



*10<sup>th</sup>  
Anniversary*

MOISELLE

Stock Code : 130

MOISELLE INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

**INTERIM REPORT**  
2007/ 2008

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive

Mr. CHAN Yum Kit (*Chairman*)  
 Ms. TSUI How Kiu, Shirley  
 Mr. CHUI Hing Yee  
 Mr. CHAN Sze Chun

#### Independent Non-Executive

Ms. YU Yuk Ying, Vivian  
 Mr. CHU Chun Kit, Sidney  
 Ms. WONG Shuk Ying, Helen

#### AUDIT COMMITTEE

Ms. YU Yuk Ying, Vivian  
 Mr. CHU Chun Kit, Sidney  
 Ms. WONG Shuk Ying, Helen

#### REMUNERATION COMMITTEE

Ms. YU Yuk Ying, Vivian  
 Mr. CHU Chun Kit, Sidney  
 Mr. CHAN Sze Chun

#### COMPANY SECRETARY & QUALIFIED ACCOUNTANT

Ms. PANG Lin

#### REGISTERED OFFICE

Cricket Square  
 Hutchins Drive  
 P.O. Box 2681  
 Grand Cayman KY1-1111  
 Cayman Islands

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Units 3-6, 11th Floor  
 Kodak House 2  
 39 Healthy Street East  
 North Point  
 Hong Kong

#### WEBSITE

<http://www.moiselle.com.hk>

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Bank of Bermuda (Cayman) Limited  
 P.O. Box 513 GT  
 Strathvale House  
 North Church Street, George Town  
 Grand Cayman, Cayman Islands  
 British West Indies

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Hong Kong Registrars Limited  
 Shops 1712-1716, 17th Floor  
 Hopewell Centre  
 183 Queen's Road East  
 Hong Kong

#### KEY DATES

Closure of Register of Members:  
 7 January 2008 to 9 January 2008  
 Interim Dividend Payment:  
 16 January 2008

The board of directors (the "Board") of Moiseille International Holdings Limited (the "Company") is pleased to announce that the unaudited interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2007, together with the comparative figures for the corresponding period in 2006, were as follows:

## CONSOLIDATED INCOME STATEMENT

<i>(in HK\$'000)</i>	Note	Unaudited Six months ended 30 September	
		2007	2006
<b>Turnover</b>		<b>173,804</b>	151,775
Cost of sales		<b>(37,545)</b>	(33,417)
<b>Gross profit</b>		<b>136,259</b>	118,358
Other revenue		<b>1,768</b>	2,524
Other net income/(expenses)		<b>3,113</b>	(239)
Selling and distribution costs		<b>(84,462)</b>	(66,429)
Administrative and other operating expenses		<b>(29,321)</b>	(21,871)
<b>Profit from operations</b>		<b>27,357</b>	32,343
Finance costs		<b>(125)</b>	(166)
<b>Profit before taxation</b>	3	<b>27,232</b>	32,177
Income tax	4	<b>(3,808)</b>	(3,179)
<b>Profit for the period</b>		<b>23,424</b>	28,998
<b>Interim dividend</b>			
2007/2008 interim	5	<b>11,281</b>	14,098
<b>Earnings per share</b>	6		
Basic		<b>\$0.08</b>	\$0.10
Diluted		<b>\$0.08</b>	\$0.10

The notes on pages 7 to 10 form part of these financial statements.

**CONSOLIDATED BALANCE SHEET**

<i>(in HK\$'000)</i>	<i>Note</i>	<b>As at 30 September 2007 (Unaudited)</b>	<b>As at 31 March 2007 (Audited)</b>
<b>Non-current assets</b>			
Fixed assets			
– Investment properties		<b>17,130</b>	17,130
– Other fixed assets		<b>167,182</b>	165,334
		<b>184,312</b>	182,464
Other assets		<b>10,581</b>	13,558
Deferred tax assets		<b>3,937</b>	4,112
		<b>198,830</b>	200,134
<b>Current assets</b>			
Other financial assets		<b>514</b>	4,359
Inventories		<b>84,595</b>	69,617
Trade and other receivables	7	<b>57,112</b>	41,920
Tax recoverable		<b>1,638</b>	1,695
Cash and cash equivalents		<b>62,652</b>	90,306
		<b>206,511</b>	207,897
<b>Current liabilities</b>			
Trade and other payables	8	<b>53,541</b>	43,064
Tax payable		<b>3,111</b>	5,446
		<b>56,652</b>	48,510
<b>Net current assets</b>		<b>149,859</b>	159,387
<b>Total assets less current liabilities</b>		<b>348,689</b>	359,521
<b>Non-current liabilities</b>			
Deferred tax liabilities		<b>7,967</b>	7,967
<b>NET ASSETS</b>		<b>340,722</b>	351,554
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>2,821</b>	2,821
Reserves		<b>337,901</b>	348,733
<b>TOTAL EQUITY</b>		<b>340,722</b>	351,554

