies** *(continued)*

Market Risk (continued)

(i) Currency risk *(continued)*

For the year ended 31 March 2009	**Increase (decrease) in foreign exchange rate %**	**Increase (decrease) in loss before tax for the year**
		HK$'000
If HK$ weakens against US$	1	11
If HK$ strengthens against US$	(1)	(11)
If HK$ weakens against RMB	5	4,228
If HK$ strengthens against RMB	(5)	(4,228)

For the six months ended 30 September 2009	**Increase (decrease) in foreign exchange rate %**	**Increase (decrease) in profit before tax for the** year
		HK$'000
If HK$ weakens against US$	(1)	(7)
If HK$ strengthens against US$	1	7
If HK$ weakens against RMB	(5)	(4,228)
If HK$ strengthens against RMB	5	4,228

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in respect of fixed-rate bank deposits and obligations under finance leases.

The Group is also exposed to cash flow interest rate risk in relation to floating-rate bank borrowings, bank overdraft and bank balances. The interest rate risk is managed by management on an ongoing basis with the primary objective of limiting extent to which interest expense could be affected by adverse movement in interest rates.

The sensitivity analysis below has been determined based on the exposure to interest rates for floating-rate bank borrowings and bank balances at the end of each reporting period. The analysis is prepared assuming financial instruments outstanding at the end of each reporting period were outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The following table details the impact to consolidated income statement in respect of interest rates had been 50 basis points higher/lower and all other variables were held constant.

	+50 basis point Increase (Decrease)	**–50 basis point Increase (Decrease)**
	HK$'000	*HK$'000*
Profit before taxation for the year ended 31 March 2007	88	(88)
Profit before taxation for the year ended 31 March 2008	93	(93)
Loss before taxation for the year ended 31 March 2009	(71)	71
Profit before taxation for the six months ended 30 September 2009	97	(97)

6. **FINANCIAL INSTRUMENTS** *(continued)*

b. **Financial risk management objectives and policies** *(continued)*

Market Risk (continued)

(iii) Other price risk

Other price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the values of individual securities. The Group is exposed to equity price risk arising from individual equity investment classified as FVTPL and available-for-sale investment as at 31 March 2007, 2008 and 2009 and 30 September 2008 and 2009. The Group's listed investments are listed on the Stock Exchange and are valued at quoted market prices at the end of each reporting periods. The Group's unlisted securities are valued at quoted market prices provided by the financial institution. In addition, the Group monitors the price risk exposure and will consider hedging the risk exposure should the need arise.

The sensitivity analyses below have been determined based on the Group's exposure to equity price risks at the end of each reporting period.

The following table details the impact to consolidated income statements in respect of the respective equity instruments includes in FVTPL had been 5% higher/lower and all other variables were held constant.

	+5%	**–5%**
	Increase (Decrease)	**Increase (Decrease)**
	HK$'000	*HK$'000*
Profit before taxation for the year ended 31 March 2007	525	(525)
Profit before taxation for the year ended 31 March 2008	748	(748)
Loss before taxation for the year ended 31 March 2009	(249)	249
Profit before taxation for the six months ended 30 September 2009	198	(198)

The following table details the impact to consolidated statements of comprehensive income in respect of the respective equity instruments includes in available-for-sale investment had been 5% higher/lower and all other variables were held constant.

	+5%	**–5%**
	Increase (Decrease)	**Increase (Decrease)**
	HK$'000	*HK$'000*
Profit before taxation for the year ended 31 March 2007	11	(11)
Profit before taxation for the year ended 31 March 2008	9	(9)
Loss before taxation for the year ended 31 March 2009	(12)	12
Profit before taxation for the six months ended 30 September 2009	11	(11)

6. **FINANCIAL INSTRUMENTS** *(continued)*

b. **Financial risk management objectives and policies** *(continued)*

Credit risk

The loan receivables, trade and bills receivables, other receivables and deposit, client trust funds, pledged bank deposit and bank balances represent the Group's major exposure to the credit risk arising from the default of the counterparty, with a maximum exposure equal to the carrying amounts of these financial assets in the consolidated statement of financial position.

For the securities dealing, broking and financial business, loan will be granted based on assessment on financial status, repayment records and the liquidity of collaterals placed by a customer and the interest rate will be determined thereon. The Group's loans to customers arising from the business of securities dealings are secured by the underlying pledged securities. Loan will be repayable on demand once a customer fails to repay any deposit, margin or other sum payable to the Group.

The account executives of the Group are responsible for making margin calls to customers whose trades exceed their respective limits. The deficiency report will be monitored daily by the Group's directors and responsible officers.

Trading terms with general trading customers are mainly 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 and open account may be granted subject to the coverage of bad debt insurance by Hong Kong Export Credit Insurance Corporation. The Group's current credit practices include assessment and valuation of customer's credit reliability and periodic assessment of their financial abilities to determine credit limits to be granted.

The Group has its credit risk concentrated in top five largest customers. The amount of trade receivables of the Group due from the top five largest customers was 74%, 70%, 82% and 82% as at 31 March 2007, 2008 and 2009 and 30 September 2009.

The Group has no significant concentration of credit risk, with exposure spread over a number of counter parties, for the Group's loan receivables.

The credit risk on pledged bank deposit and bank balances is limited because the counterparties are banks with high credit rating.

Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient amount of cash and adequate banking facilities from major financial institutions to meet its liquidity requirements in the short and long term.

In respect of the Group's securities dealing and broking services business, it is subject to various statutory liquidity requirements as prescribed by the respective government authorities. The Group has put in place monitoring system to ensure that it maintains adequate liquid capital to fund its business commitments and to comply with the relevant Financial Resources Rules.

6. FINANCIAL INSTRUMENTS *(continued)*

b. Financial risk management objectives and policies *(continued)*

Maturity analysis

The following table details the Group's remaining contractual maturities for its financial liabilities as at the end of each reporting periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group is required to pay. The table includes both interest and principal cash flows.

	Effective interest rate	On demand/ within one year	One year to two years	Over two years	Total contractual undiscounted cash flows	Carrying amount
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31 March 2007						
Trade and bills payables	–	11,466	–	–	11,466	11,466
Other payables and accruals	–	19,876	–	–	19,876	19,876
Bank borrowings	2.5%	96,743	7,879	8,439	113,061	96,173
		128,085	7,879	8,439	144,403	127,515
At 31 March 2008						
Trade and bills payables	–	16,566	–	–	16,566	16,566
Other payables and accruals	–	36,877	–	–	36,877	36,877
Bank borrowings	2.5%	5,047	2,188	12,443	19,678	18,520
		58,490	2,188	12,443	73,121	71,963
At 31 March 2009						
Trade and bills payables	–	18,143	–	–	18,143	18,143
Other payables and accruals	–	35,299	–	–	35,299	35,299
Bank borrowings	2.25%	7,166	2,145	10,298	19,609	18,811
Obligations under finance leases	5.28%	94	95	197	386	347
		60,702	2,240	10,495	73,437	72,600
At 30 September 2009						
Trade and bills payables	–	482,049	–	–	482,049	482,049
Other payables and accruals	–	30,771	–	–	30,771	30,771
Bank borrowings	2.25%	3,360	2,063	9,492	14,915	14,234
Obligations under finance leases	5.28%	94	95	149	338	308
		516,274	2,158	9,641	528,073	527,362

6. **FINANCIAL INSTRUMENTS** *(continued)*

c. **Fair value estimation**

Effective 1 January 2009, the Group adopted the amendment to HKFRS 7 for financial instruments that are measured in the consolidated statements of financial position at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

At the end of reporting period, the financial instruments measured in fair value of the Group is the equity investments in Hong Kong stock market, which is classified as FVTPL and available-for-sale investment and measured by the quoted price, and included in level 1.

7. **SEGMENT INFORMATION**

The Group has adopted HKFRS 8 Operating Segments throughout the Relevant Periods. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. The chief operating decision maker of the Group has been identified as the Board of directors. The Group determines its operating segments based on the internal reports reviewed by the Board of directors that are used to make strategic decisions.

For management purposes, the Group is organised into business units based on their products and services, and has seven reportable operating segments as follows – general import and export trading, securities and broking services, financing, trading of securities, property development and investment, strategic investments and corporate.

General import and export trading – Trading of frozen foods, garment and garment-related goods;

Securities dealing and broking services – Underwriting, trading and broking services mainly on marketable securities;

Financing – Money lending;

Trading of securities – Dealing with securities which are listed and trading in the Stock Exchange;

Property redevelopment and investment – Property redevelopment and letting of property;

Strategic investments – Investments for an identified long-term purpose; and

Corporate – Corporate income and expense items.

7. SEGMENT INFORMATION *(continued)*

The management monitors the operating results of its business units separately for the purposes of making decisions on resource allocation and performance assessment. Segment performance is evaluated based on the operating profit or loss which in certain respects, as explained in the table below, is measured differently from the operating profit or loss in the Financial Information. The Company's financing (including finance costs and bank interest income), income taxes are managed on a group basis and are not allocated to the operating segments.

For the purposes of monitoring segment performance and allocating resources between segments:

– all assets are allocated to operating segment assets other than tax recoverable, pledged bank deposit and bank balances and cash.

– all liabilities are allocated to operating segment liabilities other than bank borrowings, obligation under finance leases and tax liabilities.

(a) Operating segments

Segment information about operating segments is presented below:

For the year ended 31 March 2007

	General import and export trading	Securities dealing and broking services	Financing	Trading of securities	Property development and investment	Strategic investments	Corporate	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue									
External sales	14,134	11,300	3,647	–	–	–	–	–	29,081
Inter-segment sales*	–	265	–	–	1,200	3	10,610	(12,078)	–
	14,134	11,565	3,647	–	1,200	3	10,610	(12,078)	29,081
Segment result	(2,367)	1,760	5,200	4,070	2,826	1,283	(5,224)	(283)	7,265
Bank interest income									563
Finance costs									(7,019)
Profit before taxation									809
Income tax credit									4,790
Profit for the year									5,599

7. SEGMENT INFORMATION *(continued)*

(a) Operating segments *(continued)*

	General import and export trading	Securities dealing and broking services	Financing	Trading of securities	Property development and investment	Strategic investments	Corporate	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 March 2007									
Segment assets	1,203	31,961	8,259	36,119	40,270	164,678	7,909	(27)	290,372
Unallocated assets									24,923
Consolidated total assets									315,295
Segment liabilities	825	9,560	328	5,518	283	16,967	619	(27)	34,073
Unallocated liabilities									96,212
Consolidated total liabilities									130,285
For the year ended 31 March 2007									
Other Segment information									
Amounts included in the measure of segment profit or loss or segment assets:									
Depreciation	33	46	–	–	1	16	470	–	566
Change in fair value of investment properties	–	–	–	–	400	–	–	–	400
Reversal of impairment loss recognised in respect of property held for redevelopment	–	–	–	–	2,000	–	–	–	2,000
Change in fair value of financial assets at fair value through profit or loss	–	–	–	3,453	–	–	–	–	3,453
Impairment loss recognised in respect of trade receivables	(84)	–	–	–	–	–	–	–	(84)
Impairment loss recognised in respect of loan receivables	–	–	(60)	–	–	–	–	–	(60)
Bad debt recovery for loan receivables	–	–	4,038	–	–	–	–	–	4,038
Loss on disposals of plant and equipment	40	–	–	–	–	–	144	–	184
Capital expenditure	369	129	–	–	–	–	638	–	1,136

* Inter-segment sales are charged at commercial terms agreed by both parties.

Non-current assets included plant and equipment, investment properties, property held for redevelopment and available-for-sale investment.

7. SEGMENT INFORMATION *(continued)*

(a) Operating segments *(continued)*

For the year ended 31 March 2008

	General import and export trading	Securities dealing and broking services	Financing	Trading of securities	Property development and investment	Strategic investments	Corporate	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue									
External sales	27,225	17,102	6,923	28	–	–	–	–	51,278
Inter-segment sales*	–	184	–	–	1,200	–	11,042	(12,426)	–
	27,225	17,286	6,923	28	1,200	–	11,042	(12,426)	51,278
Segment result	(2,518)	1,554	2,047	22,959	10,373	(14,455)	(1,184)	(2,118)	16,658
Bank interest income									525
Finance costs									(1,333)
Profit before tax									15,850
Income tax credit									(1,551)
Profit for the year									14,299
As at 31 March 2008									
Segment assets	7,202	38,118	2,422	19,236	74,905	176,755	2,338	–	320,976
Unallocated assets									37,927
Consolidated total assets									358,903
Segment liabilities	2,951	18,824	422	–	272	104,246	13,038	–	139,753
Unallocated liabilities									19,827
Consolidated total liabilities									159,580

7. SEGMENT INFORMATION *(continued)*

(a) Operating segments *(continued)*

	General import and export trading	Securities dealing and broking services	Financing	Trading of securities	Property development and investment	Strategic investments	Corporate	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Other Segment information									
Amounts included in the measure of segment profit or loss or segment assets:									
Depreciation	9	116	–	–	1	–	482	–	608
Change in fair value of investment properties	–	–	–	–	10,000	–	–	–	10,000
Change in fair value of financial assets at fair value through profit or loss	–	–	–	965	–	–	–	–	965
Gain on disposal of available-for-sale investment	–	–	–	–	–	153	–	–	153
Impairment loss recognised in respect of trade receivables	(501)	(142)	–	–	–	–	–	–	(643)
Reversal of impairment loss recognised in respect of trade receivables	–	16	–	–	–	–	–	–	16
Impairment loss recognised in respect of other receivables	–	–	–	–	–	(16,885)	–	–	(16,885)
Impairment loss recognised in respect of loan receivables	–	(2,149)	(177)	–	–	–	–	–	(2,326)
Reversal of impairment loss recognised in respect of loan receivables	–	–	252	–	–	–	–	–	252
Bad debt recovery for loan receivables	–	–	1,373	–	–	–	–	–	1,373
Loss on disposals of plant and equipment	122	–	–	–	–	–	38	–	160
Reversal of allowance for inventories	(18)	–	–	–	–	–	–	–	(18)
Capital expenditure	–	323	–	–	840	–	325	–	1,488

* Inter-segment sales are charged at prevailing market rates.

Non-current assets included plant and equipment, investment properties, property held for redevelopment and available-for-sale investment.

7. **SEGMENT INFORMATION** *(continued)*

(a) **Operating segments** *(continued)*

For the year ended 31 March 2009

	General import and export trading	Securities dealing and broking services	Financing	Trading of securities	Property development and investment	Strategic investments	Corporate	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue									
External sales	41,448	8,960	3,660	57	–	–	–	–	54,125
Inter-segment sales*	–	1,354	–	–	1,200	–	16,277	(18,831)	–
	41,448	10,314	3,660	57	1,200	–	16,277	(18,831)	54,125
Segment result	(2,865)	(67)	(997)	(10,235)	4,226	(7,031)	(1,029)	(354)	(18,352)
Bank interest income									423
Finance costs									(578)
Loss before tax									(18,507)
Income tax expense									(87)
Loss for the year									(18,594)
As at 31 March 2009									
Segment assets	6,937	30,741	1,933	9,739	78,036	179,658	3,942	–	310,986
Unallocated assets									30,621
Consolidated total assets									341,607
Segment liabilities	1,922	23,084	460	300	29	106,294	8,250	–	140,339
Unallocated liabilities									20,492
Consolidated total liabilities									160,831

7. **SEGMENT INFORMATION** *(continued)*

(a) **Operating segments** *(continued)*

	General import and export trading	Securities dealing and broking services	Financing	Trading of securities	Property development and investment	Strategic investments	Corporate	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
For the year ended 31 March 2009									
Other Segment information									
Amounts included in the measure of segment profit or loss or segment assets:									
Depreciation	3	142	–	–	177	–	279	–	601
Change in fair value of investment properties	–	–	–	–	4,000	–	–	–	4,000
Change in fair value of financial assets at fair value through profit or loss	–	–	–	(7,737)	–	–	–	–	(7,737)
Impairment loss recognised in respect of trade receivables	(584)	(41)	–	–	–	–	–	–	(625)
Reversal of impairment loss recognised in respect of trade receivables	153	–	–	–	–	–	–	–	153
Impairment loss recognised in respect of other receivables	–	–	–	–	–	(319)	–	–	(319)
Impairment loss recognised in respect of loan receivables	–	–	(120)	–	–	–	–	–	(120)
Reversal of impairment loss recognised in respect of loan receivables	–	206	248	–	–	–	–	–	454
Bad debt recovery for loan receivables	–	96	–	–	–	–	–	–	96
Loss on disposals of plant and equipment	–	–	–	–	–	–	7	–	7
Allowance for inventories	192	–	–	–	–	–	–	–	192
Capital expenditure	–	122	–	–	–	–	543	–	665

* Inter-segment sales are charged at commercial terms agreed by both parties.

Non-current assets included plant and equipment, investment properties, property held for redevelopment and available-for-sale investment.

7. **SEGMENT INFORMATION** *(continued)*

(a) **Operating segments** *(continued)*

For the six months ended 30 September 2008

	General import and export trading HK$'000 (Unaudited)	Securities dealing and broking services HK$'000 (Unaudited)	Financing HK$'000 (Unaudited)	Trading of securities HK$'000 (Unaudited)	Property development and investment HK$'000 (Unaudited)	Strategic investments HK$'000 (Unaudited)	Corporate HK$'000 (Unaudited)	Eliminations HK$'000 (Unaudited)	Consolidated HK$'000 (Unaudited)
Segment revenue									
External sales	27,385	3,498	2,725	34	–	–	–	–	33,642
Inter-segment sales*	–	176	–	–	600	–	4,061	(4,837)	–
	27,385	3,674	2,725	34	600	–	4,061	(4,837)	33,642
Segment result	(1,255)	(2,202)	2,734	(8,997)	(3,178)	(1,557)	(3,273)	(181)	(17,909)
Unallocated income									248
Finance costs									(265)
Loss before taxation									(17,926)
Income tax expense									(71)
Loss for the period									(17,997)
Other Segment information									
Amount included in the measure of segment profit or loss or segment assets:									
Depreciation	2	60	–	–	92	–	136	–	290
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
Loss on disposals of plant and equipment	–	–	–	–	–	–	5	–	5

* Inter-segment sales are charged at commercial terms agreed by both parties.