The notes on pages 7 to 10 form part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>(in HK\$'000)</i>	<b>Unaudited Six months ended 30 September</b>	
	<b>2007</b>	2006
<b>Total equity at 1 April</b>	<b>351,554</b>	300,706
<b>Net expense recognised directly in equity:</b>		
Exchange differences on translation of PRC subsidiaries	<b>(412)</b>	–
Net profit for the period	<b>23,424</b>	28,998
<b>Total recognised income and expense for the period</b>	<b>23,012</b>	28,998
Dividends declared or approved during the period	<b>(33,844)</b>	(33,834)
<b>Total equity at 30 September</b>	<b>340,722</b>	295,870

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

<i>(in HK\$'000)</i>	<b>Unaudited Six months ended 30 September</b>	
	<b>2007</b>	2006
<b>Net cash from operating activities</b>	<b>11,107</b>	27,411
<b>Net cash used in investing activities</b>	<b>(4,792)</b>	(725)
<b>Net cash used in financing activities</b>	<b>(33,969)</b>	(34,169)
<b>Net decrease in cash and cash equivalents</b>	<b>(27,654)</b>	(7,483)
<b>Cash and cash equivalents at 1 April</b>	<b>90,306</b>	91,595
<b>Cash and cash equivalents at 30 September</b>	<b>62,652</b>	84,112
<b>Analysis of balance of cash and cash equivalents</b>		
Deposits with banks	<b>29,938</b>	54,174
Cash at bank and in hand	<b>32,714</b>	29,938
<b>Cash and cash equivalents in the consolidated balance sheet and the condensed consolidated cash flow statement</b>	<b>62,652</b>	84,112

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Basis of preparation

These unaudited consolidated interim financial statements are prepared in accordance with the requirements of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited, including compliance with the Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants.

### 2. Principal accounting policies

The accounting policies and methods of computation used in the preparation of these interim financial statements are consistent with those used in the Group's annual financial statements for the year ended 31 March 2007, except in relation to the new and revised Hong Kong Financial Reporting Standards ("HKFRSs", which term collectively includes HKASs and Interpretations) which are effective for accounting periods beginning on or after 1 January 2007 and are adopted for the first time by the Group. The adoption of the new and revised HKFRSs has had no material impact on the accounting policies of the Group and the methods of computation in the Group's consolidated financial statements for the six month ended 30 September 2007.

### 3. Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

<i>(in HK\$'000)</i>	<b>Unaudited Six months ended 30 September</b>	
	<b>2007</b>	2006
Depreciation	<b>8,811</b>	6,516
Interest on bank advances	<b>125</b>	166
Realised and unrealised (gains)/losses on trading securities	<b>(48)</b>	31
Net (gain)/loss on sale of fixed assets	<b>(6)</b>	348
	<b>_____</b>	<b>_____</b>



#### 4. Income tax

<i>(in HK\$'000)</i>	<b>Unaudited Six months ended 30 September</b>	
	<b>2007</b>	2006
Current tax		
Hong Kong Profits Tax	<b>126</b>	203
PRC	<b>3,507</b>	2,784
	<b>3,633</b>	2,987
Deferred tax		
Origination and reversal of temporary differences	<b>175</b>	192
	<b>3,808</b>	3,179

The provision for Hong Kong Profits Tax is calculated at 17.5% (2006: 17.5%) of the estimated assessable profits for the six months ended 30 September 2007. Taxation for the People's Republic of China ("PRC") and overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

#### 5. Interim dividend

The directors have declared an interim dividend of HK4.0 cents (2006/2007: HK5.0 cents) per share for the year ending 31 March 2008 payable to the shareholders on the register of members of the Company at the close of business on 9 January 2008. The relevant dividend warrants will be despatched to shareholders on 16 January 2008.

## 6. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of approximately HK\$23,424,000 (2006: HK\$28,998,000) and the weighted average number of 282,030,000 (2006: 281,950,000) ordinary shares in issue during the period.

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of approximately HK\$23,424,000 (2006: HK\$28,998,000) and the weighted average number of 285,266,516 (2006: 284,559,337) ordinary shares after adjusting for the effects of all dilutive potential ordinary shares.