7. SEGMENT INFORMATION *(continued)*

(a) Operating segments *(continued)*

For the six months ended 30 September 2009

	General import and export trading	Securities dealing and broking services	Financing	Trading of securities	Property development and investment	Strategic investments	Corporate	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue									
External sales	8,548	31,786	2,136	289	–	–	–	–	42,759
Inter-segment sales*	–	86	–	–	600	–	9,488	(10,174)	–
	8,548	31,872	2,136	289	600	–	9,488	(10,174)	42,759
Segment results	(927)	7,896	1,426	19,101	186	(1,131)	26,057	(18,354)	34,254
Unallocated income									219
Finance costs									(188)
Profit before taxation									34,285
Income tax expense									(1,500)
Profit for the period									32,785
As at 30 September 2009									
Segment assets	6,399	503,153	2,084	9,538	78,034	178,842	3,010	–	781,060
Unallocated assets									49,563
Consolidated total assets									830,623
Segment liabilities	1,861	483,061	488	300	19	106,343	7,706	(61)	599,717
Unallocated liabilities									17,376
Consolidated total liabilities									617,093

7. SEGMENT INFORMATION *(continued)*

(a) Operating segments *(continued)*

	General import and export trading	Securities dealing and broking services	Financing	Trading of securities	Property development and investment	Strategic investments	Corporate	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
For the six months ended 30 September 2009									
Other Segment information									
Amounts included in the measure of segment profit or loss or segment assets:									
Depreciation	–	57	–	–	–	–	182	–	239
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 for loan receivables	–	15	–	–	–	–	–	–	15
Bad debt written-off	(425)	–	–	–	–	–	–	–	(425)
Reversal of allowance for inventories	(21)	–	–	–	–	–	–	–	(21)
Plant and equipment written off	14	–	–	–	–	–	18	–	32
Additions to non-current assets	–	–	–	20	–	–	10	–	30

* Inter-segment sales are charged at commercial terms agreed by both parties.

Non-current assets included the plant and equipment, investment properties, property held for redevelopment and available-for-sale investment.

7. **SEGMENT INFORMATION** *(continued)*

(a) **Operating segments** *(continued)*

Reportable segments' assets and liabilities are reconciled to total assets and liabilities as follows:

	As at 31 March			As at 30 September
	2007	**2008**	**2009**	**2009**
	HK\$'000	*HK\$'000*	*HK\$'000*	*HK\$'000*
Total segment assets	290,372	320,976	310,986	781,060
Tax recoverable	564	–	114	185
Pledged bank deposit	5,000	5,000	5,000	5,000
Bank balances and cash	19,359	32,927	25,507	44,378
Total assets per statements of financial position	315,295	358,903	341,607	830,623

	As at 31 March			As at 30 September
	2007	**2008**	**2009**	**2009**
	HK\$'000	*HK\$'000*	*HK\$'000*	*HK\$'000*
Total segment liabilities	34,073	139,753	140,339	599,717
Tax liabilities	39	1,307	1,334	2,834
Bank borrowings	96,173	18,520	18,811	14,234
Obligation under finance leases	–	–	347	308
Total liabilities per statements of financial position	130,285	159,580	160,831	617,093

For the year ended 31 March 2007, 2008 and 2009 and the six months ended 30 September 2009, the Group does not have any single significant customer with the transaction value above 10% of the total turnover.

7. **SEGMENT INFORMATION** *(continued)*

(b) **Geographical segments**

The following table provides an analysis of the Group's turnover by geographic market, irrespective of the origin of the goods and services, presents segment assets and capital expenditure information for the Group's geographical segments:

	Year ended 31 March			Six months ended 30 September	
	2007	**2008**	**2009**	**2008**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* *(Unaudited)*	*HK$'000*
Hong Kong	96,125	171,393	122,684	55,130	167,342
Europe	6,701	9,308	5,402	3,622	–
North America	5,933	4,982	3,945	3,725	–
PRC	34	1,921	115	115	17
	108,793	187,604	132,146	62,592	167,359

	Non-current assets			
	As at 31 March			As at 30 September
	2007	**2008**	**2009**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Hong Kong	66,815	76,321	80,418	80,146

8. TURNOVER AND OTHER INCOME

Turnover represents the amounts received and receivable for goods sold, services provided by the Group to outside customers, brokerage and commission income, interest income from financing and dividend income. Turnover and other income are analysed as follows:

	Year ended 31 March			Six months ended 30 September	
	2007	**2008**	**2009**	**2008**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* *(Unaudited)*	*HK$'000*
Turnover					
Sales of securities	79,712	136,326	78,021	28,951	124,600
Sale of goods	14,134	27,225	41,448	27,385	8,548
Commission and brokerage income from securities dealing	11,300	17,102	8,960	5,837	31,786
Interest income from financing	3,647	6,923	3,660	386	2,136
Dividend income	–	28	57	33	289
	108,793	187,604	132,146	62,592	167,359
Other income					
Interest income	563	525	423	248	219
Gain on foreign exchange	3,578	9,398	1,770	4,189	740
Compensation received *(Note)*	–	–	673	–	–
Sundry income	8,138	1,436	2,469	1,595	81
	12,279	11,359	5,335	6,032	1,040

Note: The Group made investments in a security brokage company which was liquidated in 1998. The compensation income represented the amount recovered from this inventee during the year ended 31 March 2009.

9. FINANCE COSTS

	Year ended 31 March			Six months ended 30 September	
	2007	**2008**	**2009**	**2008**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* *(Unaudited)*	*HK$'000*
Interest on:					
– bank overdrafts and bank borrowings wholly repayable within five years	6,037	1,291	451	239	179
– bank borrowings not wholly repayable within five years	976	–	–	–	–
– obligations under finance leases	6	–	19	9	9
– deposits received in respect of termination of proposed subscription of new shares	–	42	108	17	–
	7,019	1,333	578	265	188

10. INCOME TAX (CREDIT)/EXPENSES

	Year ended 31 March			Six months ended 30 September	
	2007	**2008**	**2009**	**2008**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* *(Unaudited)*	*HK$'000*
Hong Kong Profits Tax					
Underprovision/(overprovision) in prior year/period	(4,800)	718	–	–	–
Current year/period	10	833	87	71	1,500
Income tax expense (credit) for the year/period	(4,790)	1,551	87	71	1,500

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009.

Hong Kong Profits Tax is calculated at 17.5%, 17.5%, 16.5%, 16.5% and 16.5% of the estimated assessable profits for the years ended 31 March 2007, 2008 and 2009 and six months ended 30 September 2008 and 2009 respectively.

The income tax (credit) expenses for the Relevant Periods can be reconciled to the profit (loss) before taxation per the consolidated income statements as follows:

	Year ended 31 March			Six months ended 30 September	
	2007	**2008**	**2009**	**2008**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* *(Unaudited)*	*HK$'000*
Profit (Loss) before taxation	809	15,850	(18,507)	(14,157)	34,285
Tax at domestic income tax rate	142	2,774	(3,054)	(2,336)	5,657
Tax effect of expenses not deductible for tax purposes	1,079	3,442	1,390	699	763
Tax effect of income not taxable for tax purposes	(452)	(4,057)	(1,561)	(1,324)	(2,536)
Tax effect of tax losses not recognised	973	1,787	3,369	3,548	256
(Over)provision Under in prior year/period	(4,800)	718	–	–	–
Utilisation of tax losses previously not recognised	(1,725)	(3,162)	(57)	(516)	(2,640)
Others	(7)	49	–	–	–
Income tax (credit) expense for the year/period	(4,790)	1,551	87	71	1,500

The Group has unused tax losses of approximately HK$290,000,000, HK$282,143,000, HK$302,214,000 HK$287,766,000 available for offset against future profits as at 31 March 2007, 2008 and 2009 and six months ended 30 September 2009 respectively. No deferred tax asset has been recognised of such losses due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

11. PROFIT (LOSS) FOR THE YEAR/PERIOD

Profit (loss) for the year/period is arrived at after charging (crediting):

	Year ended 31 March			Six months ended 30 September	
	2007	**2008**	**2009**	**2008**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* *(Unaudited)*	*HK$'000*
Salaries, allowances and other benefits	10,023	9,962	12,662	5,198	5,466
Contributions to retirement benefits scheme	449	446	476	224	239
Total staff costs (including directors' remuneration)	10,472	10,408	13,138	5,422	5,705
Auditor's remuneration	467	580	550	290	275
Depreciation	566	608	601	290	239
Change in fair value of derivative financial instruments – options	–	989	–	–	–
Loss on disposals of plant and equipment	184	160	7	5	–
Plant and equipment written off	–	–	–	–	32
Minimum lease payments under operating leases for land and buildings	1,153	1,313	1,642	898	620
Cost of inventories recognised as an expense	12,331	24,920	39,658	24,128	31,726
Allowance for inventories	–	–	192	–	–
Reversal of allowance for inventories	–	(18)	–	–	–

12. DIRECTORS' EMOLUMENTS

The details of directors' remuneration paid or payable to each of the directors during the Relevant Periods are set out below:

For the year ended 31 March 2007:

	Fees	Salaries and other benefit	Performance related incentive payments	Retirement benefit scheme contribution	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors					
Cheung Hoo Win	–	1,065	95	10	1,170
Yeung Han Yi Yvonne	–	651	–	33	684
Chan Chi Mei Miranda	–	543	55	30	628
Zhang Yuyan	–	150	–	–	150
Wu Ho Fai David	–	339	–	12	351
Tam Wing Fai Johnny (Resigned on 1 June 2006)	–	330	–	2	332
Independent non-executive directors					
Lim Man San David	80	–	–	–	80
Yeung Shun Kee Edward	140	–	–	–	140
Chow Pat Kan	80	–	–	–	80
	300	3,078	150	87	3,615

For the year ended 31 March 2008:

	Fees	Salaries and other benefit	Performance related incentive payments	Retirement benefit scheme contribution	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors					
Cheung Hoo Win	–	437	–	12	449
Yeung Han Yi Yvonne	–	694	–	35	729
Chan Chi Mei Miranda	–	579	250	29	858
Zhang Yuyan	–	150	–	–	150
Wu Ho Fai David (Resigned on 2 August 2007)	–	67	–	–	67
Independent non-executive directors					
Lim Man San David	80	–	–	–	80
Yeung Shun Kee Edward	160	–	–	–	160
Chow Pat Kan	80	–	–	–	80
	320	1,927	250	76	2,573

12. DIRECTORS' EMOLUMENTS *(continued)*

For the year ended 31 March 2009:

	Fees	Salaries and other benefit	Performance related incentive payments	Retirement benefit scheme contribution	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors					
Cheung Hoo Win	–	420	18	12	450
Yeung Han Yi Yvonne	–	678	28	36	742
Chan Chi Mei Miranda	–	570	16	29	615
Zhang Yuyan	–	150	–	–	150
Independent non-executive directors					
Lim Man San David	80	–	–	–	80
Yeung Shun Kee Edward	130	–	–	–	130
Chow Pat Kan (Resigned on 5 December 2008)	80	–	–	–	80
Li Hancheng (Appointed on 5 December 2008)	32	–	–	–	32
	322	1,818	62	77	2,279

For the six months ended 30 September 2008:

	Fees	Salaries and other benefit	Performance related incentive payments	Retirement benefit scheme contribution	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
Executive directors					
Cheung Hoo Win	–	210	–	6	216
Yeung Han Yi Yvonne	–	339	–	17	356
Chan Chi Mei Miranda	–	285	–	15	300
Zhang Yuyan	–	75	–	–	75
Independent non-executive directors					
Lim Man San David	40	–	–	–	40
Chow Pat Kan	40	–	–	–	40
Yeung Shun Kee Edward	40	–	–	–	40
	120	909	–	38	1,067

12. DIRECTORS' EMOLUMENTS *(continued)*

For the six months ended 30 September 2009:

	Fees	Salaries and other benefit	Performance related incentive payments	Retirement benefit scheme contribution	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors					
Cheung Hoo Win	–	212	–	6	218
Yeung Han Yi Yvonne	–	341	–	18	359
Chan Chi Mei Miranda	–	288	–	14	302
Zhang Yuyan	–	75	–	–	75
Independent non-executive directors					
Lim Man San David (Resigned on 6 April 2009)	–	–	–	–	–
Zhao Qingji (Appointed on 6 April 2009)	79	–	–	–	79
Li Hancheng	50	–	–	–	50
Lo Tsz Fung Philip (Appointed on 6 April 2009)	39	–	–	–	39
Yeung Shun Kee Edward	40	–	–	–	40
	208	916	–	38	1,162

No directors waived or agreed to waive any emoluments during the Relevant Periods. No emoluments have been paid to the directors of the Company or as an inducement to join or upon joining the Group or as compensation for loss of office during the Relevant Periods.

The performance-related incentive payments to directors are determined by the remuneration committee having regard to the performance of individuals and market trends.

13. EMPLOYEES EMOLUMENTS

The five individuals with the highest emoluments in the Group included four directors during the year ended 31 March 2007 and three directors during the years ended 31 March 2008 and 2009 and six months ended 30 September 2008 and 2009 (details of directors' emoluments are set out in Note 12). The aggregate of the emoluments in respect of the remaining individuals are as follows:

	Year ended 31 March			Six months ended 30 September	
	2007	**2008**	**2009**	**2008**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Salaries, allowances and other benefits	520	804	1,265	400	635
Retirement benefit schemes contribution	12	23	31	11	16
	532	827	1,296	411	651

Their emoluments were within the following bands:

	Number of employees				
	Year ended 31 March			Six Months ended 30 September	
	2007	**2008**	**2009**	**2008**	**2009**
				(Unaudited)	
Nil – HK$1,000,000	1	2	2	2	2

No emoluments have been paid to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office during the Relevant Periods.

14. DIVIDENDS

	Year ended 31 March			Six Months ended 30 September	
	2007	**2008**	**2009**	**2008**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Proposed interim dividend	–	–	3,368	3,368	2,994
Proposed final dividend	4,117	4,117	–	–	–
	4,117	4,117	3,368	3,368	2,994

14. DIVIDENDS *(continued)*

During the years ended 31 March 2007 and 2008, the directors of the Company recommended payment of a final dividend of HK0.22 cent per share. Shareholders would also be offered the option of receiving the final dividend in the form of either cash or new shares of the Company. The proposed dividend was conditional upon (i) the approval of the proposed final dividend at the annual general meeting (the "AGM") of the Company; (ii) the Stock Exchange granting a listing of and permission to deal in the shares to be issued thereof; and (iii) the resumption of trading in the shares of the Company within 3 months from the date of the AGM. However, as the trading in the shares of the Company had not resumed during the stipulated periods, the final dividends proposed could not be proceed.

During the year ended 31 March 2009, the directors of the Company recommended payment of an interim dividend of HK0.18 cent per share. The dividend will be satisfied by scrip dividend wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment. The proposed dividend would be conditional on (i) the approval of the proposed interim dividend at the special general meeting of the Company; and (ii) the Stock Exchange granting a listing of and permission to deal in the shares to be issued thereof. The scheme was approved by shareholders of the Company on 18 August 2009.

During the six months ended 30 September 2009, the directors of the Company recommended payment of an interim dividend of HK0.16 cent per share. Shareholders would also be offered the option of receiving the interim dividend in the form of either cash or new shares of the Company. The proposed dividend would be conditional on (i) the approval of the proposed interim dividend at the forthcoming special general meeting of the Company; (ii) the Stock Exchange granting a listing of and permission to deal in the shares to be issued thereof; and (iii) the resumption of trading in the shares of the Company.

15. EARNINGS (LOSS) PER SHARE

The calculation of basic earnings (loss) per share attributable to equity holders of the Company for the Relevant Periods is based on the following data:

	Year ended 31 March			**Six Months ended 30 September**	
	2007	**2008**	**2009**	**2008**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Earnings (loss) for the Relevant Periods attributable to the equity holders of the Company	6,008	18,549	(18,818)	(13,960)	33,252

	Year ended 31 March			**Six Months ended 30 September**	
	2007	**2008**	**2009**	**2008**	**2009**
				(Unaudited)	
Number of shares					
Weighted average number of ordinary shares for the purpose of basic loss per share					
Basic	1,871,188,679	1,871,188,679	1,871,188,679	1,871,188,679	1,871,188,679

No diluted (loss) earnings per share has been presented for the Relevant Periods as there were no potential ordinary shares outstanding for the Relevant Periods.

16. PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
COST:				
At 1 April 2006	1,282	3,843	4,037	9,162
Additions	270	316	550	1,136
Disposals	(118)	(12)	(1,034)	(1,164)
At 31 March 2007 and 1 April 2007	1,434	4,147	3,553	9,134
Additions	55	386	1,047	1,488
Disposals	(49)	(291)	(2,955)	(3,295)
At 31 March 2008 and 1 April 2008	1,440	4,242	1,645	7,327
Additions	7	155	503	665
Disposals	–	(25)	(7)	(32)
At 31 March 2009 and 1 April 2009	1,447	4,372	2,141	7,960
Additions	–	10	–	10
Disposals	–	(88)	–	(88)
At 30 September 2009	1,447	4,294	2,141	7,882
ACCUMULATED DEPRECIATION:				
At 1 April 2006	1,207	3,206	2,298	6,711
Charge for the year	40	151	375	566
Eliminated on disposals	(79)	(6)	(646)	(731)
At 31 March 2007 and 1 April 2007	1,168	3,351	2,027	6,546
Charge for the year	91	184	333	608
Eliminated on disposals	(29)	(144)	(1,792)	(1,965)
At 31 March 2008 and 1 April 2008	1,230	3,391	568	5,189
Charge for the year	77	195	329	601
Eliminated on disposals	–	(16)	(2)	(18)
At 31 March 2009 and 1 April 2009	1,307	3,570	895	5,772
Charge for the period	19	90	130	239
Eliminated on disposals	–	(56)	–	(56)
At 30 September 2009	1,326	3,604	1,025	5,955
CARRYING VALUES:				
At 31 March 2007	266	796	1,526	2,588
At 31 March 2008	210	851	1,077	2,138
At 31 March 2009	140	802	1,246	2,188
At 30 September 2009	121	690	1,116	1,927

16. PLANT AND EQUIPMENT *(continued)*

The above items of plant and equipment are depreciated on a reducing balance method at the following rates per annum:

Leasehold improvements	25%
Furniture, fixtures and equipment	15%
Motor vehicles	20%

The carrying amount of the motor vehicles held by the Group under finance leases amounted to approximately HK$398,000 and HK$308,000 as at 31 March 2009 and 30 September 2009. There were no plant and equipment under finance leases as at 31 March 2007 and 2008.

17. INVESTMENT PROPERTIES

	As at 31 March			As at 30 September
	2007	**2008**	**2009**	**2009**
FAIR VALUE				
As at 1 April	14,600	15,000	74,000	78,000
Change in fair value recognised during the year/period	400	10,000	4,000	–
Transfer from property held for redevelopment	–	49,000	–	–
As at 31 March/30 September	15,000	74,000	78,000	78,000

	A at 31 March			As at 30 September
	2007	**2008**	**2009**	**2009**
Leasehold properties situated in Hong Kong held under medium-term lease	15,000	74,000	78,000	78,000

The investment properties were valued on 31 March 2007 by Savills Valuation and Professional Services Limited ("Savills"), on 31 March 2008 and 2009 by Asset Appraisal Limited ("Asset Appraisal") and on 30 September 2009 by LCH (Asia Pacific) Surveyors Ltd ("LCH"). Savills, Asset Appraisal and LCH are independent qualified professional valuers not connected with the Group and have appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. The valuation was arrived at by reference to market evidence of transaction prices for similar properties in the same locations and conditions.