### Reconciliations

<i>(Number of shares)</i>	<b>Unaudited Six months ended 30 September</b>	
	<b>2007</b>	2006
Weighted average number of ordinary shares used in calculating basic earnings per share	<b>282,030,000</b>	281,950,000
Deemed issue of ordinary shares for no consideration	<b>3,236,516</b>	2,609,337
	<hr/>	<hr/>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<b>285,266,516</b>	284,559,337
	<hr/>	<hr/>

## 7. Trade and other receivables

Included in trade and other receivables are trade debtors with the following ageing analysis:

<i>(in HK\$'000)</i>	<b>As at 30 September 2007 (Unaudited)</b>	As at 31 March 2007 (Audited)
Outstanding balances with ages:		
Within 30 days	<b>14,473</b>	11,185
Between 31 to 90 days	<b>8,307</b>	10,039
Between 91 to 180 days	<b>2,983</b>	2,826
Between 181 to 365 days	<b>1,522</b>	2,013
Over 365 days	<b>1,360</b>	1,953
	<hr/>	<hr/>
	<b>28,645</b>	28,016
	<hr/>	<hr/>

Customers of wholesale business are generally granted with credit terms of 30 to 90 days. Collection of sales receipts from customers of retail business is conducted on a cash basis.

## 8. Trade and other payables

Included in trade and other payables are trade creditors with the following ageing analysis:

<i>(in HK\$'000)</i>	<b>As at 30 September 2007 (Unaudited)</b>	As at 31 March 2007 (Audited)
Outstanding balances with ages:		
Within 30 days	<b>9,246</b>	5,606
Between 31 to 90 days	<b>1,200</b>	1,544
Over 90 days	<b>943</b>	1,111
	<b>11,389</b>	8,261

## 9. Segment reporting

Segment information is presented in respect of the Group's geographical segments. Information relating to geographical segments based on the location of customers is chosen because this is in line with the Group's management information reporting system.

Segment outside Hong Kong represents sales to customers located in the PRC, Taiwan and Macau.

No business segment analysis of the Group is presented because sales of garments is the only distinguishable business segment of the Group.

<i>(in HK\$'000)</i>	<b>Unaudited Six months ended 30 September</b>							
	<b>Hong Kong</b>		<b>Outside Hong Kong</b>		<b>Unallocated</b>		<b>Consolidated</b>	
	<b>2007</b>	2006	<b>2007</b>	2006	<b>2007</b>	2006	<b>2007</b>	2006
Revenue from external customers	<b>97,974</b>	91,608	<b>75,830</b>	60,167	-	-	<b>173,804</b>	151,775
Other revenue from external customers	-	-	-	-	<b>358</b>	306	<b>358</b>	306
Total	<b>97,974</b>	91,608	<b>75,830</b>	60,167	<b>358</b>	306	<b>174,162</b>	152,081
Segment result	<b>11,871</b>	17,060	<b>10,605</b>	12,998			<b>22,476</b>	30,058
Unallocated operating income and expenses							<b>4,881</b>	2,285
Profit from operations							<b>27,357</b>	32,343
Finance costs							<b>(125)</b>	(166)
Income tax							<b>(3,808)</b>	(3,179)
Profit for the period							<b>23,424</b>	28,998
Depreciation for the period	<b>3,747</b>	3,422	<b>5,064</b>	3,094			<b>8,811</b>	6,516

## MANAGEMENT DISCUSSION AND ANALYSIS

### REVIEW AND PROSPECTS

The Group's turnover increased by approximately 15% to approximately HK\$174 million (2006: HK\$152 million) during the six months ended 30 September 2007 compared with the corresponding period last year. As the established sales network in the PRC has generated improved performance, the revenue of the region outside Hong Kong increased by 26% to approximately HK\$75,830,000 (2006: HK\$60,167,000) during the period under review. The segment revenue reached approximately 44% of the Group's turnover during the period following the increasing trend of the past few years.

During the period, the Group's gross profit margin was approximately 78%, which is approximately the same for the corresponding period in 2006. The gross margin remained in the normal range of the brands under the Group.

Operating expenses for the six months ended 30 September 2007 totaled approximately HK\$113,783,000, compared to approximately HK\$88,300,000 for the same period last year with an increase of approximately 29%. The increase in operating expenses had been in a higher pace than the same period last year which was mainly attributed by the increase in rental expenses and staff costs under the highly competitive market conditions.

The profit for the period was approximately HK\$23.4 million (2006: HK\$29.0 million), approximately 19% lower than the corresponding period last year. The decrease is mainly attributable to the fact that the increase in operating expenses outweighed the increase in turnover and gross margin.