The investment properties of HK$15,000,000, HK$74,000,000, HK$78,000,000, and HK$78,000,000 were pledged to secure the banking facilities granted to the Group as at 31 March 2007, 2008 and 2009 and 30 September 2009 respectively as detailed in Note 38.

18. PROPERTY HELD FOR REDEVELOPMENT

	As at 31 March			As at 30 September
	2007	2008	2009	2009
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April	47,000	49,000	–	–
Reversal of impairment loss to the consolidated income statement	2,000	–	–	–
Transfer to investment properties	–	(49,000)	–	–
At 31 March/30 September	49,000	–	–	–

As at 31 March 2007, the property held for redevelopment is situated in Hong Kong and held under medium-term lease and pledged to secure banking facilities granted to the Group.

19. AVAILABLE-FOR-SALE INVESTMENT

	As at 31 March			As at 30 September
	2007	2008	2009	2009
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Listed equity investments issued by corporate entities at fair value – listed in Hong Kong	227	183	230	219

20. INVENTORIES

	As at 31 March			As at 30 September
	2007	2008	2009	2009
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Raw materials	109	687	537	360
Finished goods	130	–	–	532
	239	687	537	892
Less: allowance for inventories	(207)	(189)	(381)	(360)
	32	498	156	532

During the year ended 31 March 2008 and six months ended 30 September 2009, there was an increase in the net realisable value of raw materials due to market shortage in raw materials. As a result, a reversal of allowance of raw materials of approximately HK$18,000 and HK$21,000 had been recognised in the consolidated income statement during the year ended 31 March 2008 and six months ended 30 September 2009 respectively.

21. LOAN RECEIVABLES

	As at 31 March			As at 30 September
	2007	2008	2009	2009
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Securities dealing and broking services				
– secured margin loans (note)	24,391	35,841	25,312	27,482
Less: impairment loss recognised	(8,446)	(9,673)	(9,587)	(9,587)
	15,945	26,168	15,725	17,895
Financing business				
– secured loans	3,598	–	–	–
– unsecured loans	20,341	20,351	19,604	19,806
	23,939	20,351	19,604	19,806
Less: Impairment loss recognised	(18,379)	(17,938)	(17,690)	(17,740)
	5,560	2,413	1,914	2,066
	21,505	28,581	17,639	19,961

Note: Secured loans to margin clients are secured by the underlying pledged securities and are interest-bearing. No aged analysis 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 dealing and broking services.

The amount of credit facilities granted to clients is determined by the market value of the collateral securities accepted by the Group. As at 31 March 2007, 2008 and 2009 and 30 September 2009, the total market value of securities pledged as collateral in respect of the loans to clients was approximately HK$157,000,000, HK$225,000,000, HK$52,000,000 and HK$107,162,000 respectively.

The aged analysis of the Group's loan receivables net of impairment for the financing business is as follows:

	As at 31 March			As at 30 September
	2007	2008	2009	2009
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within 6 months	1,157	1,943	189	1,130
7 to 12 months	566	405	838	126
Over 1 year	3,837	65	887	810
	5,560	2,413	1,914	2,066

21. LOAN RECEIVABLES *(continued)*

Loan, receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

The following is an aged analysis of past due but not impaired at the end of the reporting period:

		Neither past	Past due but not impaired			
		due nor		91 to 180	181 to 360	1 to 2
	Total	impaired	<90 days	days	days	years
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
31 March 2007	5,560	59	962	135	566	3,838
31 March 2008	2,413	46	1,780	118	405	64
31 March 2009	1,914	85	84	558	1,116	71
30 September 2009	2,066	–	995	127	31	913

At the end of the reporting period, the Group's loan receivables were individually determined to be impaired. The individually impaired loan receivables are recognised based on the credit history of its client, such as financial difficulties or default in payments, sufficiency of collateral and current market conditions. Consequently, specific impairment provision was recognised.

Receivables that were past due but not impaired relate to a number of independent clients that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no impairment is necessary in respect of these balances as there has not been significant change in credit quality and the balances are still considered fully recoverable.

The movement in the impairment of loan receivables is as follows:

	Financing business			
				As at 30
	As at 31 March			September
	2007	2008	2009	2009
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
As at 1 April	45,369	18,379	17,938	17,690
Bad debts written-off	(25,926)	(366)	–	–
Impairment loss recognised for the year/period	3,046	177	–	171
Reversal of impairment loss recognised for the year/period	(4,110)	(252)	(248)	(121)
As at 31 March/30 September	18,379	17,938	17,690	17,740

21. LOAN RECEIVABLES *(continued)*

	Margin clients			
	As at 31 March			As at 30 September
	2007	2008	2009	2009
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
As at 1 April	11,000	8,446	9,673	9,587
Bad debts written-off	(3,678)	(922)	–	–
Impairment loss recognised for the year/period	1,124	2,149	120	–
Reversal of impairment loss recognised for the year/period	–	–	(206)	–
As at 31 March/30 September	8,446	9,673	9,587	9,587

All loan receivables are denominated in Hong Kong dollars.

22. TRADE AND BILLS RECEIVABLES

Trading terms with general trading customers are largely on credit, except for new customers where payment in advance is normally required. 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. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are regularly reviewed by senior management. The general settlement terms of trade receivable attributable to the securities dealing and the broking services are two days after the trade date.

	As at 31 March			As at 30 September
	2007	2008	2009	2009
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade receivables	4,479	9,385	9,797	11,173
Bills receivables	–	1,189	725	–
	4,479	10,574	10,522	11,173
Less: Allowance for impairment loss	(648)	(1,253)	(1,725)	(1,522)
	3,831	9,321	8,797	9,651

	As at 31 March			As at 30 September
	2007	2008	2009	2009
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Balance in relation to:				
– securities dealing and broking services	3,149	2,734	2,094	3,293
– general trading and others	682	6,587	6,703	6,358
	3,831	9,321	8,797	9,651

22. TRADE AND BILLS RECEIVABLES *(continued)*

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

	As at 31 March			As at 30 September
	2007	**2008**	**2009**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within 6 months	3,347	8,148	8,208	9,451
7 to 12 months	129	471	448	188
Over 1 year	355	702	141	12
Total	3,831	9,321	8,797	9,651

The movement in the impairment of trade receivables is as follows:

	As at 31 March			As at 30 September
	2007	**2008**	**2009**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
As at 1 April	564	648	1,253	1,725
Bad debts written-off	–	(22)	–	–
Impairment loss recognised for the year/period	152	643	625	112
Reversal of impairment loss recognised for the year/period	(68)	(16)	(153)	(315)
As at 31 March/30 September	648	1,253	1,725	1,522

At the end of reporting periods, the Group's trade and bills receivables were individually determined to be impaired. The individually impaired trade and bills receivables are recognised based on the history of its client, such as financial difficulties or default payments and current market conditions. Consequently, specific impairment provision was recognised. The Group does not hold any collateral over these balances.

The following is an aged analysis of past due but not impaired at the end of reporting period:

	Total	**Neither past due nor impaired**	Past due but not impaired			
			< 90 days	**91 to 180 days**	**181 to 360 Days**	**1 to 2 years**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
31 March 2007	3,831	666	2,410	271	129	355
31 March 2008	9,321	6,222	1,596	330	471	702
31 March 2009	8,797	6,279	1,155	774	448	141
30 September 2009	9,651	6,354	3,270	10	–	17

Trade receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

22. TRADE AND BILLS RECEIVABLES *(continued)*

The Group's past due but not impaired trade and bills receivables mainly represent sales made to recognised and creditworthy customers. These customers who trade on credit terms are subject to credit verification procedures. No impairment is required for the past due balances based on the historical payment records.

The Group's trade and bills receivables that are denominated in the following currencies other than the functional currency of the Group before impairment loss recognised are as follows:

		As at 31 March		As at 30 September
	2007	**2008**	**2009**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Euro ("EUR")	26	30	–	–
USD	587	2,657	1,098	1,161

23. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		As at 31 March		As at 30 September
	2007	**2008**	**2009**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Prepayments	888	817	457	568
Other receivable and deposits paid	20,257	20,841	22,224	25,053
	21,145	21,658	22,681	25,621
Less: Impairment loss recognised	–	(16,885)	(17,204)	(17,204)
	21,145	4,773	5,477	8,417

The movement in the impairment of other receivables is as follow:

		As at 31 March		As at 30 September
	2007	**2008**	**2009**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April	–	–	16,885	17,204
Impairment loss recognised for the year/period	–	16,885	319	–
At 31 March/30 September	–	16,885	17,204	17,204

Included in other receivables as at 31 March 2009 was an amount due from a related party of the Group, as disclosed in note 40(c) of approximately HK$814,000. The balance was unsecured, interest-free and repayable on demand. The maximum balance outstanding during the year ended 31 March 2009 was approximately HK$814,000. There was no amount due from a related party as at 31 March 2007, 2008 and 30 September 2009.

Such amount had been fully repaid by the related party during the six months ended 30 September 2009.

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 March			As at 30 September
	2007	**2008**	**2009**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Fair value:				
Listed securities issued by corporate entities				
– listed in Hong Kong	10,509	13,450	4,264	2,804
Unlisted securities issued by a financial institution	–	1,510	709	1,162
	10,509	14,960	4,973	3,966

The fair values of the above listed and unlisted securities are determined based on the quoted market bid prices available on the relevant exchange and quoted prices provided by the financial institution, respectively.

The Group's financial assets at FVTPL that are denominated in currencies other than the functional currency of the relevant group entities are as follows:

	As at 31 March			As at 30 September
	2007	**2008**	**2009**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Vietnam Dong ("VND")	–	1,510	709	1,162

25. CLIENT TRUST FUNDS

Client trust funds comprise short-term bank deposits of approximately HK$9,237,000, HK$11,746,000, HK$15,446,000 and HK$480,307,000 at the prevailing market rate as at 31 March 2007, 2008 and 2009 and 30 September 2009 respectively. Client trust funds are denominated in HK$.

26. PLEDGED BANK DEPOSIT

The Bank deposit carries fixed interest rate ranging from 2.9% to 4%, 1.74% to 4.54%, 0.04% to 3.79%, 0.04% to 4.54% and 0.15% to 0.49% per annum for the years ended 31 March 2007, 2008 and 2009 and the six months ended 30 September 2008 and 2009 respectively and has been pledged to bank to secure banking facilities granted to the Group. The pledged bank deposits will be released upon the settlement of relevant bank borrowings. Deposits of HK$5,000,000 have been pledged to secure bank overdrafts as at 31 March 2007, 2008 and 2009 and 30 September 2009 respectively and are therefore classified as current assets. The pledged bank deposit is denominated in HK$.

27. BANK BALANCES AND CASH

Bank balances comprise short-term bank deposits of approximately HK$19,304,000, HK$32,896,000, HK$25,492,000 and HK$44,353,000 at the prevailing market rates as at 31 March 2007, 2008 and 2009 and 30 September 2009 respectively. The maturities of bank balances were within three months.

The Group's bank balances that are denominated in currencies other than the functional currency of the relevant group entities are as follows:

	As at 31 March			As at 30 September
	2007	**2008**	**2009**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
VND	–	–	3	3
EUR	7	1	1	1
RMB	1,590	2,203	2,256	2,260
USD	22	40	64	44

Included in the balances are bank balances denominated in RMB are subject to foreign exchange control regulations and not freely transferable.

28. INTEREST IN A JOINT VENTURE HELD-FOR-SALE

	As at 31 March			As at 30 September
	2007	**2008**	**2009**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Unlisted investment, at cost	551,837	551,837	551,837	551,837
Less: Accumulated amortisation	(268,331)	(268,331)	(268,331)	(268,331)
Impairment loss recognised	(131,672)	(131,672)	(131,672)	(131,672)
	151,834	151,834	151,834	151,834
Effect of foreign exchange rate	5,464	22,942	26,246	26,246
	157,298	174,776	178,080	178,080
Amount due to the joint venture *(note 30(d))*	(18,397)	(20,441)	(20,828)	(20,828)
Deposit received from the joint venture partner *(note 30(e))*	–	(83,333)	(84,909)	(84,909)
	138,901	71,002	72,343	72,343
Classified as:				
Current assets				
Interest in a joint venture held-for-sale	157,298	174,776	178,080	178,080
Current liabilities				
Amount due to the joint venture, included in other payables *(note 30(d))*	(18,397)	(20,441)	(20,828)	(20,828)
Deposit received from the joint venture partner, included in other payables *(note 30(e))*	–	(83,333)	(84,909)	(84,909)
	138,901	71,002	72,343	72,343

28. INTEREST IN A JOINT VENTURE HELD-FOR-SALE *(continued)*

The investment in a joint venture held-for-sale represents the Group's investment in a Sino-foreign co-operative joint venture (the "JV"), Wuhan Dongseng Highway Construction Development Company Limited ("Dongseng"). The principal activity of Dongseng is the development and operation of Sheng Dong Section of the 318 National Highway as a toll expressway in Wuhan, China for a tenure of 19.5 years commenced from 10 November 1995, including 1.5 years of construction and development period and an operational period of 18 years.

Pursuant to the joint venture agreement, the Group cannot control or exercise significant influence over Dongseng and is only entitled to profit distribution throughout the operational period of 18 years. Upon expiry of the joint venture, the toll expressway will be returned to the joint venture partner (the "Chinese JV Partner").

As the Chinese JV partner had unilaterally decided to relocate the toll station of the National Highway 318 during the year ended 31 March 2004, the Group therefore decided to dispose of its interest in Dongseng to the Chinese JV Partner. Pursuant to an arbitration judgement issued by Wuhan Arbitration Commission (武漢仲裁委員會)on 18 April 2006 (the "Arbitration Judgment"), the Group's interest in Dongseng shall be transferred to the Chinese JV Partner at a value of RMB157,298,300, equivalent to approximately HK$157,298,000, HK$174,776,000, HK$178,080,000 and HK$178,080,000 as at 31 March 2007, 2008 2009 and 30 September 2009 respectively (the "judgment amount").

During the Relevant Periods, the Group had been negotiating with the Chinese JV Partner and Wuhan Traffic Commission (武漢市交通委員會) regarding the transfer of its interest in Dongseng in accordance with the Arbitration Judgement. In April 2007, the Group received a remittance of RMB75,000,000 (equivalent to approximately HK$83,333,000, HK$84,909,000 and HK$84,909,000 as at 31 March 2008 and 2009 and 30 September 2009 respectively, stated as re-purchase fund (the "Deposits Received"), from Wuhan Traffic Commission (武漢市交通委員會). The fund received has been applied to repay in full the outstanding bank loan amounted to RMB74,000,000 which was secured by the Group's interest in Dongseng during the year ended 31 March 2008.

During the year ended 31 March 2009, the Group received a copy of notice from Wuhan Traffic Commission (武漢市交通委員會) which advised the Group that the operation of Sheng Dong Section of the 318 National Highway as a toll expressway in Wuhan was transferred from the Chinese JV Partner to武漢公路橋樑建設集團有限公司 (the "new Chinese JV Partner"). Therefore, the liability of repaying the remaining balance of judgement amount of RMB82,298,300 (approximately HK$93,171,000) was transferred from the Chinese JV Partner to the new Chinese JV Partner.

During the year ended 31 March 2009, the Group continued to negotiate with the new Chinese JV Partner and Wuhan Traffic Commission (武漢市交通委員會) regarding the transfer of its interest in Dongseng and payment of the remaining balance of the judgement amount in accordance with the Arbitration Judgement. The directors of the Company had sought legal advice and considered that the Arbitration Judgement and the disposal of the Group's interests in Dongseng is legally binding as of 30 September 2009 and up to the date on which these Financial Information are approved by the directors of the Company. The directors of the Company considered the disposal will be completed on or before 30 September 2010. Accordingly, the directors consider it is appropriate to account for (i) the Group's interests in the joint venture of HK$178,080,000 as held-for-sale and included under current assets and (ii) the deposits received from the joint venture partner of approximately HK$84,909,000 were recorded as current liabilities as of 30 September 2009.

Pursuant to a letter of undertaking signed on 15 March 2010 by a director of the Company and after taken into consideration of the proposed disposal transaction as set out in Section II "EVENT AFTER THE REPORTING PERIOD", the directors of the Company considered that no impairment in respect of the Group's interest in the joint venture held-for-sale is necessary and the Group's interest in the joint venture held-for-sale as at 30 September 2009 will be fully recoverable.

The amount due to Dongseng is unsecured, interest-free and repayable on demand.

29. TRADE AND BILLS PAYABLES

	As at 31 March			As at 30 September
	2007	2008	2009	2009
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade and bills payable:				
– securities dealing and broking services	10,745	13,673	16,428	480,197
– general trading and others	721	2,893	1,715	1,852
	11,466	16,566	18,143	482,049

The aging analysis of trade payables is as follows:

	As at 31 March			As at 30 September
	2007	2008	2009	2009
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within 6 months	8,781	13,344	13,016	481,647
7 to 12 months	665	1,117	1,708	–
Over 1 year	2,020	2,105	3,419	402
Total	11,466	16,566	18,143	482,049

The Group's trade and bills payables that are denominated in currencies other than the functional currency of the Group are as follows:

	As at 31 March			As at 30 September
	2007	2008	2009	2009
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
EUR	3	583	–	–
USD	188	1,309	47	532

30. OTHER PAYABLES AND ACCRUALS

		As at 31 March			As at 30 September
		2007	2008	2009	2009
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Deposit received for subscription of new shares	(a)	–	8,320	4,800	4,800
Deposit received for subscription of convertible bond	(b)	–	988	988	988
Deposit received for subscription of Options	(c)	–	1,000	1,000	1,000
Amount due to joint venture held for sale	(d)	18,397	20,441	20,828	20,828
Deposit received from joint venture partner	(e)	–	83,333	84,909	84,909
Other payables and accruals	(f)	4,210	8,116	9,671	5,143
		22,607	122,198	122,196	117,668

Included in the balances are the following advances to or deposits received by the Group:

(a) Refundable deposits of approximately HK$8,320,000, HK$4,800,000 and HK$4,800,000 were received from the subscribers in relation to the subscription of the new shares of the Company for the years ended 31 March 2008 and 2009 and six months ended 30 September 2009 respectively. The balances are unsecured and refundable upon the expiry of the long stop date as prescribed in the subscription agreement or supplementary agreement. The long stop date for fulfillment of conditions precedent of the share subscription agreement has been extended to 30 June 2010.

(b) Non-refundable deposits of approximately HK$988,000, HK$988,000 and HK$988,000 were received from the subscribers in relation to the subscription of the convertible bonds of the Company for the years ended 31 March 2008 and 2009 and six months ended 30 September 2009. The long stop date for fulfillment of conditions precedent of the convertible bonds subscription agreement has been extended to 30 June 2010.

(c) Non-refundable deposits of approximately HK$1,000,000 as at 31 March 2008 and 2009 and 30 September 2009 was received by the subscriber in relation to the subscription of the share options of the Company. The long stop date of the share option subscription had been extended to 30 June 2010.

(d) The advance of approximately HK$18,397,000, HK$20,441,000, HK$20,828,000 and HK$20,828,000 was due to the joint venture as at 31 March 2007, 2008 and 2009 and 30 September 2009 respectively. The balance was unsecured, interest-free and repayable on demand.

(e) The original deposit of approximately HK$83,333,000, HK$84,909,000 and HK$84,909,000 was received from the joint venture partner in relation to the acquisition of the equity interest in a joint venture held-for-sale from the Group as at 31 March 2008 and 2009 and 30 September 2009 respectively (note 28). The deposit was non-refundable. There was no deposit received as at 31 March 2007.

(f) Included in other payables and accruals was an amount due to Mr. Yeung Shun Kee Edward, an independent non-executive director of the Company during the Relevant Periods. The amount is unsecured, non-interest bearing and repayable on demand.

31. DERIVATIVE FINANCIAL INSTRUMENTS – OPTIONS

As at 31 March 2008, the full exercise of the outstanding options would result in the issue of additional shares with an aggregate subscription value of HK$8,880,000. The fair value of the options of approximately of HK$989,000 is recognised. The new shares to be issued are rank pari passu with the then existing shares of the Company.

During the year ended 31 March 2009, the directors, based on valuation report obtained, considered there were a change in fair value of the outstanding options. Accordingly, the Group recorded a reversal of gain of approximately HK$989,000 in the year ended 31 March 2009.

32. BANK BORROWINGS

	As at 31 March			As at 30 September
	2007	**2008**	**2009**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Secured bank borrowings comprise:				
– loans	91,624	15,728	13,832	12,884
– overdrafts	4,549	2,792	4,979	1,350
	96,173	18,520	18,811	14,234
Bank borrowings are repayable:				
– Within one year	80,445	4,688	6,875	3,246
– In the second year	1,896	1,896	1,896	1,896
– In the third to fifth years, inclusive	5,688	11,936	10,040	9,092
– Beyond five years	8,144	–	–	–
	96,173	18,520	18,811	14,234
Less: amounts due within one year shown under current liabilities	(80,445)	(4,688)	(6,875)	(3,246)
Amount due after one year	15,728	13,832	11,936	10,988

The floating-rate bank loans are carrying interest at the prime rate for Hong Kong Dollars as quoted by the Bank of China (Hong Kong) minus ranged from 2.5% to 2.75% for the years ended 31 March 2007, 2008 and 2009 and the six months ended 30 September 2008 and 2009. Their effective interest rates ranged from 5.25% to 5.50%, 2.5% to 5.25%, 2.25% to 2.5%, 2.5% to 5.25% and 2.25% to 2.5% per annum for the years ended 31 March 2007, 2008 and 2009 and the six months ended 30 September 2008 and 2009 respectively.

The floating-rate bank overdrafts are carrying interest at 1% plus the interest rate of the pledged bank deposit (note 26), and their effective interest rates ranging from 3.9% to 5%, 2.74% to 5.54%, 1.04% to 4.79%, 2.94% to 4.94% and 1.5% to 1.49% per annum for the years ended 31 March 2007, 2008 and 2009 and the six months ended 30 September 2008 and 2009 respectively.

Bank loans and overdrafts are denominated in Hong Kong dollars.

33. OBLIGATIONS UNDER FINANCE LEASES

Amounts payable under finance leases:

	Minimum lease payments			
	As at 31 March			As at 30 September
	2007	2008	2009	2009
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within one year	–	–	94	94
More than one year, but not exceeding two years	–	–	95	95
More than two years, but not exceeding five years	–	–	197	149
	–	–	386	338
Less: Future finance charges	–	–	(39)	(30)
Present value of lease obligations	–	–	347	308

	Present value of minimum lease payments			
	As at 31 March			As at 30 September
	2007	2008	2009	2009
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within one year	–	–	78	82
More than one year, but not exceeding two years	–	–	83	83
More than two years, but not exceeding five years	–	–	186	143
Present value of lease obligations	–	–	347	308
Less: Amount due for settlement within 12 months (shown under current liabilities)	–	–	(78)	(82)
Amount due for settlement after 12 months	–	–	269	226

It is the Group's policy to lease certain of its motor vehicles under finance leases. The average lease term is ranged from 4.5 years to 5 years as at 31 March 2009 and 30 September 2009. The average effective borrowing rate was 5.28% per annum for the year ended 31 March 2009 and the six months ended 30 September 2009 respectively. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. There were no obligation under finance leases as at 31 March 2007 and 2008.

The Group's obligations under finance leases are secured by the lessor's charge over the leased assets.

All obligations under finance leases are denominated in Hong Kong dollars.

34. SHARE CAPITAL

	As at 1 April 2006,31 March 2007, 2008 and 2009 and 30 September 2009	
	Number of shares	Amount
		HK$'000
Authorised:		
Ordinary shares of HK$0.01 each		
At 1 April 2006, 31 March 2007, 31 March 2008, 31 March 2009 and 30 September 2009	200,000,000,000	2,000,000
Issued and fully paid:		
Ordinary shares of HK$0.01 each		
At 1 April 2006, 31 March 2007, 31 March 2008, 31 March 2009 and 30 September 2009	1,871,188,679	18,712

35. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. 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 to directors and/or executives of the Group, non-transferrable options to subscribe for shares in the Company.

The maximum number of shares issuable under share options 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, employee, consultant, customer, supplier, 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 of the share options.

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

As at 31 March 2007, 2008 and 2009 and 30 September 2009, there was no outstanding share option under the Scheme after the cancellation of the share options during the year ended 31 March 2007.

35. SHARE OPTION SCHEME *(continued)*

The following was the share options movements under the Scheme during the year ended 31 March 2007:

	Number of share options						
Name of grantee	Balance at 1 April 2006	Granted	Exercised	Lapsed/ cancelled	Balance at 31 March 2007	Exercise period	Exercise price
Director							
Tam Wing Fai Johnny	17,000,000	–	–	(17,000,000)	–	13 November 2003 – 12 November 2006	0.0228
Employee A	14,549,800	–	–	(14,549,800)	–	20 June 2003 – 19 June 2006	0.0148
Employee B	17,000,000	–	–	(17,000,000)	–	13 November 2003 – 12 November 2006	0.0228
Total	48,549,800	–	–	(48,549,800)	–		
Weighted average exercise price *(HK$)*	0.0204	–	–	0.0204	–		

36. RESERVES

(a) Special capital reserve

Special capital reserve throughout the Relevant Periods represents the amounts transferred from the Company's share capital upon adjustments of the nominal value of the Company's share in prior years. Under the Companies Act 1981 of Bermuda (the "Act"), the special capital reserve is distributable to shareholders under certain circumstances.

(b) Contributed surplus

The contributed surplus throughout the Relevant Periods represents the difference between the fair value of the subsidiaries acquired pursuant to the Group reorganisation in November 1991 and the nominal value of the shares issued by the Company and the transfer from share premium account of HK$605,473,000 in December 2000, less the transfer to the capital redemption reserve of HK$6,040,000 in November 2000. Under the Act, the Company's contributed surplus is distributable to shareholders under certain circumstances.

37. OPERATING LEASE ARRANGEMENTS

At the end of the reporting periods, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of the rented premises which fall due are as follows:

	As at 31 March			As at 30 September
	2007	**2008**	**2009**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within one year	809	811	1,030	1,247
In the second to fifth years, inclusive	271	63	431	317
	1,080	874	1,461	1,564

Leases for rented premises are negotiated for an average of two years and rentals are fixed for an average of two years as throughout the Relevant Periods.

38. PLEDGED OF ASSETS

At the end of each of the reporting period, the Group had pledged the following assets to secure banking facilities including bank borrowings and bank overdraft granted by the financial institutions:

	As at 31 March			As at 30 September
	2007	**2008**	**2009**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Investment properties	15,000	74,000	78,000	78,000
Property held for redevelopment	49,000	–	–	–
Pledged bank deposit	5,000	5,000	5,000	5,000
Interest in a joint venture held-for-sale	157,298	–	–	–
	226,298	79,000	83,000	83,000

39. CAPITAL COMMITMENTS

	As at 31 March			As at 30 September
	2007	**2008**	**2009**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Capital expenditure in respect of the acquisition of motor vehicle contracted but not provided for	–	438	–	–

40. RELATED PARTY TRANSACTIONS

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

	Year ended 31 March			Six months ended 30 September
	2007	**2008**	**2009**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Short-term benefits	3,528	2,497	2,202	1,117
Post-employment benefits	87	76	77	37
	3,615	2,573	2,279	1,154

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individual and market trends.

(b) During the Relevant Periods, the Group entered into the following transactions with its related parties:

	Year ended 31 March			Six months ended 30 September	
	2007	**2008**	**2009**	**2008**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Consultancy fee paid to Mr. Cheung Chi Shing Kenneth ("Mr. Cheung")	936	908	–	–	444
Commission income from Hoowin Limited (*)	3	167	123	97	7

* Hoowin Limited is beneficially owned by Mr. Cheung Hoo Win and Ms. Yeung Han Yi Yvonne.

– Mr. Cheung is a substantial shareholder of the Company, the spouse of Ms. Yeung Han Yi Yvonne and the father of Mr. Cheung. Both Ms. Yeung Han Yi Yvonne and Mr. Cheung Hoo Win are the directors of the Company.

– The total value of sales and purchases of trading securities transactions of Hoowin Limited is approximately HK$1,163,000, HK$66,560,000, HK$49,241,000, HK$33,230,000 and HK$2,683,000 for the years ended 31 March 2007, 2008 and 2009 and six months ended 30 September 2008 and 2009 respectively.

The prices of the above transactions were mutually agreed, by the involved parties.

40. RELATED PARTY TRANSACTIONS *(continued)*

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

	As at 31 March			As at 30 September
	2007	**2008**	**2009**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Others receivables:				
Amount due from Mr. Cheung *(note i)*	–	–	814	–
Trade payables:				
Amount due to Hoowin Limited *(note ii)*	46	–	(1,049)	(364)
Other payables:				
Amount due to the joint venture *(note iii)*	(18,397)	(20,441)	(20,828)	(20,828)

Notes:

(i) The amount is unsecured, non-interest bearing and repayable on demand. The maximum balance outstanding during the year ended 31 March 2009 amounted to approximately HK$814,000. The balance was settled by the Mr. Cheung during the six months ended 30 September 2009. There was no amount due from Mr. Cheung as at 31 March 2007, 2008 and 30 September 2009.

(ii) The directors and shareholders of Hoowin Limited are Mr. Cheung and Ms. Yeung Han Yi Yvonne. The amount is unsecured, non-interest bearing and repayable on demand.

(iii) The amounts due to the joint venture are unsecured, non-interest bearing and repayable on demand.

41. LITIGATIONS

(a) Lawsuit in respect of Hainan Wanzhong Shiye Touzi Co., Ltd. (海南萬眾實業投資有限公司) ("Hainan Wanzhong")

In June 2003, Hainan Wanzhong, urged the Haikou Intermediate People's Court of Hainan Province (海南省海口市中級人民法院) to issue a Notice for Assistance in Execution (協助執行通知書) to Dongseng to retain an amount of RMB19,270,000 to be distributed to Sheng Da (HK) (the "Lawsuit"). Sheng Da (HK) is a joint venture partner of Dongseng. In October 2006, the claims from Hainan Wanzhong (海南萬眾) was dismissed and Sheng Da (HK) had recovered the retained money of RMB19,270,000.

In March 2007, Sheng Da (HK) received a copy of a notice which was published on a PRC newspaper and became aware that Hainan Wanzhong had filed its appeal against the judgement of the Haikou Intermediate People's Court and the hearings were scheduled on 10 and 17 May 2007 respectively. In June 2007, Sheng Da (HK) was informed by its shareholders Ms. Li Kai Yin (李繼賢女士), Ms. Wan Qinghua (萬慶華女士) and Mr. Huang Zhaohua (黃招華先生) (collectively "Li,Wan & Huang") that the Haikou Intermediate People's Court had issued a Notice for Assistance in Execution on 6 June 2007 to Wuhan Transport Development Co., Ltd. ("Wuhan Transport"), the Chinese JV partner of Sheng Da (HK) in Dongseng, requesting for retaining an amount of RMB19,270,000 from the payment of equity transfer amount to Sheng Da (HK) until the dispute is resolved.

41. LITIGATIONS *(continued)*

(a) Lawsuit in respect of Hainan Wanzhong Shiye Touzi Co., Ltd. (海南萬眾實業投資有限公司) ("Hainan Wanzhong") *(continued)*

In June 2008, Sheng Da (HK) was informed by Wuhan Transport that it had received a Notice for Assistance in Execution accompanied by a letter from Haikou Intermediate People's Court, pursuant to which Wuhan Transport was requested to execute the judgement and transfer RMB27,234,582 to the accounts of the Haikou Intermediate People's Court.

In February 2009, Sheng Da (HK) received from one of its shareholders the judgement of the PRC Supreme Court, pursuant to which the PRC Supreme Court accepted Sheng Da (HK)'s application for appeal.

Pursuant to a shareholders' resolution of Sheng Da (HK) passed in 2003 (reference no. for the shareholders' resolution: HKSDSM2003002), Li, Wan & Huang undertook that they would bear the liabilities and legal costs arising from the Lawsuit (the "Undertaking"). Subsequently, Sheng Da (HK) received, in several time, letters from Li, Wan & Huang, who intended to revoke the Undertaking.

The Directors consider that it is unacceptable and without legal basis for Li, Wan & Huang to withdraw the Undertaking unilaterally. To preserve the interests of the Company and its shareholders as a whole, the Board concurred that the Company would not accept the withdrawal of the Undertaking by Li, Wan & Huang unilaterally, and would take legal action against Li, Wan & Huang for damages if the Company or Sheng Da (HK) sustains any loss from the Lawsuit.

In December 2009, a written judgement from the PRC Supreme Court was received by Sheng Da (HK) which indicates that Sheng Da (HK) won in the case. The Directors, base on legal advice, considered that the written judgement is the final decision of the case. Accordingly, the Directors consider that no provision has therefore been made as at 30 September 2009.

(b) In relation to certain past transactions of the Group

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. On 10 March 2010, the hearing for trial was fixed to be held on 12 January 2011. As of the date of the Financial Information are approved by the directors, the Directors consider that the case does not have a significant financial and operating impact to the Group.

42. MAJOR NON-CASH TRANSACTION

The finance lease arrangements in respect of motor vehicle with a total capital value at the inception of leases of approximately HK$514,000 was entered into during the year ended 31 March 2009.

43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

		As at 31 March			As at 30 September
		2007	2008	2009	2009
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Non-current asset					
Investments in subsidiaries		–	–	–	–
Current assets					
Other receivables		291	313	1,139	9
Amounts due from subsidiaries	(a)	136,609	180,373	160,672	189,825
Bank balances and cash		10	15	18	119
		136,910	180,701	161,829	189,953
Current liability					
Deposit and accruals		260	11,680	7,002	7,221
		136,650	169,021	154,827	182,732
Capital and reserves					
Share capital		18,712	18,712	18,712	18,712
Reserves	(b)	117,938	150,309	136,115	164,020
		136,650	169,021	154,827	182,732

Notes:

(a) Amounts due from subsidiaries

The amounts due from subsidiaries were unsecured, interest-free and repayable on demand.

43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

(b) Reserves

	Share premium	Capital redemption reserve	Special capital reserve	Contributed surplus	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2006	35,831	6,040	571,147	617,668	(1,110,870)	119,816
Total comprehensive expenses for the year	–	–	–	–	(1,878)	(1,878)
At 31 March 2007 and 1 April 2007	35,831	6,040	571,147	617,668	(1,112,748)	117,938
Total comprehensive income for the year	–	–	–	–	32,371	32,371
At 31 March 2008 and 1 April 2008	35,831	6,040	571,147	617,668	(1,080,377)	150,309
Total comprehensive expenses for the year	–	–	–	–	(14,194)	(14,194)
At 31 March 2009 and 1April 2009	35,831	6,040	571,147	617,668	(1,094,571)	136,115
Total comprehensive income for the period	–	–	–	–	27,905	27,905
At 30 September 2009	35,831	6,040	571,147	617,668	(1,066,666)	164,020

The details of certain reserves are disclosed in the consolidated statement of changes in equity.

II EVENT AFTER THE REPORTING PERIOD

(1) On 27 October 2009, the Group entered into a sale and purchases agreement with Mai Xueqing, an independent third party not connected to the Group, to dispose of its wholly owned subsidiaries at a cash consideration of HK$25,000,000. The transaction was completed on 29 January 2010.

(2) On 5 February 2010, Styland (International) Limited, a wholly-owned subsidiary of the Company, acquired the subordinated notes issued by Bank of China (Hong Kong) Limited at the consideration of US$1,304,642 (equivalent to approximately HK$10,180,000). The subordinated notes will mature and become payable at their principal amount, together with accrued but unpaid interest at the date of redemption on 11 February 2020. The interest rate of the subordinated notes is 5.55% per annum. Details are set out in the Company's announcement dated 9 February 2010.

(3) On 10 February 2010, the Company entered into a sale and purchase agreement with Lucky Global Investments Limited ("Lucky Global"), an independent third party not connected to the Group, whereby the Company has conditionally agreed to sell and Lucky Global has conditionally agreed to buy the 90% equity interest in Onland Investment Limited and their subsidiaries (hereinafter collectively referred to as the "Disposal Group") (the Group, excluding the Disposal Group hereinafter referred to as the "Remaining Group") including the amount due by the Disposal Group to the Remaining Group for a consideration of HK$48,000,000. It constitutes a very substantial disposal transaction of the Company under the listing Rules and is subject to the approval of the shareholders the Company. Details of the proposed transactions are set out in the Company's announcement dated 24 February 2010.

(4) On 15 March 2010, a director of the Company signed a letter of undertaking to the Company in relation to the Group's interests in a joint venture held-for-sale as at 30 September 2009.

In order to streamline the group structure for the Disposal Group, Simplex Inc. ("Simplex"), a subsidiary incorporated in British Virgin Islands, transferred its original entire interest in Styland Infrastructure Limited ("Styland Infrastructure") to Onland Investment Limited ("Onland") on 3 February 2010. Simplex, Styland Infrastructure and Onland are wholly-own subsidiaries of the Company ("Restructuring").

Details of the disposal are set out in the Company's announcement dated on 24 February 2010.

The following information represents the financial information of the assets and liabilities, results and cash flows of the Disposal Group for the Relevant Periods, presented on the basis set out below:

The consolidated statements of comprehensive income and consolidated statement of cash flows of the Disposal Group for the Relevant Periods have been prepared to present the results and cash flows of the Disposal Group as if the group structure pursuant to the Restructuring had been in existence throughout the Relevant Periods from 1 April 2006.