There were totally 65 *MOISELLE* (2006: 67 *MOISELLE*) stores located in various cities in the PRC as at 30 September 2007. Approximately one-fourth of the stores were franchised stores and the remaining were consignment stores. The Group also operated totally 9 *mademoiselle* (2006: 7 *mademoiselle*) and 15 *imaroon* (2006: 10 *imaroon*) stores in China at the end of the period under review. The new store locations for *mademoiselle* and *imaroon* brands included cities of Nanjing, Guangzhou, Kunming and Wuhan.

Concerning Hong Kong retail market, the Group operated 17 *MOISELLE*, 7 *imaroon* and 4 *mademoiselle* (2006: 17 *MOISELLE*, 6 *imaroon* and 4 *mademoiselle*) retail outlets as at 30 September 2007. There was one *MOISELLE* (2006: one *MOISELLE*) store in Macau and 11 *MOISELLE* (2006: 5 *MOISELLE* and one *mademoiselle*) stores in Taiwan at the end of the period under review.

During the period, the Group opened the first *COCCINELLE* retail outlet in IFC Mall in Central, Hong Kong. Moreover, the first two retail outlets of *REISS* have been opened in Time Square and Gateway in Hong Kong. The Group has also engaged in exclusive distributorship for *SEQUOIA*, a French fashion accessories brand. The contemporary and stylish design and high quality of *SEQUOIA* provides a wide range of choices to our customers in the market.

## FINANCIAL POSITION

During the period, the Group financed its operations with internally generated cash flows. The Group adopts a prudent financial policy such that it can meet the financial obligations when they fall due and maintain a sufficient operating fund for the development of the Group's business. At the end of the financial period, the Group's aggregate fixed deposits and cash balances amounted to approximately HK\$63 million (31 March 2007: HK\$90 million). As at 30 September 2007, the Group maintained aggregate composite banking facilities of approximately HK\$83 million (31 March 2007: HK\$90 million) with various banks, of which approximately HK\$7 million (31 March 2007: HK\$2 million) was utilised.

The Group continues to enjoy healthy financial position. As at 30 September 2007, the current ratio (current assets divided by current liabilities) was approximately 3.6 times (31 March 2007: 4.3 times) and the gearing ratio (aggregate of bank borrowings and finance lease payables divided by shareholders' equity) was zero (31 March 2007: Nil).

## Commitments

Capital commitments outstanding at 30 September 2007 which were contracted for but not provided for in the financial statements were HK\$1,116,000 (31 March 2007: HK\$438,000).

## Contingent liabilities

At 30 September 2007, the Company had contingent liabilities in relation to guarantees given to banks against banking facilities extended to certain wholly owned subsidiaries amounted to approximately HK\$7 million (31 March 2007: HK\$2 million). The Company also had contingent liabilities in relation to guarantee given to a supplier against obligations or sums payable for goods and services supplied to certain wholly owned subsidiary amounted to approximately HK\$2 million (31 March 2007: Nil).

## EMPLOYEE

As at 30 September 2007, the Group employed 1,248 (31 March 2007: 1,146) employees mainly in Hong Kong and the PRC. Salaries of employees are maintained at competitive levels while bonuses are granted on a discretionary basis. Other employee benefits include mandatory provident fund, statutory and medical insurance cover, training programmes, a share option scheme and a share award scheme.

## OTHER INFORMATION

### DIRECTORS

The directors during the period and up to the date of this report were:

#### Executive directors

Mr. Chan Yum Kit  
 Ms. Tsui How Kiu, Shirley  
 Mr. Chui Hing Yee  
 Mr. Chan Sze Chun

#### Independent non-executive directors

Ms. Yu Yuk Ying, Vivian  
 Mr. Chu Chun Kit, Sidney  
 Ms. Wong Shuk Ying, Helen

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 30 September 2007, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange were as follows:

<b>Name of director</b>	<b>Beneficial interest in shares</b>	<b>Nature of interest</b>
Mr. Chan Yum Kit	190,872,000	Corporate/Family (Notes (1) and (2))
Ms. Tsui How Kiu, Shirley	190,872,000	Corporate/Family (Notes (1) and (2))
Ms. Wong Shuk Ying, Helen	30,000	Personal

*Notes:*

- (1) 190,000,000 of these shares are held by Super Result Consultants Limited ("Super Result"). The share capital of Super Result is beneficially owned by Mr. Chan Yum Kit ("Mr. Chan"), Ms. Tsui How Kiu, Shirley ("Ms. Tsui") and Mr. Chui Hing Yee as to 46.7%, 46.7% and 6.6% respectively. Each of Mr. Chan and Ms. Tsui will therefore be deemed to be interested in the 190,000,000 shares held by Super Result as corporate interest.