The consolidated statement of financial positions of the Disposal Group as at 31 March 2007, 2008 and 2009 and 30 September 2009 have been prepared to present the assets and liabilities of the Disposal Group as if the group structure after the Restructuring had been in existence as at 1 April 2006.

All significant intra-group/inter-companies transactions and balances have been eliminated on consolidation.

(i) Consolidated statements of comprehensive income of the Disposal Group

	Year ended 31 March			Six months ended 30 September	
	2007	**2008**	**2009**	**2008**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Other income	6,008	11,005	2,082	2,074	4
Administrative expenses	(2,999)	(2,944)	(1,632)	(2,606)	(935)
Impairment loss recognised in respect of other receivables	–	(16,885)	(319)	–	–
Finance costs	(6,423)	(1,199)	–	–	–
Loss (profit) before taxation	(3,414)	(10,023)	131	(532)	(931)
Income tax expenses	–	–	–	–	–
Loss (profit) for the year /period and comprehensive (expense) income for the year/period	(3,414)	(10,023)	131	(532)	(931)
Attributable to:					
Equity holders of the Company	(3,005)	(5,773)	(93)	(264)	(464)
Minority interests	(409)	(4,250)	224	(268)	(467)
	(3,414)	(10,023)	131	(532)	(931)

(ii) Consolidated statement of financial positions of the Disposal Group

	As at 31 March			As at 30 September
	2007	**2008**	**2009**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Current assets				
Other receivables, deposits and prepayments	17,197	2,200	2,242	2,240
Bank balances and cash	1,632	2,243	2,295	2,299
	18,829	4,443	4,537	4,539
Interest in a joint venture held-for-sale	157,298	174,776	178,080	178,080
Current liabilities				
Amount due to a fellow subsidiary	248,650	250,372	251,616	252,468
Other payables and accruals	18,829	104,222	106,245	106,326
Bank borrowings – due within one year	74,000	–	–	–
	341,479	354,594	357,861	358,794
Net current liabilities	(322,650)	(350,151)	(353,324)	(354,255)
	(165,352)	(175,375)	(175,244)	(176,175)
Capital and reserves				
Share capital	–	–	–	–
Reserves	(208,209)	(213,982)	(214,075)	(214,539)
Equity attributable to equity holders of the Company	(208,209)	(213,982)	(214,075)	(214,539)
Minority interests	42,857	38,607	38,831	38,364
	(165,352)	(175,375)	(175,244)	(176,175)

(iii) Consolidated statement of cash flows of the Disposal Group

	Year ended 31 March			Six months ended 30 September	
	2007	**2008**	**2009**	**2008**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Operating activities					
Loss (profit) before taxation	(3,414)	(10,023)	131	(532)	(931)
Adjustments for:					
Depreciation	17	–	–	–	–
Finance costs	6,423	1,199	–	–	–
Impairment loss recognised in respect of other receivables	–	16,885	319	–	–
Interest income	(8)	(15)	(12)	(4)	(4)
Cash generated from (used in) operations before changes in working capital	3,018	8,046	438	(536)	(935)
Decrease (increase) in other receivables, deposits and prepayments	2,556	(1,888)	(361)	2	2
(Decrease) increase in other payables and accruals	(1,525)	85,393	2,023	(76)	81
Dividend receivable	19,153	–	–	–	–
Effect of foreign exchange in respect of interest in a joint venture held-for-sale	(3,422)	(17,478)	(3,304)	–	–
Net cash from (used in) operating activities	19,780	74,073	(1,204)	(610)	(852)
Investing activities					
Interest received	8	15	12	4	4
Financing activities					
Advance from a fellow subsidiary	3,667	1,722	1,244	609	852
Repayment of bank borrowings	(15,444)	(74,000)	–	–	–
Interest paid	(6,423)	(1,199)	–	–	–
Net cash used in financing activities	(18,200)	(73,477)	1,244	609	852
Net increase in cash and cash equivalents	1,588	611	52	3	4
Cash and cash equivalents at beginning of the year/period	44	1,632	2,243	2,243	2,295
Cash and cash equivalents at the end of the year/period	1,632	2,243	2,295	2,246	2,299

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Group in respect of any period subsequent to 30 September 2009.

Yours faithfully,

SHINEWING (HK) CPA LIMITED
Certified Public Accountants
Ip Yu Chak
Practising Certificate Number: P04798
Hong Kong

LETTER ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

The following is the text of an accountants' report, in respect of the unaudited pro forma financial information of the Remaining Group received from SHINEWING (HK) CPA Limited, certified public accountants, for inclusion in this circular.

信永中和 ShineWing

SHINEWING (HK) CPA Limited
16/F., United Centre
95 Queensway, Hong Kong

15 March 2010

The Board of Directors
Styland Holdings Limited
28th Floor, Aitken Vanson Centre,
61 Hoi Yuen Road,
Kwun Tong, Kowloon,
Hong Kong

Dear Sirs,

We report on the unaudited pro forma financial information of Styland Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on page 97 to 106 in Appendix II of the Company's circular dated 15 March 2010 (the "Circular") in connection with the proposed disposal of 90% equity interest in Onland Investment Limited and its subsidiaries (the "Disposal Group") (the Group, excluding the Disposal Group hereinafter referred to as the "Remaining Group") and the outstanding loan owned by the Disposal Group to the Remaining Group on completion (the "Proposed Disposal"), which has been prepared by the directors of the Company (the "Directors"), for illustrative purpose only, to provide information about how the Proposed Disposal might have affected the financial information presented. The basis of preparation of the unaudited pro forma financial information is set out in Appendix II of the Circular.

Respective responsibilities of the Directors and reporting accountants

It is the responsibility solely of the Directors to prepare the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the Directors. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma financial information has been properly compiled by the Directors on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The unaudited pro forma financial information is for illustrative purpose only, based on the judgments and assumptions of the Directors, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of:

- the financial position of the Group as at 30 September 2009 or any future date; and
- the results and cash flows of the Group for the six months ended 30 September 2009 or any future periods.

Opinion

In our opinion:

a) the unaudited pro forma financial information has been properly compiled by the Directors on the basis stated;

b) such basis is consistent with the accounting policies of the Group; and

c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

SHINEWING (HK) CPA Limited
Certified Public Accountants
Ip Yu Chak
Practising Certificate Number: P04798
Hong Kong

I. UNAUDITED PRO FORMA FINANCIAL INFORMATION

In order to streamline the group structure for a proposed disposal of 90% equity interest in Onland Investment Limited ("Onland") and its subsidiaries (the "Disposal Group"), Simplex Inc. ("Simplex"), a subsidiary incorporated in British Virgin Islands, transferred its original entire interest in Styland Infrastructure Limited ("Styland Infrastructure") to Onland on 3 February 2010 (the whole restructuring process for the purpose of proposed disposal known as the "Restructuring").

Simplex, Styland Infrastructure and Onland are wholly-owned subsidiaries of the Company.

On 10 February 2010, Styland Holdings Limited (the "Company") entered into a sale and purchase agreement (the "Agreement") with Lucky Global Investments Limited (the "Purchaser"), pursuant to which the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Disposal Group and the amount due by the Disposal Group to the Remaining Group (the "Shareholders' loan") on completion for a consideration of HK$48,000,000 (the "Proposal Disposal"). The consideration will be settled by cash of HK$4,000,000 and a promissory note of HK$44,000,000 (the "Promissory Note") to be issued upon completion.

For the purpose of the unaudited pro forma financial information, the Group immediately after the completion of the Proposed Disposal is referred to as the "Remaining Group".

The accompanying unaudited pro forma consolidated statement of financial position, consolidated income statement and consolidated statement of cash flows of the Group have been prepared to illustrate the effect of the Proposed Disposal might have affected the financial information of the Group.

The unaudited pro forma consolidated statement of financial position of the Remaining Group has been prepared based on the audited consolidated statement of financial position of the Group as at 30 September 2009, which has been extracted from the accountants' report of the Company for the six months ended 30 September 2009 as set out in Appendix I to the Circular, and adjusted in accordance with the pro forma adjustments described in the notes thereto as if the Proposed Disposal had been completed as at 30 September 2009.

The unaudited pro forma consolidated income statement and pro forma consolidated statement of cash flows of the Remaining Group have been prepared based on the audited consolidated income statement and consolidated statement of cash flows of the Group for the six months ended 30 September 2009 which has been extracted from the accountants' report of the Company for the six months ended 30 September 2009 as set out in Appendix I to the Circular, and adjusted in accordance with pro forma adjustments described in the notes thereto as if the Proposed Disposal had been completed at the beginning of the period being reported, i.e. 1 April 2009.

The unaudited pro forma financial information has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position, results of operations or cash flows of the Remaining Group had the Proposed Disposal been completed as at the respective dates to which it is made up to or at any future dates.

II. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited consolidated statement of financial position of the Group as at 30 September 2009	Pro forma adjustments		Unaudited pro forma consolidated statement of financial position of the Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
		Note 2	*Note 3*	
Non-current assets				
Plant and equipment	1,927	–	–	1,927
Investment properties	78,000	–	–	78,000
Promissory note	–	–	40,150	40,150
Available-for-sale investment	219	–	–	219
	80,146	–	40,150	120,296
Current assets				
Inventories	532	–	–	532
Loan receivables	19,961	–	–	19,961
Trade and bills receivables	9,651	–	–	9,651
Other receivables, deposits and prepayments	8,417	(2,240)	–	6,177
Financial assets at fair value through profit or loss	3,966	–	–	3,966
Tax recoverable	185	–	–	185
Client trust funds	480,307	–	–	480,307
Pledged bank deposit	5,000	–	–	5,000
Bank balances and cash	44,378	(2,299)	2,500	44,579
	572,397	(4,539)	2,500	570,358
Interest in a joint venture held-for-sale	178,080	(178,080)	–	–

	Audited consolidated statement of financial position of the Group as at 30 September 2009	Pro forma adjustments		Unaudited pro forma consolidated statement of financial position of the Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
		Note 2	*Note 3*	
Current liabilities				
Trade and bills payables	482,049	–	–	482,049
Shareholders' loan	–	252,468	(252,468)	–
Other payables and accruals	117,668	(106,326)	–	11,342
Tax liabilities	2,834	–	–	2,834
Bank borrowings – due within one year	3,246	–	–	3,246
Obligations under finance leases – due within one year	82	–	–	82
	605,879	146,142	(252,468)	499,553
Net current assets (liabilities)	144,598	(328,761)	254,968	70,805
Total assets less current liabilities	224,744	(328,761)	295,118	191,101
Capital and reserves				
Share capital	18,712	–	–	18,712
Reserves	156,454	(290,397)	295,118	161,175
Equity attributable to equity holders of the Company	175,166	(290,397)	295,118	179,887
Minority interests	38,364	(38,364)	–	–
Total equity	213,530	(328,761)	295,118	179,887
Non-current liabilities				
Bank borrowings – due after one year	10,988	–	–	10,988
Obligations under finance leases – due after one year	226	–	–	226
	11,214	–	–	11,214
	224,744	(328,761)	295,118	191,101

III. UNAUDITED PRO FORMA CONSOLIDATED INCOME STATEMENT

	Audited consolidated income statement of the Group for the six months ended 30 September 2009	Pro forma adjustments		Unaudited pro forma consolidated income statement of the Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
		Note 4	*Note 5*	
Turnover	167,359	–	–	167,359
Revenue	42,759	–	–	42,759
Cost of sales	(11,864)	–	–	(11,864)
Gross profit	30,895	–	–	30,895
Other income	1,040	(4)	1,244	2,280
Administrative expenses	(16,230)	935	–	(15,295)
Selling and distribution costs	(212)	–	–	(212)
Change in fair value of financial assets at fair value through profit or loss	598	–	–	598
Gain on disposal of listed trading securities	18,214	–	–	18,214
Gain on disposal of subsidiaries	–	–	5,109	5,109
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
Finance costs	(188)	–	–	(188)
Profit before taxation	34,285	931	6,353	41,569
Income tax expense	(1,500)	–	–	(1,500)
Profit for the year	32,785	931	6,353	40,069
Attributable to:				
Equity holders of the Company	33,252	464	6,353	40,069
Minority interests	(467)	467	–	–
	32,785	931	6,353	40,069

IV. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited consolidated statements of cash flow of the Group for the six months ended 30 September 2009	Pro forma adjustments		Pro forma consolidated statement of cash flow of the Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
		Note 6	*Note 7*	
OPERATING ACTIVITIES				
Profit before taxation	34,285	931	6,353	41,569
Adjustment for:				
Depreciation and amortisation	239	–	–	239
Finance costs	188	–	–	188
Reversal of allowance for inventories	(21)	–	–	(21)
Dividend income	(289)	–	–	(289)
Interest income	(219)	4	(1,244)	(1,459)
Plant and equipment written off	32	–	–	32
Gain on disposal of subsidiaries	–	–	(5,109)	(5,109)
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)
Operating cash flows before movements in working capital	33,464	935	–	34,399

	Audited consolidated statements of cash flow of the Group for the six months ended 30 September 2009	Pro forma adjustments		Pro forma consolidated statement of cash flow of the Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
		Note 6	*Note 7*	
OPERATING ACTIVITIES (CONTINUED)				
Increase in inventories	(355)	–	–	(355)
Increase in trade and bills receivables	(651)	–	–	(651)
Increase in loan receivables	(2,372)	–	–	(2,372)
Increase in other receivables, deposits and prepayments	(2,940)	(2)	–	(2,942)
Decrease in financial assets at fair value through profit or loss	1,605	–	–	1,605
Increase in trade and bills payables	463,906	–	–	463,906
Increase in client trust funds	(464,861)	–	–	(464,861)
Decrease in other payables and accruals	(4,528)	(81)	(852)	(5,461)
Dividend received	289	–	–	289
Cash generated from (used in) operations	23,557	852	(852)	23,557
Hong Kong Profits tax paid	(71)	–	–	(71)
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES	23,486	852	(852)	23,486
INVESTING ACTIVITIES				
Interest received	219	(4)	–	215
Net proceeds from disposal of subsidiaries	–	–	205	205
Payment of property, plant and equipment	(10)	–	–	(10)
Payment for purchase of available-of-sale investment	(20)	–	–	(20)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	189	(4)	205	390

	Audited consolidated statements of cash flow of the Group for the six months ended 30 September 2009	Pro forma adjustments		Pro forma consolidated statement of cash flow of the Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
		Note 6	*Note 7*	
FINANCING ACTIVITIES				
Repayments of bank borrowings	(948)	–	–	(948)
(Advance to) repayment from a fellow subsidiary	–	(852)	852	–
Interest paid	(188)	–	–	(188)
Repayments of obligations under finance leases	(39)	–	–	(39)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(1,175)	(852)	852	(1,175)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	22,500	(4)	205	22,701
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	20,528	(2,295)	–	18,233
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	43,028	(2,299)	205	40,934
REPRESENTED BY:				
Bank balances and cash	44,378	(2,299)	205	42,284
Bank overdraft	(1,350)	–	–	(1,350)
	43,028	(2,299)	205	40,934

V. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

(1) The audited consolidated statement of financial position of the Group as at 30 September 2009, the audited consolidated income statement and the audited consolidated statement of cash flows of the Group for the six months ended 30 September 2009 were extracted from the accountant's report as set out in Appendix I of this Circular.

(2) The adjustment reflects the exclusion of the assets and liabilities of the Disposal Group, assuming that the Proposed Disposal had been completed on 30 September 2009. The amount of assets and liabilities of the Disposal Group as at 30 September 2009 were extracted from the accountant's report as set out in Appendix I of this Circular.

(3) The amount of net liabilities of the Disposal Group attributable to the equity holders and disposal of the Shareholders' loan of the Company as at 30 September 2009 were extracted from the accountant's report as set out in Appendix I of this Circular. The adjustment represents the estimated unaudited gain on disposal, as if the Proposed Disposal had been completed on 30 September 2009, which is calculated as follows:

	HK$'000
Consideration settled by cash	4,000
Consideration settled by Promissory Note*	40,150
Total consideration for the Proposed Disposal	44,150
Less: estimated costs in connection with the Proposed Disposal	(1,500)
	42,650
Add: net liabilities of the Disposal Group attributable to the equity holders of the Company as at 30 September 2009	214,539
Less: disposal of the Shareholders' loan	(252,468)
Gain on the disposal of subsidiaries#	4,721

* Pursuant to the Agreement, the Promissory Note with a principal amount of HK$44,000,000 will be issued by the Purchaser upon the completion of the Proposed Disposal. An interest of 6% per annum will be received and the Promissory Note will mature 18 months after the date of issuance. Based on the independent valuation report of LCH (Asia-Pacific) Surveyors Limited obtained by the Directors, the fair value of the Promissory Note was approximately HK$40,150,000 and the imputed interest of approximately HK$3,850,000 is calculated by discounting the future cash flow stream from the promissory notes using an estimate effective interest rate of 6.1% per annum.

\# Gain on disposal of subsidiaries is capital in nature and considered by the directors not taxable.

The final amount of assets and liabilities of the Disposal Group and the gain on the Proposed Disposal will be different from those amounts as presented above. The adjustment will not have continuing income statement effect on the Remaining Group.

V. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP (CONTINUED)

(3) (Continued)

The directors considered that the remaining 10% equity interest of the Disposal Group held by the Group is accounted for as available-for-sale investment with nil carrying value, as the Disposal Group was in net liability position as at 30 September 2009.

(4) The adjustment represents the exclusion of the turnover, revenue and expenses attributable to the Disposal Group from the consolidated income statement of the Group for the six months ended 30 September 2009, which was extracted from the accountants' report of the Group in Appendix I of this Circular, as if the Proposed Disposal had completed on 1 April 2009. The adjustment will not have the continuing income statement effect on the Remaining Group.

(5) Assuming the Promissory Note was issued on the completion of the Proposal Disposal, the adjustment of approximately HK$1,244,000 represented the imputed interest to be received from the Purchaser for the six months ended 30 September 2009. The adjustment will has continuing income statement effect and cash flow statement effect on the Remaining Group.

The amount of net liabilities of the Disposal Group attributable to the equity holders and disposal of the Shareholders' loan of the Company as at 31 March 2009 were extracted from the accountant's report as set out in Appendix I of this Circular. The adjustment represents the estimated unaudited gain on disposal, as if the Proposed Disposal had completed on 1 April 2009, which is calculated as follows:

	HK$'000
Consideration settled by cash	4,000
Consideration settled by Promissory Note*	40,150
Total consideration for the Proposed Disposal	44,150
Less: estimated costs in connection with the Proposed Disposal	(1,500)
	42,650
Add: net liabilities of the Disposal Group attributable to the equity holders of the Company as at 31 March 2009 and 1 April 2009	214,075
Less: disposal of the Shareholders' loan	(251,616)
Gain on the disposal of subsidiaries#	5,109

V. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP (CONTINUED)

(5) (Continued)

* Pursuant to the Agreement, the Promissory Note with a principal amount of HK$44,000,000 will be issued by the Purchaser upon the completion of the Proposed Disposal. An interest of 6% per annum will be received and the Promissory Note will mature 18 months after the date of issuance. Based on the independent valuation report of LCH (Asia-Pacific) Surveyors Limited obtained by the Directors, the fair value of the Promissory Note was approximately HK$40,150,000 and the imputed interest of approximately HK$3,850,000 is calculated by discounting the future cash flow stream from the promissory notes using an estimate effective interest rate of 6.1% per annum.

Gain on disposal of subsidiaries is capital in nature and considered by the directors not taxable.

The final amount of assets and liabilities of the Disposal Group and the gain on the Proposed Disposal will be different from those amounts as presented above. The adjustment will not have continuing income statement effect on the Remaining Group.

(6) The adjustment reflects the exclusion of the cash flows of the Disposal Group for the six months ended 30 September 2009, which was extracted from the accountants' report of the Group in Appendix I of this Circular, assuming that the Proposed Disposal had been completed on 1 April 2009. The adjustment will not have continuing cash flow statement effect on the Remaining Group.

(7) (a) The adjustment of approximately HK$205,000 reflects the net effect of (i) the adjustment to bank balances and cash of approximately HK$4,000,000 to be received by the Group, (ii) bank balances and cash of the Disposal Group disposed of approximately HK$2,295,000 and (iii) estimated costs in connection with the Proposed Disposal of approximately HK$1,500,000, assuming that the Proposal Disposal had been completed on 1 April 2009.

(b) The cash flow effect of advance to a fellow subsidiary of approximately HK$852,000 is reclassified to other payable for the six months ended 30 September 2009, as if the Proposed Disposal had taken place on 1 April 2009. The adjustment will not have continuing cash flow statement effect on the Remaining Group.

(8) As the Promissory Note will be issued by the Purchaser upon the completion of the Proposal Disposal, the fair value of the Promissory Note will be different from those amounts as presented above. In addition, assets and liabilities of the Disposal Group and the gain from the Proposed Disposal will be different from those amounts as presented above upon the actual completion of Proposal Disposal.

(9) No adjustment has been made to reflect any result or other transactions of the Group entered into subsequent to 30 September 2009.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP

The following management and discussion of the Remaining Group has been prepared for the purpose of illustrating the effect of the Disposal becoming effective as if all had taken place on 30 September 2009.

The remaining business of the Group consists of investment holdings, securities dealing and broking, financing, trading of securities, general import and export trading and property redevelopment and investment upon Completion, in which securities dealing and broking and general import and export trading are the major operations of the Group for the six months ended 30 September 2009. As the Target Group does not contribute any turnover of the Group, the revenue of the Group will not be affected after the Disposal. The revenue for Group as at 31 March 2009 and 30 September 2009 were HK$132.1 million and HK$167.4 million respectively, contributing from the existing business of securities dealing and broking, financing, trading of securities, general import and export trading and property redevelopment and investment after Disposal.

Operation in Securities Dealing and Broking

Hong Kong economy has recovered from the sub prime credit crisis in the United States and the financial tsunami which had resulted in systemic collapse in the global market. The stock market was still very volatile in 2009. In order to minimize its exposure to the market risk, the Group had therefore tightened its credit control in 2009. Nevertheless, the revenues from the brokerage have increased to HK$31.8 million and the segment result has turned loss into profits as compared to the six months period ended 30 September 2008.

Operation in General Import and Export Trading

To reduce the risk of over-reliance on the business of securities dealing and broking, the Group has also developed its trading business and adopted the multi-product strategy which included food products, consumer goods and electric products. Due to the keen competition, the turnover of the general trading for the six months ended 30 September 2009 decreased to HK$8.5 million, a drop of 68.8% as compared to the six months ended 30 September 2008.

CAPITAL STRUCTURE

There has been no change in the capital structure of the Company since 30 September 2009. As at the Latest Practicable Date, the authorized share capital of the Company was HK$2,000 million (comprising 200,000,000,000 Shares) and the issued share capital of the Company was approximately HK$18.7 million (comprising 1,871,188,679 Shares)

LIQUIDITY AND FINANCIAL RESOURCES

The Remaining Group generally finances its operation by internally generated cashflow and banking facilities provided by its bankers.

Prudent financial management and selective investment criteria have enabled the Remaining Group to maintain a strong financial position. As at 30 September 2009, the Remaining Group's bank balances and cash was approximately HK$44.6 million. As at 30 September 2009, the Remaining Group had banking facilities amounted to an aggregate sum of approximately HK$76 million with various banks, out of which approximately HK$14.2 million had been utilized as at 30 September 2009.

As at 30 September 2009, the current ratio of the Remaining Group was approximately 1.1 based on current assets of approximately HK$570.4 million and current liabilities of approximately HK$499.6 million.

As at 30 September 2009, the Remaining Group's gearing ratio (being the total indebtedness including bank loans and obligations under finance leases contracts of approximately HK$14.5 million over the total shareholders' equity of approximately HK$179.9 million) was approximately 0.08.

The Directors considered that the Remaining Group shall have sufficient financial resources to meet its future expansion plan and working capital requirement after a due consideration of the net cash position and the availability of the existing banking facilities.

FOREIGN EXCHANGE RISK MANAGEMENT

Most of the Remaining Group's assets and liabilities, revenue and expenditures are denominated in Hong Kong dollars, the United States dollars and the Renminbi. It is the Remaining Group's plicy to adopt a conversative approach on foreign exchange exposure management. However, the Remaining Group will continue to monitor its foreign exchange exposure and market conditions to determine if any hedging is required. The Remaining Group generally finances its operation with internal resources and bank facilities provided by the banks in Hong Kong.

The management of the Remaining Group will actively hedge the foreign currency exposures through natural hedges, or consider using forward contracts and options if necessary. Speculative currency transactions are strictly prohibited. The management of currency risk is centralized in the headquarter of the Remaining Group in Hong Kong.

Apart from the above, most of the Remaining Group's assets and liabilities, revenue and expenditures are either denominated in Hong Kong dollars, the United States dollars and the Renminbi. Therefore, the Directors consider the exposure risk to foreign currency fluctuations is minimal.

Employees and Remuneration Policies

As at 30 September 2009, the Remaining Group employed 49 full time employees. The Remaining Group recorded staff costs of approximately HK$5.7 million for the six months ended 30 September 2009. The Remaining Group's remuneration policies are primarily based on prevailing market salary levels and the performance of the respective companies and individuals concerned. Employees may also participate in the share option scheme of the Company.

FUTURE PLAN FOR MATERIAL INVESTMENTS

Save for the Disposal, the Remaining Group did not have any future plan for material investments or capital assets as at the Latest Practicable Date.

FINANCIAL AND TRADING PROSPECT

The Group is cautiously optimistic about the business outlooks for 2010 as the management believes that systematic collapse no longer seems likely as the global markets have stabilized.

In light of the cash level for the period ended 30 September 2009, the Group will continue to seek investment opportunity in the mainland market to make good use of the Group's working capital to sustain the business growth.

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

WORKING CAPITAL

The Directors are of the opinion that, after taking into account its internal resource, the existing available credit facilities of the Remaining Group and the net proceeds from the proposed Disposal, the Remaining Group has sufficient working capital for its present requirements, for at least next twelve months from the date of this circular.

INDEBTEDNESS STATEMENT

At the close of business on 31 January 2010, being the latest practicable date for the purpose of the statement of indebtedness prior to the printing of this circular, the Group had secured bank borrowings and obligations under finance leases of approximately HK$8,300,000 and HK$282,000 respectively.

Pledge of assets

At the close of business on 31 January 2010, an investment property of approximately HK$56,000,000 and bank deposit of approximately HK$5,000,000 were pledged to secure the bank borrowings of the Group.

Commitment

At the close of business on 31 January 2010, the Group had total future minimum lease payments under non-cancelable operating leases in respect of rented premises amounting to approximately HK$1,077,000.

Contingent liabilities

At the close of business on 31 January 2010, the Group had certain outstanding litigations, the details of which are set out in the section headed "LITIGATIONS" below.

For the purpose of the above indebtedness statement, foreign currency amounts have been translated into Hong Kong dollars at the rates of exchange prevailing at the close of business on 31 January 2010.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payable, as at the close of business on 31 January 2010, the Group did not have any outstanding loan capital issued or agreed to be issued, bank borrowings and overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, finance lease or hire purchases commitments, guarantees or other material contingent liabilities.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 30 September 2009, the date to which the latest published audited consolidated financial statements of the Group were made up.

LITIGATIONS

(a) Lawsuit in respect of Hainan Wanzhong Shiye Touzi Co., Ltd. (海南萬眾實業投資有限公司) ("Hainan Wanzhong")

In June 2003, Hainan Wanzhong, urged the Haikou Intermediate People's Court of Hainan Province (海南省海口市中級人民法院) to issue a Notice for Assistance in Execution (協助執行通知書) to Dongseng to retain an amount of RMB19,270,000 to be distributed to Sheng Da (the "Lawsuit"). Sheng Da is a joint venture partner of Dongseng. In October 2006, the claims from Hainan Wanzhong (海南萬眾) was dismissed and Sheng Da had recovered the retained money of RMB19,270,000.

In March 2007, Sheng Da received a copy of a notice which was published on a PRC newspaper and became aware that Hainan Wanzhong had filed its appeal against the judgement of the Haikou Intermediate People's Court and the hearings were scheduled on 10 and 17 May 2007 respectively. In June 2007, Sheng Da was informed by its shareholders Ms. Li Kai Yin (李繼賢女士), Ms. Wan Qinghua (萬慶華女士) and Mr. Huang Zhaohua (黃招華先生) (collectively "Li,Wan & Huang") that the Haikou Intermediate People's Court had issued a Notice for Assistance in Execution on 6 June 2007 to Wuhan Transport Development Co., Ltd. ("Wuhan Transport"), the Chinese JV partner of Sheng Da in Dongseng, requesting for retaining an amount of RMB19,270,000 from the payment of equity transfer amount to Sheng Da until the dispute is resolved.

In June 2008, Sheng Da was informed by Wuhan Transport that it had received a Notice for Assistance in Execution accompanied by a letter from Haikou Intermediate People's Court, pursuant to which Wuhan Transport was requested to execute the judgement and transfer RMB27,234,582 to the accounts of the Haikou Intermediate People's Court.

In February 2009, Sheng Da received from one of its shareholders the judgement of the PRC Supreme Court, pursuant to which the PRC Supreme Court accepted Sheng Da's application for appeal.

Pursuant to a shareholders' resolution of Sheng Da passed in 2003 (reference no. for the shareholders' resolution: HKSDSM2003002), Li, Wan & Huang undertook that they would bear the liabilities and legal costs arising from the Lawsuit (the "Undertaking"). Subsequently, Sheng Da received, in several time, letters from Li, Wan & Huang, who intended to revoke the Undertaking.

The Directors consider that it is unacceptable and without legal basis for Li, Wan & Huang to withdraw the Undertaking unilaterally. To preserve the interests of the Company and its shareholders as a whole, the Board concurred that the Company would not accept the withdrawal of the Undertaking by Li, Wan & Huang unilaterally, and would take legal action against Li, Wan & Huang for damages if the Company or Sheng Da sustains any loss from the Lawsuit.

In December 2009, a written judgement from the PRC Supreme Court was received by Sheng Da which indicates that Sheng Da won in the case. The Directors, base on legal advice, considered that the written judgement is the final decision of the case. Accordingly, the Directors consider that no provision has therefore been made as at 30 September 2009.

(b) Petition issued by the SFC

As more fully detailed in the Company's announcement dated 11 September 2008 and a supplemental circular dated 9 April 2009, it has been disclosed that the Company, as one of the defendants, and certain of its current and former directors have been served a Petition by the SFC in relation to certain past transactions of the Group. The Petition was heard on 17 December 2008.

The hearing for trial will be held in January 2011. The Directors consider that the case does not have a significant financial and operating impact to the Group.

Save as aforesaid, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

利駿行測量師有限公司
LCH (Asia-Pacific) Surveyors Limited
PROPERTY VALUERS
PLANT AND MACHINERY VALUERS
BUSINESS & FINANCIAL SERVICES VALUERS

The readers are reminded that the report which follows has been prepared in accordance with the guidelines set by the International Valuation Standards, Eighth Edition, 2007 published by the International Valuation Standards Committee, the Business Valuation Standards 2005 published by the Hong Kong Business Valuation Forum and the HKIS Valuation Standards on Trade-related Business Assets and Business Enterprises, First Edition, 2004 published by the Hong Kong Institute of Surveyors. These standards entitle the valuer to make assumptions which may on further investigation, for instance by the readers' legal representative, prove to be inaccurate. Any exception is clearly stated below. Headings are inserted for convenient reference only and have no effect in limiting or extending the language of the paragraphs to which they refer. It is emphasised that the findings and conclusion presented below are based on the documents and facts known to the valuer at the date of this report. If additional documents and facts are made available, the valuer reserves the right to amend this report and its conclusion.

17th Floor
Champion Building
Nos. 287-291 Des Voeux Road Central
Hong Kong

15 March 2010

The Directors
Styland Holdings Limited
28th Floor, Aitken Vanson Centre
61 Hoi Yuen Road
Kwun Tong
Kowloon
Hong Kong

Dear Sirs,

In accordance with the instructions given by the management of Styland Holdings Limited (hereinafter referred to as the "Company"), we have investigated and conducted an agreed-upon procedures valuation of the business enterprise value of 香港盛達投資集團有限公司 (translated as Sheng Da Investment Holding (Hong Kong) Limited and hereinafter referred to as "Sheng Da") as at 31 January 2010 (hereinafter referred to as the "Date of Valuation") for the Company's internal management reference purpose. Our findings and conclusion in this valuation are documented in a detailed valuation report and submitted to the Company at today's date.

We understand that the management of the Company will refer our work product (in any form of presentation) as part of its business due diligence and we have not been engaged to make specific purchase or sale recommendations. We further understand that the management of the Company will not rely solely on our work, and that the use of our work product will not supplant other due diligence which the management of the Company should conduct in reaching its business decision with regard to the asset being valued. Our work is designed solely to provide information that will give the management of the Company a reference to form part of its internal due diligence process, and our work should not be the only factor to be referenced by the Company.

At the request of the management of the Company, we prepared this report to summarise our findings and conclusion as documented in the detailed valuation report for the purpose of inclusion in a circular at today's date for the Company's shareholders' reference. Terms herein used without definition shall have the same meanings as in the detailed valuation report, and the assumptions and caveats adopted in the detailed valuation report also applied to this report.

INTRODUCTION

Business enterprise value is defined as the total value of a business. It comprises of monetary assets (net working capital), tangible assets and intangible assets, thereby encompassing all assets of a business enterprise (see Note). In other words, the business enterprise value is also equal to the value of its invested capital – common equity, preferred stocks and long-term debts. While there is no universal definition of the term, it is the usual practice for a professional valuer, based on his professional knowledge and experience, to identify the definition for the intended valuation.

In this appraisal (the word **appraisal** has the same meaning of **valuation** in this report), we were instructed to analyse and to express an opinion of the value of the entire equity interest of Sheng Da (hereinafter referred to as the "Appraised Asset") as at the Date of Valuation, at appropriate premise of value, and based on documents and information provided by the management of the Company or the management of Sheng Da. Based on the instructions, we define the term business enterprise value in this appraisal as the market value of the Appraised Asset.

The term "Market Value" is defined by the International Valuation Standards (hereinafter referred to as the "IVS"), Eighth Edition, 2007 published by the International Valuation Standards Committee, which the Business Valuation Standards 2005 (hereinafter referred to as the "BVS") published by the Hong Kong Business Valuation Forum and the HKIS Valuation Standards on Trade-related Business Assets and Business Enterprises (hereinafter referred to as the "HKIS Standards"), First Edition, 2004 published by the Hong Kong Institute of Surveyors (the "HKIS") also follow, as "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

Note: A business enterprise is defined as a commercial, industrial, service, or investment entity, or a combination thereof, pursuing an economic activity.

COMPANY'S PROFILE

Sheng Da is a limited company incorporated in Hong Kong on 31 October 1995 with its registered address at Room 1912, West Tower, Shun Tak Centre, 168 Connaught Road Central, Hong Kong. We noted that the company's business address is on 28th Floor, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong of Kowloon. The company is capitalised with one class of common (also known as ordinary) stock that has a par value of HK1.00 each. As of the Date of Valuation, the company has an authorised share capital of HK$204,082 consisting of 204,082 shares of HK$1.00 each, they were authorized, issued and fully paid. It was effectively 48.948% owned by 大淩基建有限公司 (translated as Styland Infrastructure Limited) which is a wholly-owned subsidiary of the Company. The risk and profit sharing of the company are based on the shareholding ratio of the company. The transfer and transmission of the company's shares are subject to the company's Memorandum and Articles of Association.

The business nature of Sheng Da is investment holdings. We were given to understand that, as at the Date of Valuation, Sheng Da through a co-operative joint venture contract (the "CJV Contract" and dated 18 August 1995) invested a 48.67% of the total invested capital (approximately RMB178 million) in a co-operative joint venture company in the People's Republic of China (the "PRC" or "China") known as 武漢東升公路建設發展有限公司 (translated as Wuhan Dongseng Highway Construction Company Limited and hereinafter referred to as "Dongseng Highway"). Sheng Da also owns the entire equity interest of 盛達公路經營管理(武漢)有限公司 (translated as Sheng Da Highway Management (Wuhan) Company Limited and hereinafter referred to as "SD Management"). We were further given to understand that Dongseng Highway previously operated a toll road known as the 318 National Highway Sheng Dong Section and SD Management was a dormant company.

Based on the financial information provided by the management of the Company, the audited financial performance of Sheng Da for the past 3 years can be fairly represented as follows:

	31 March 2007	31 March 2008	31 March 2009
	HK$	*HK$*	*HK$*
Turnover	–	–	–
After-Tax Net Profit	(607,076)	(7,800,804)	534,202
Total Asset	92,875,911	85,075,107	85,609,309

According to the information provided, SD Management was established in China on 30 August 2000 with its registered address at 武漢經濟技術開發區，創業道，沌陽路橋工程有限公司，2樓3-4號 (no English translation). The company was a wholly foreign-owned enterprise under Sheng Da with limited liability and a registered capital of HK$3 million. According to a 企業法人營業執照 Enterprise Legal Person Business License No. 0373801 dated 30 August 2000, the operation term of the company was from 30 August 2000 to 30 August 2023. The business scope of the company was restricted to "公路基礎設施的開發、經營、管理及道路設施的維護。(國家有專項規定的按國家規定執行)" (no English translation). The company is regulated by its Memorandum and Articles of Association. We were advised that SD Management was a dormant company as at the Date of Valuation, and no book account or on-going business plan provided to us.

Dongseng Highway is a co-operative joint venture company incorporated in China on 10 November 1995 under the CJV Contract with a registered capital of RMB 71.1 million. The registered address of the company is situated at 武漢經濟技術開發區漢富街建管局大樓 (translated as Jian Guan Ju Building, Han Fu Street, Wuhan Economic & Technological Development Zone, the PRC). According to an audited report, Sheng Da contributed approximately a 48.67% of the total invested capital in Dongseng Highway and 武漢交通發展公司 (translated as Wuhan Jiao Tong Development Company) contributed the remaining 51.33% of the total invested capital in Dongseng Highway. The total invested capital of the company was approximately RMB 365.75 million. The risk and profit sharing of the company are based on the agreed ratios in the CJV Contract during the co-operation period. The management and the organisation structure of the company are subject to the company's Memorandum and Articles of Association. The purpose of forming the company under the CJV Contract was to develop and manage a toll road project known as the 318 National Highway Sheng Dong Section in China.

According to a 企業法人營業執照 Enterprise Legal Person Business License 企作鄂武總副字第002656號Qi Zuo E Wu Zong Fu Zi Di 002656 Hao dated 23 May 2002, the operation term of Dongseng Highway was 20 years from 10 November 1995 to 10 November 2015. The business scope of Dongseng Highway was restricted to "對318國道升(官渡)東(岳廟)段改(擴)建為平丘部分封閉的一級公路,對改(擴)建後的公路實行物業管理" (translated as "to improve/expand the 318 National Highway Sheng Dong Section into a closed first grade highway and to manage the improved/expanded highway"). In other words, the principal economic asset of Sheng Da is its holding of a contractual right to receive an agreed after tax earnings from Dongseng Highway for a period of 18 years, and that the after tax earnings are generated from the toll fee to be received through operating the official toll gates of the 318 National Highway Sheng Dong Section during the approved period.

We were advised that the toll gate receipt was severely affected when Wuhan Jiao Tong Development Company, despite the strong objection of Sheng Da, single-handedly relocated the toll gates from 洪山村(translated as Hong Shan Village) to 京珠公路以西(translated as to the west of Jingzhu Expressway). As a result, operation of the toll gates at Hong Shan Village ceased on 26 December 2003.

Due to relocation of the toll gates, Dongseng Highway incurred a significant loss and both Sheng Da and Wuhan Jiao Tong Development Company, under the terms and conditions of the CJV Contract, agreed to appoint an arbitrator to determine a price of Sheng Da's invested interest in Dongseng Highway and to be acquired by Wuhan Jiao Tong Development Company. According to a copy of document titled "武漢仲裁委員會裁決書" (translated as Wuhan Arbitration Committee Arbitration Report and hereinafter referred to as the "Arbitration Report") dated 18 April 2006, the arbitrated acquisition price of Sheng Da's invested interest based on the CJV Contract was RMB157,298,300. The management of the Company confirmed to us that in accordance with a legal opinion dated 24 July 2009, Sheng Da is able to dispose its invested interest in the CJV Contract to Wuhan Jiao Tong Development Company and a sum of RMB75,000,000 of deposit has been received with the remaining balance outstanding as at the Date of Valuation. As advised by the management of the Company, Sheng Da did not involve in the daily operation of Dongseng Highway in recent years. We were further advised that the 318 National Highway Sheng Dong Section has been administratively ordered to become a toll free road on 1 May 2009 by the People's Government of Wuhan City, as such, Dongseng Highway is no longer in operation as at the Date of Valuation.

VALUATION PROCEDURES ADOPTED

In performing the appraisal, we have adopted the following procedures which were agreed with the management of the Company before the engagement. They were:

➢ To read the supplied materials and based on the content of the materials such as assets schedules, market condition, financial information and the scale of the going concern of business of Sheng Da (if any) to arrive at our opinion. In the course of valuation, we will assume the information that contained in the materials is correct and we will not verify or ascertain the correctness of the information contained in the materials.

➢ To prepare and submit a list(s) of required document and information regarding the operation of business of Sheng Da during the course of valuation. The completeness of the valuation depends on the availability of the required information being supplied by the management of the Company or the management of Sheng Da.

➢ To conduct a limited scope of physical inspection to have an understanding on the existing status of the subject toll road. The purpose of the inspection is not to have a full scope investigation on the quantity and the quality of the subject toll road or assets of Sheng Da; rather, it is designed to give the valuer a better understanding of the general environment.

➢ To hold discussions with the appointed personnel of the Company and to review various accounting and financial documents in order to understand the scope of Sheng Da's assets and its operations.

➢ To obtain the latest available asset schedule of Sheng Da on which to start the valuation.

➢ To identify off-balance sheet assets (if any) that should be recognised and valued.

➢ To conduct appropriate study in order to obtain necessary industry and market information to support our opinion of value. The extent of research is at our discretion.

➢ To value the Appraised Asset using the standards of value and premise of value that are most appropriate.

➢ To document our findings and conclusion in our appraisal report.

THE BASIS OF VALUATION AND ASSUMPTIONS

In general, asset similar to the Appraised Asset shall be valued on the basis of "Market Value" at a premise of value in continued use or as a going concern. The continued use premise assumes that the asset being valued will be used for the purpose for which the asset being valued was conceived or is currently used. Implicit in this definition is the fact that a hypothetical willing and able buyer would not pay more to acquire the asset being valued than he could reasonably expect to earn in the future from an investment in the asset being valued.

By adopting the going-concern premise, a valuation shall be prepared on the assumptions that, as at the relevant date of valuation,

1. the legally interested parties in the asset being valued have free and uninterrupted rights to assign for the whole of the unexpired terms as granted to the asset being valued under the relevant approvals and any premiums/administrative costs payable have already been fully paid;

2. all the required licenses, certificates, consents, or other legislative or administrative authority from any local, provincial, or national government or private entity or organisation have been or can readily be obtained or renewed on which the valuation is based;

3. the management of the asset being valued has adequate working capital to operate the going concern business at its operation location(s) from time to time;

4. the asset being valued can be sold in the market in its existing state without the benefit of a deferred terms contract, joint venture, management agreement or any other similar arrangement which would serve to increase the value of the asset being valued;

5. the management of the asset being valued has adopted reasonable and necessary security measures and has considered several contingency plans against any disruption to its going concern business, which in return, protected the value of the asset being valued; and

6. the asset being valued can be freely disposed and transferred free of all encumbrances for its existing uses in the market to both local and overseas purchasers without payment of any premium to the government.

Should this not be the case, it will have adverse impact to the valuation.

Judging from the copies of document provided and advices given by the appointed personnel and/or the management of the Company, we opined that most of the above assumptions cannot be applied to this engagement. Under such restriction, it is difficult, if not impossible, to ascertain the going concern premise of Sheng Da on which to start the valuation. Thus, our valuation is based on the premise of value of orderly disposition given that the management of the Company has no plan to liquidate nor to acquire other toll road project for Sheng Da to operate in the future. Under the orderly disposition premise of value, most of the valuation industry practitioners considered that it is a value in exchange and on the assumption that all of the assets of the subject business enterprise will be sold individually, and they will enjoy normal exposure to their appropriate secondary market. Thus, the assets of the subject business enterprise are able to achieve their highest and best use of value in the market.

FACTORS CONSIDERED IN THE VALUATION

The valuation of the Appraised Asset, for the purpose of the valuation, required consideration of all pertinent factors affecting the going concern of Sheng Da. The factors considered in the valuation included, but were not limited to, the following:

- ➢ The nature of the Appraised Asset;
- ➢ The nature and the going concern business of Sheng Da (if any);
- ➢ The quality of Sheng Da's assets;
- ➢ The official policy, economic and industry data affecting Sheng Da and its business in the relevant locality; and
- ➢ The risks facing Sheng Da.

ESTABLISHMENT OF TITLES

Due to the market value basis of valuation, the management of the Company provided us the necessary documents to support that the legally interested parties in the Appraised Asset have free and uninterrupted rights to assign portion or the whole of the Appraised Asset (in this instance, an absolute title) free of all encumbrances and any premiums payable have already been paid in full or outstanding procedures have been completed. However, our procedures to value as agreed with the management of the Company did not require us to conduct legal due diligence on the legality and formality on the way that the legally interested parties obtained the Appraised Asset from the relevant authorities. We agreed with the management of the Company that this should be the responsibility of the legal advisor to the management of the Company. Thus, no responsibility or liability is assumed from our part to the origin and continuity of the titles to the Appraised Asset.

For the sake of valuation, we have been provided with copies of the title documents regarding the Appraised Asset, Dongseng Highway and SD Management. However, we have not inspected the original documents filed in the relevant authorities to verify ownership or to verify any amendment which may not appear on the copies handed to us. We need to state that we are not legal professionals and are not qualified to ascertain the titles and to report any encumbrances that may be registered against the Appraised Asset, Dongseng Highway and SD Management. In the course of preparing our report, we have relied solely on the information provided by the Company and its appointed personnel. No responsibility or liability is assumed in relation to those opinions or copies of documents.

In our valuation, we have assumed that there would be no legal impediment (especially from the regulators) for the legally interested parties to continue the ownership of the Appraised Asset. Should this not be the case, it will affect our conclusion in this report significantly. The readers are reminded to have their own legal due diligence work on such issues. No responsibility or liability is assumed.

APPROACH TO VALUE

In the process of valuation, we have considered the three generally accepted business enterprise appraisal approaches to value, namely the Asset-based Approach, the Market Approach and the Income Approach. For the premise of value adopted and the existing status of Sheng Da is an investment holding, without actual operating investment, we considered that the Asset-based Approach is the most appropriate approach in this valuation.

The Asset-based Approach

The assumption of this approach is that when each of the elements of working capital, tangible and intangible assets is individually valued, their sum represents the value of a business enterprise and equals to the value of its invested capital (equity and long-term debt). In other words, the value of the business enterprise is represented by the money that has been collected to purchase the business assets needed. This money comes from investors who buy the stocks of the business enterprise (equity) and investors who lend money to the business enterprise (debt). After collecting the total amount of money from equity and debt, and converted into various types of assets of the business enterprise for its operations, their sum equals the value of the business enterprise.

From a valuation perspective, the valuer will restate the value of all types of assets of a business enterprise from book value i.e. historical cost minus depreciation to appropriate standards of value. After the restatement, the valuer can identify the indicated value of the business enterprise.

By employing the Asset-based Approach in our valuation, the assets of Sheng Da are analysed, adjusted and appraised individually. For the purpose of this appraisal, we have separately identified assets of Sheng Da under different categories. They are:

➢ Current Assets;

➢ Tangible Assets (Real estate related and non-real estate related);

➢ Intangible Assets; and

➢ Liabilities.

Under this method and subject to the definition of this appraisal, the summation of the values of the individual appraised assets represents the total invested capital of Sheng Da. By employing the assets minus liabilities, the value of the equity interest can be arrived at.

Current Assets

We were provided with copy of management account of Sheng Da as at 31 January 2010. Based on our agreed procedures, we have adopted their book costs, after adjusting the exchange rate differences, in our valuation.

Tangible Assets

According to the management account of Sheng Da as at 31 January 2010, no tangible asset was owned by Sheng Da.

Intangible Asset

An amount of RMB82,298,300 has been classified as Investment in Contractual Joint Venture through the CJV contract. We were given to understand that this amount to be the outstanding balance of the acquisition price fixed by the Arbitration Report and to be paid by Wuhan Jiao Tong Development Company. We have adopted the figure, after adjusting the risk factor involved, in our valuation.

Liabilities

Based on the management account of Sheng Da as at 31 January 2010, we were given to understand that the liabilities, including amount due to Dongseng Highway, amount due to fellow subsidiary, deposit received and the accrued liabilities. As these liabilities are cash related items, the carrying amount, after adjusting the exchange rate differences, has been adopted in our valuation.

VALUATION COMMENTS

As we are valuing the entire equity interest of Sheng Da, no discount on minority or premium on the controlling shareholding has been taken.

By definition, ownership interests in closely held companies are typically not readily marketable, and, by definition not as liquid and as easily converted to cash compared to similar interests in the public held companies. However, all the items that forming the value of the Appraised Asset are cash related, we took the view that it is not appropriate to take any marketability discount to the Appraised Asset.

The valuation has been conducted by using the Asset-based Approach, of which no discounted cash flow has been adopted. Therefore no discount rates and long term growth rate was used in the valuation, and no sensitivity analysis is available.

MATTERS THAT MIGHT AFFECT THE VALUE REPORTED

No allowance has been made in our valuation for any charges, mortgages, outstanding premium or amounts owing on the Appraised Asset. Also, no allowance has been made in our valuation for any expenses or depreciation or taxation, which may be incurred in effecting a sale of the Appraised Asset. Unless otherwise stated, it is assumed that the Appraised Asset is free from all encumbrances, restrictions, and outgoings of an onerous nature which could affect its value.

In our valuation, we have assumed that the Appraised Asset is able to sell and purchase in the market without any legal impediment (especially from the regulators). Should this not be the case, it will affect the reported value significantly. The readers are reminded to have their own legal due diligence work on such issues. No responsibility or liability is assumed.

Unless otherwise discussed, as at the date of this report, we are unable to identify any adverse news against the Appraised Asset or Sheng Da which may affect the reported value in our report. Thus, we are not in the position to report and comment on its impact (if any) to the Appraised Asset. However, should it be established subsequently that such news did exist at the Date of Valuation, we reserve the right to adjust the value reported herein.

INSPECTIONS AND INVESTIGATIONS

We have conducted a limited scope of inspection on the subject toll road but not to the other assets of Sheng Da in respect of which we have been provided with such information as we have requested for the purpose of our valuation. We have not inspected those parts of the property which were covered, unexposed, not being arranged or inaccessible and such parts have been assumed to be in reasonable condition. We cannot express an opinion about or advice upon the condition of uninspected parts and our report should not be taken as making any implied representation or statement about such parts. No structural survey, investigation, test or examination has been made, but in the course of our inspections we did not note any serious defects in the property inspected. We are not, however, able to report that the inspected property is free from rot, insect, infestation or any other defects. No tests were carried out to the services (if any) and we are unable to identify those services covered, unexposed or inaccessible.

Our valuation has been made on the assumption that no unauthorised alteration, extension or addition has been made in the premises that occupied by Sheng Da, and that the inspection and the use of our report do not purport to be a building or conditional survey of the inspected property. We have assumed that the premises are free of rot and inherent danger or unsuitable materials and techniques.

If there is a third party other than the legal interested parties in the Appraised Asset proposing to acquire the Appraised Asset and wants to satisfy their due diligence to the Appraised Asset or Sheng Da, then the third party should obtain a third party's detailed inspection and report of their own before deciding whether or not to enter into an agreement for sale and purchase.

We have not carried out on-site measurements to verify the correctness of the areas or specifications of the assets of Sheng Da (if any), but have assumed that the areas and specifications shown on the documents and handed to us are correct. All dimensions, measurements and areas are approximations.

Our engagement and the agreed procedures to value did not include an independent land survey to verify the legal boundaries of the properties of Sheng Da (if any). We need to state that we are not in the land survey profession, therefore, we are not in the position to verify or ascertain the correctness of the legal boundaries of the properties of Sheng Da that appeared on the documents handed to us. No responsibility from our part is assumed. The management of the Company or interested party in Sheng Da should conduct their own legal boundaries due diligence work.

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the properties of Sheng Da (if any). In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative uses have ever been carried out in the properties. We have not carried out any investigation into past or present uses, either of the properties or of any neighbouring land, to establish whether there is any contamination or potential for contamination to the properties from these uses or sites, and have therefore assumed that none exists. However, should it be established subsequently that contamination, seepage or pollution exists at the properties or on any neighbouring land, or that the premises have been or are being put to a contaminative use, this might reduce the value now reported.

SOURCES OF INFORMATION AND ITS VERIFICATION

For the purpose of valuing the Appraised Asset, we were furnished with various latest financial documents and other documents related to the Appraised Asset or Sheng Da. These data have been utilised without further verification like an auditor. We have had no reason to doubt the truth and accuracy of the information that we have been furnished. No responsibility or liability is assumed for the accuracy of the provided information.

We have relied solely on the information provided by the management of the Company or its appointed personnel or the management of Sheng Da without further verification and have fully accepted advice given to us on such matters as planning approvals or statutory notices, titles, easements, financial data, corporation status, business scope, assets and all other relevant matters.

Unless otherwise stated, we have not carried out a valuation on a redevelopment basis on any land that owned, directly or indirectly by Sheng Da (if any) and the study of possible alternative development options and the related economics do not come within the scope of our report.

We are not contracted to conduct a due diligence to review the toll road industry in China. In the course of appraisal, we have solely depended on the advice given by the management of the Company. We are unable to accept any responsibility or liability for the reliability of the advice.

Our procedures to value did not include preparing an error free asset list for the purpose of our valuation. In our valuation, we were instructed to rely on the information as contained in the balance sheet provide by the management of the Company, thus, we expressed no comment to the existence and the functional ability of the assets and liabilities that contained in the balance sheet. No responsibility or liability is assumed from our part.

Information furnished by others, upon which all or portions of our report are based, is believed to be reliable but has not been verified in all cases. Our procedures to value or work do not constitute an audit, review, or compilation of the information provided. Thus, no warranty is made nor liability assumed for the accuracy of any data, advice, opinions, or estimates identified as being furnished by others which have been used in formulating our report.

When we adopted the work products from other named or unnamed professions, external data providers, the management of the Company and/or the management of Sheng Da in our valuation, the assumptions and caveats adopted by them in arriving at their opinions also applied in our valuation. The procedures we have taken do not require us to examine all the evidences, like an auditor, in reaching at our opinion. As we have not performed an audit, we are not expressing an audit opinion in our valuation.

We are unable to accept any responsibility for the information that has not been supplied to us by the management of the Company or by the management of Sheng Da via the management of the Company. We have sought and received confirmation from the management of the Company that no material factors have been omitted from the information supplied. Our analysis and valuation are based upon full disclosure between us and the management of the Company of material and latent facts that may affect the appraisal.

Unless otherwise stated, all monetary amounts are in Hong Kong dollars ("HK$"), and the currency exchange rate we adopted in the valuation was HK$ 1 to Renminbi 0.8792 Yuan (RMB) as at the Date of Valuation.

LIMITING CONDITIONS

This report is provided strictly for the sole use of the Company. Neither the whole nor any part of this report or any reference made hereto may be included in any published documents, circular or statement, or published in any way, without our written approval of the form and context in which it may appear. Unless otherwise stated, the copyright of this report belongs to the valuer. Nonetheless, we consent to the publication of our report in this circular for the Company's shareholders' reference.

Our opinion of value in this report is valid only for the stated purpose at the Date of Valuation and only to the Company. We or our personnel shall not be required to give testimony or attendance in court or to any government agency by reason of this report, and we accept no responsibility whatsoever to any other person.

No responsibility is taken for changes in market conditions and no obligation is assumed to revise this report to reflect events or change of government policy or financial condition or other conditions, which occur subsequent to the date hereof.

Our maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the charges paid to us for the portion of its services or work products giving rise to liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, lost profits, opportunity costs, etc.), even if it has been advised of their possible existence.

The Company is required to indemnify and hold us harmless and our personnel from any claims, liabilities, costs and expenses (including, without limitation, attorney's fees and the time of our personnel involved) brought against, paid or incurred by us at a time and in any way based on the information made available in connection with our work product except to the extent any such loses, expenses, damages or liabilities are ultimately determined to be the result of gross negligence of our engagement team in conducting its work. This provision shall survive even after the termination of this engagement for any reason.

OPINION OF VALUE

Based on the above, and on the appraisal method employed, it is our opinion that as of the Date of Valuation, the market value of the entire equity interest of Sheng Da (before taking into consideration any transaction cost) was reasonably stated by the amount of **HONG KONG DOLLARS THIRTY NINE MILLION AND FIVE HUNDRED THOUSAND ONLY (HK$39,500,000.00).**

STATEMENTS

Our opinion of value is based on generally accepted appraisal procedures and practices that rely extensively on assumptions and considerations, not all of which can be easily quantified or ascertained exactly. While we have exercised our professional judgement in arriving at the appraisal, the readers are urged to consider carefully the nature of such assumptions which are disclosed in our report and should exercise caution in interpreting our report.

Our valuation is prepared in line with the guidelines as contained in the IVS as well as the BVS and the HKIS Standards. The valuation has been undertaken by valuer (see Note), acting as external valuer, qualified for the purpose of the valuation.

We retain a copy of our report together with the data from which it was prepared, and these data and documents will, according to the Laws of Hong Kong, keep for a period of 6 years from the date of our report and to be destroyed thereafter. We considered these records confidential, and we do not permit access to them by anyone, with the exception for law enforcement authorities or court order, without the Company's authorisation and prior arrangement made with us. Moreover, we will add the Company's information into our client list for our future reference.

We hereby certify that the fee for this service is not contingent upon our conclusion of value and we have no significant interest in the Appraised Asset, the Company or the value reported.

Yours faithfully,
For and on behalf of
LCH (Asia-Pacific) Surveyors Limited
Elsa Ng Hung Mui
BSc MSc RPS(GP)
Director

Contributing valuers in the report:
Jonas Lam King Yin *BASc*
Sam Lai Siu Nam *BBA*

Note:

Ms Elsa Ng Hung Mui has been conducting asset valuations and advisory work in Hong Kong, Macau, Taiwan, mainland China and South East Asia for various purposes since 1994. She obtained a Master Degree in Finance and has extensive experience in the valuation of various types of toll road, health products and foodstuffs, coking coal plant, agricultural property assets, financial services, luxurious consumer goods, pharmaceutical and biotechnology, electronic consumer products manufactory, mineral resources, telecommunication, media and information technology related businesses for the listed companies in Hong Kong, Taiwan, Singapore, Malaysia and mainland China. She is a member of the HKIS and a valuer on the List of Property Valuers for Undertaking Valuation for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers published by the HKIS.

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors and Chief Executive

As at the Latest Practicable Date, the interests or short positions of the Directors or chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required to be and are recorded in the register required pursuant to Section 352 of the SFO to be entered in the register maintained by the Company 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 Issuers were as follows:

Long position in shares of the Company

	Number of Shares held/interested				
Name of Director	Family interests	Beneficial Owner/ Personal interests	Interests in Controlled corporation	Total	Shareholding percentage
Ms. Yeung Han Yi Yvonne (“Ms. Yeung”)*(Note)*	369,995,967	30,000,000	–	399,995,967	21.38%
Ms. Chan Chi Mei Miranda	–	39,288	–	39,288	0.002%

Note:

Mr. Cheung Chi Shing Kenneth (“Mr. Cheung”) personally holds 299,995,967 Shares. As Mr. Cheung is the sole shareholder of K.Y. Limited (“KY”), he was deemed to have interests in 60,000,000 held by KY and Mr. Cheung was further deemed to be interested in 10,000,000 Shares held by K.C. (Investment) Limited. (“KC”) 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 that Mr. Cheung is beneficially interested

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which were required pursuant to section 352 of the SFO to be entered in the register maintained by the Company 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 Issuers.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which have since 30 September 2009 (being the date to which the latest published audited consolidated accounts of the Group were made up) been acquired or disposed of by or leased to the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by or lease to the Company or any of its subsidiaries.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries, which was subsisting and was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors has any service contracts with the Company or any of its subsidiaries which does not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

As at the Latest Practicable Date, none of the Directors or their respective associates had any business or interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

(b) Substantial Shareholders and other persons

So far as was known to any Directors or chief executive of the Company, as at the Latest Practicable Date, the following persons (not being a Director or chief executive of the Company) had interests or short positions, if any, in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

	Number of Shares or underlying shares held/interested				
Name of Director	**Family interests**	**Beneficial Owner/ Personal interests**	**Interests in Controlled corporation**	**Total**	**Shareholding percentage**
Mr. Cheung *(Note 1)*	30,000,000	299,995,967	70,000,000	399,995,967	21.38%
Ms. Yeung *(Note 2)*	369,995,967	30,000,000	–	399,995,967	21.38%
Mr. Rajkumar M Daswani *(Note 3)*	–	112,441,667	–	112,441,667	6.01%
Gloryrise Group Limited *(Note 4)*	–	370,000,000	–	370,000,000	19.77%
Mr. Tai Kwok Leung Alexander *(Note 4)*	–	–	37,000,000	370,000,000	19.77%

Notes:

1. Mr. Cheung personally holds 299,995,967 Shares. As Mr. Cheung is the sole shareholder of KY, he is deemed to have interests in 60,000,000 Shares held by KY and Mr. Cheung was further deemed to be interested in 10,000,000 Shares held by KC, a wholly-owned subsidiary of KY. Mr. Cheung is the spouse of Ms. Yeung and accordingly deemed to be interested in the 30,000,000 Shares beneficially interested by Ms. Yeung.

2. Ms. Yeung is the spouse of Mr. Cheung and accordingly deemed to be interested in the 369,995,967 Shares beneficially interested by Mr. Cheung.

3. The interests of Mr. Rajkumar M Daswani are set out based on his notification given to the Company on 1 April 2004 pursuant to the SFO. On 7 December 2004, the Company wrote to Mr. Rajkumar M Daswani regarding his shareholding in the Company and received a letter dated 13 December 2004 from Mr. Rajkumar M Daswani saying that he and Shalini R Daswani in joint account held 114,731,667 Shares as at 30 September 2004. As at the Latest Practicable Date, the Company has not received valid notification pursuant to the SFO from Shalini R Daswani.

4. The Company had entered into an option agreement (the "Option Agreement") with Gloryrise Group Limited ("Gloryrise") on 7 June 2007, pursuant to which Gloryrise conditionally agreed to subscribe and the Company conditionally agreed to grant options which, upon full exercise, would entitle the holder of the options to require the Company to allot and issue up to 370,000,000 Shares at the subscription price of HK$8,880,000 in total (equivalent to HK$0.024 per Share). Gloryrise is hence interested in the 370,000,000 underlying Shares that may fall to be issued under the Option Agreement.

   The latest time for the fulfillment of the conditions precedent of the Option Agreement had been extended to 30 June 2010. As at the Latest Practicable Date, the conditions precedent to the Option Agreement had not been fulfilled.

   Mr. Tai Kwok Leung, Alexander beneficially owns the entire issued share capital of Gloryrise, and is therefore deemed to be interested in the 370,000,000 underlying Shares that may fall to be issued under the Option Agreement.

5. On 20 August 2002, Mr. Lin Wen (林文先生) ("Mr. Lin") and Mr. Sun Jinlin (孫進林先生) ("Mr. Sun") notified the Company that they respectively held 165,050,000 and 150,800,000 Shares. To ensure the accuracy of its register of members, the Company wrote to Mr. Lin and Mr. Sun to enquire into their then shareholdings in the Company on 14 June 2004. On 13 December 2004, the Company received a letter from Mr. Lin, claiming that he held approximately 5 million Shares, which was substantially different from the record of Mr. Lin's interests available from the website of the Stock Exchange and the Company. The Company could not reach Mr. Lin and Mr. Sun, though it had repeatedly tried to seek valid notification under the SFO from them. As at the Latest Practicable Date, the Company has not received any further response from Mr. Lin or Mr. Sun.

Furthermore, as at the Latest Practicable Date, Ms. Wan Qinghua and Mr. Li Kai Yin held 50,000 shares and 21,633 shares of HK$1.00 each in Sheng Da respectively, representing approximately 24.5% and 10.6% of the issued share capital of Sheng Da respectively.

Save as disclosed above, as at the Latest Practicable date, so far as is known to the Directors or the chief executive of the Company, no persons (not being a Director or chief executive of the Company) had any interest in the Shares or underlying Shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

3. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors is materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which have been acquired or disposed of by, or leased to, or which are proposed to be acquired or disposed of by, or leased to, any member of the Group since 30 September 2009, being the date to which the latest published audited accounts of the Group were made up.

4. MATERIAL CONTRACTS

The following contracts, not being contracts in the ordinary course of business, have been entered into by the Group within the two years preceding the date of this circular, a brief summary of which is set out below:

(a) New Shares (under special mandate)

The Company as issuer had entered into several subscriptions agreements with eight subscribers on 15 November 2007 for the issue and allotment of 600,000,000 Shares to the said subscribers. Five of the said subscribers had subsequently withdrawn their agreements to subscribe for the Shares. Completion of the issue and subscription of the Shares as aforesaid relating to the remaining three subscribers is yet to take place as at the Latest Practicable Date.

Please refer to the announcements of the Company dated 19 November 2007, 17 January 2008, 22 April 2008, 16 July 2008, 2 January 2009, 1 April 2009 and 5 October 2009 respectively, and the circular of the Company dated 28 November 2007 for further details of the aforesaid subscription of the Shares.

(b) New Shares (under general mandate)

The Company as issuer had entered into a subscription agreement with Mr. Chen Rong Lei as subscriber on 21 February 2008 for the issue and allotment of 120,000,000 Shares to the said subscriber. Since the conditions precedent as regards the resumption of trading of the Shares on the Stock Exchange and the approval by the Listing Committee of the Stock Exchange of the listing of and permission to deal in the Shares could not be fulfilled by the long stop date under the said subscription agreement, the said subscription agreement had subsequently been cancelled.

Please refer to the announcements of the Company dated 25 February 2008 and 22 April 2008 for further details of the aforesaid subscription of the Shares.

(c) The sale and purchase agreement dated 27 October 2009 entered into between Thunderbolt Property Corp., a wholly-owned subsidiary of the Company, as vendor and Ms. Mai Xueqing as purchaser in relation to, among other things, the shareholding interest in City Faith Investments Limited; and

(d) The Agreement

5. LITIGATIONS

(a) Lawsuit in respect of Hainan Wanzhong Shiye Touzi Co., Ltd. (海南萬眾實業投資有限公司) ("Hainan Wanzhong")

In June 2003, Hainan Wanzhong, urged the Haikou Intermediate People's Court of Hainan Province (海南省海口市中級人民法院) to issue a Notice for Assistance in Execution (協助執行通知書) to Wuhan Dongseng Highway Construction Development Company Limited ("Dongseng") to retain an amount of RMB19,270,000 to be distributed to Sheng Da (the "Lawsuit"). Sheng Da is a joint venture partner of Dongseng. In October 2006, the claims from Hainan Wanzhong (海南萬眾) was dismissed and Sheng Da had recovered the retained money of RMB19,270,000.

In March 2007, Sheng Da received a copy of a notice which was published on a PRC newspaper and became aware that Hainan Wanzhong had filed its appeal against the judgement of the Haikou Intermediate People's Court and the hearings were scheduled on 10 and 17 May 2007 respectively. In June 2007, Sheng Da was informed by its shareholders Ms. Li Kai Yin (李繼賢女士), Ms. Wan Qinghua (萬慶華女士) and Mr. Huang Zhaohua (黃招華先生) (collectively "Li,Wan & Huang") that the Haikou Intermediate People's Court had issued a Notice for Assistance in Execution on 6 June 2007 to Wuhan Transport Development Co., Ltd. ("Wuhan Transport"), the Chinese JV partner of Sheng Da in Dongseng, requesting for retaining an amount of RMB19,270,000 from the payment of equity transfer amount to Sheng Da until the dispute is resolved.

In June 2008, Sheng Da was informed by Wuhan Transport that it had received a Notice for Assistance in Execution accompanied by a letter from Haikou Intermediate People's Court, pursuant to which Wuhan Transport was requested to execute the judgement and transfer RMB27,234,582 to the accounts of the Haikou Intermediate People's Court.

In February 2009, Sheng Da received from one of its shareholders the judgement of the PRC Supreme Court, pursuant to which the PRC Supreme Court accepted Sheng Da (HK)'s application for appeal.

Pursuant to a shareholders' resolution of Sheng Da passed in 2003 (reference no. for the shareholders' resolution: HKSDSM2003002), Li, Wan & Huang undertook that they would bear the liabilities and legal costs arising from the Lawsuit (the "Undertaking"). Subsequently, Sheng Da received, in several time, letters from Li, Wan & Huang, who intended to revoke the Undertaking.

The Directors consider that it is unacceptable and without legal basis for Li, Wan & Huang to withdraw the Undertaking unilaterally. To preserve the interests of the Company and its shareholders as a whole, the Board concurred that the Company would not accept the withdrawal of the Undertaking by Li, Wan & Huang unilaterally, and would take legal action against Li, Wan & Huang for damages if the Company or Sheng Da sustains any loss from the Lawsuit.

In December 2009, a written judgement from the PRC Supreme Court was received by Sheng Da which indicates that Sheng Da won in the case. The Directors, base on legal advice, considered that the written judgement is the final decision of the case. Accordingly, the Directors consider that no provision has therefore been made as at 30 September 2009.

(b) Petition issued by the SFC

As more fully detailed in the Company's announcement dated 11 September 2008 and a supplemental circular dated 9 April 2009, it has been disclosed that the Company, as one of the defendants, and certain of its current and former directors have been served a Petition by the SFC in relation to certain past transactions of the Group. The Petition was heard on 17 December 2008.

The hearing for trial will be held in January 2011. The Directors consider that the case does not have a significant financial and operating impact to the Group.

Save as aforesaid, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

6. EXPERTS AND CONSENTS

The following sets out the qualifications of the experts who have given opinions or advice in this circular:

Name	Qualification
SHINEWING (HK) CPA Ltd.	Certified Public Accounts
LCH (Asia-Pacific) Surveyors Ltd	Professional Surveyors

As at the Latest Practicable Date, SHINEWING and LCH did not have any shareholding directly or indirectly in any member of Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

As at the Latest Practicable Date, SHINEWING and LCH did not have any direct or indirect interest in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 March 2009, the date of which the latest published audited consolidated financial statements of the Group were made up.

Each of SHINEWING and LCH has given and has not withdrawn its written consent to the issue of this circular with inclusion of its letter and references to its name in the form and context in which it appears.

7. GENERAL

(a) The registered office of the Company is Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda. The principal place of business in Hong Kong is situated at 28th Floor, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong

(b) The Company's Hong Kong share registrar and transfer office is Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

(c) The secretary of the Company is Wang Chin Mong AHKSA, FCCA

(d) The English text of this circular shall prevail over the Chinese text.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal place of business in Hong Kong at 28th Floor, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong during normal business hours from the date of this circular up to and including the date of the SGM and will also be available for inspection at the SGM:

(a) the Agreement;

(b) the memorandum of association and bye-laws of the Company;

(c) the contracts referred to in the section headed "Material Contracts" in this Appendix V;

(d) the annual reports of the Group for each of the two years ended 31 March 2008 and 2009;

(e) the report from SHINEWING in respect of the accountants' report on unaudited pro forma financial information of the remaining group, the text of which is set out in Appendix II to this circular;

(f) valuation report from LCH, the text of which is set out on pages 112 to 124 of this circular;

(g) the written consent referred to in the section headed "Experts and Consents" in this Appendix; and

(h) a copy of each circular issued by the Company pursuant to the requirements set out in Chapters 14 and/or 14A of the Listing Rules since 31 March 2009 (being the date to which the latest published audited accounts of the Company were made up to).

STYLAND HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 211)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the "**SGM**") of Styland Holdings Limited (the "Company") will be held at 28th Floor, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong on Tuesday, 30 March 2010 at 10:30 a.m. for the purpose of considering and, if thought fit, passing the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

"**THAT**:

(a) the sale and purchase agreement dated 10 February 2010 (the "**Agreement**") (copy of which, signed by the Chairman of the meeting for the purposes of identification, has been produced to the meeting marked "A") entered into among Simplex Inc. (the "**Vendor**"), a wholly-owned subsidiary of the Company, as vendor, Lucky Global Investments Limited (the "**Purchaser**") as purchaser and Lu Yu Dong as guarantor pursuant to which the Vendor agreed to dispose of 90% of the issued share capital of Onland Investment Limited (the "**Target Company**") and all shareholder's loans due by the Target Company and its subsidiary to the Purchaser for a total consideration of HK$48 million, and the transactions contemplated thereunder be and are hereby approved;

(b) the entering into of the Agreement by the Vendor be and is hereby approved, confirmed and ratified; and

(c) the directors of the Company be and are hereby authorised to do such acts and/or things and/or execute all such documents incidental to, ancillary to or in connection with matters contemplated in or relating to the Agreement as they may in their absolute discretion consider necessary, desirable or expedient to give effect to the Agreement and the implementation of all transactions contemplated thereunder and to agree to such variation, amendment or waiver as are, in the opinion of the directors of the Company, in the interest of the Company."

By the order of the Board
Styland Holdings Limited
Ms. Zhang Yuyan
Director

Hong Kong, 15 March 2010

Registered office:
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Principal place of business in Hong Kong:
28th Floor
Aitken Vanson Centre
61 Hoi Yuen Road
Kwun Tong
Kowloon
Hong Kong

Notes:

(1) Any member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.

(2) The instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person authorized to sign the same.

(3) In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be deposited at 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 less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

(4) In the case of joint registered holders of any shares of the Company, any one of such joint registered holders may vote at the meeting, either in person or by proxy, in respect of such shares as if he/she/it were solely entitled thereto; but if more than one of such joint registered holders be present at the meeting, either in person or by proxy, the vote of that one of them so present, either in person or by proxy, whose name stands first on the register of members in respect of such shares shall be accepted to the exclusion of the votes of the other joint registered holder(s).

(5) A circular dated 15 March 2010 giving details of the Sale and Purchase Agreement have been sent to the Company's shareholders.

As at the date hereof, the executive directors of the Company are Mr. Cheung Hoo Win, Ms. Yeung Han Yi Yvonne, Ms. Chan Chi Mei Miranda, Ms. Zhang Yuyan and Ms. Chen Lili and the independent non-executive Directors are Mr. Zhao Qingji, Mr. Yeung Shun Kee Edward, Mr. Li Hancheng and Lo Tsz Fung Philip.