872,000 of these shares are held by New First Investments Limited ("New First"). The share capital of New First is beneficially owned by Mr. Chan and Ms. Tsui as to 50% and 50% respectively. Each of Mr. Chan and Ms. Tsui will therefore be deemed to be interested in the 872,000 shares held by New First as corporate interest.

- (2) Since Mr. Chan and Ms. Tsui are married to each other, Mr. Chan will be deemed to be interested in the shares which Ms. Tsui will be deemed to be interested in as family interest and vice versa.

In addition to the above, one director has non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Group. Certain directors also have beneficial interests in non-voting deferred shares practically carrying no rights to dividends or to receive notice of or to attend or vote at any general meeting or to participate in any distribution or winding up in a subsidiary.

The directors of the Company have been granted options under the Company's share option scheme, details of which are set out in the section "Share option scheme" below.

Apart from the foregoing, as at 30 September 2007, none of the directors or the chief executive of the Company or their respective associates had any interests or short positions 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, as recorded in the register kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## SHARE OPTION SCHEME

Pursuant to the share option scheme adopted on 25 January 2002, the Company has granted to certain directors and employees of the Company and other participant options to subscribe for shares of the Company. A summary of the movements of the outstanding share options during the six months ended 30 September 2007 is set out below.

Eligible person	Number of share options				Balance as at 30 September 2007	Exercise price per share HK\$	Date of grant (DD/MM/YYYY)	Exercisable period (DD/MM/YYYY)	Market value per share immediately before the date of grant of options HK\$
	Balance as at 1 April 2007	Granted during the period	Exercised during the period	Lapsed/cancelled during the period					
<i>Director</i>									
Mr. Chan	2,100,000	-	-	-	2,100,000	1.15	2/4/2002	23/4/2002 to 1/4/2012	1.14
Ms. Tsui	2,100,000	-	-	-	2,100,000	1.15	2/4/2002	23/4/2002 to 1/4/2012	1.14
Chui Hing Yee	500,000	-	-	-	500,000	1.15	2/4/2002	23/4/2002 to 1/4/2012	1.14
Chan Sze Chun	900,000	-	-	-	900,000	1.15	2/4/2002	23/4/2002 to 1/4/2012	1.14
Yu Yuk Ying, Vivian	100,000	-	-	-	100,000	1.15	2/4/2002	23/4/2002 to 1/4/2012	1.14
<i>Continuous contract employees in aggregate</i>	20,000	-	-	-	20,000	1.15	2/4/2002	2/4/2003 to 1/4/2012	1.14
<i>Suppliers of services in aggregate</i>	200,000	-	-	-	200,000	1.15	2/4/2002	23/4/2002 to 1/4/2012	1.14
	<u>5,920,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,920,000</u>				

Apart from the foregoing, at no time during the six months ended 30 September 2007 was the Company, any of its holding company, subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors or the chief executive of the Company or any of their spouses or children under eighteen years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.



**SUBSTANTIAL INTERESTS IN THE SHARE CAPITAL OF THE COMPANY**

As at 30 September 2007, the interests or short positions of the following shareholders, other than the directors and the chief executive of the Company, in the shares or underlying shares of the Company which have been disclosed to the Company pursuant to Part XV of the SFO have been recorded in the register kept by the Company under section 336 of the SFO:

<b>Name of shareholder</b>	<b>Aggregate long position in shares</b>	<b>Approximate percentage of aggregate interests to total issued share capital</b>
Super Result	190,000,000	67.37% (Note 1)
Absolute Asia Asset Management Limited	14,508,000	5.14% (Note 2)
Allianz SE	17,155,000	6.08% (Note 3)
Dresdner Bank Aktiengesellschaft	17,155,000	6.08% (Note 3)
Veer Palthe Voute NV	17,155,000	6.08% (Note 4)
Commonwealth Bank of Australia	18,072,000	6.41% (Note 5)
First State Investments (Hong Kong) Ltd	18,072,000	6.41% (Note 6)

*Notes:*

- 1 The share capital of Super Result is beneficially owned by Mr. Chan, Ms. Tsui and Mr. Chui Hing Yee as to 46.7%, 46.7% and 6.6% respectively.
- 2 The capacity of Absolute Asia Asset Management Limited in holding the 14,508,000 shares was as investment manager.

- 3 Allianz SE and Dresdner Bank Aktiengesellschaft were deemed to be interested in the 17,155,000 shares held by Veer Palthe Voute NV by virtue of indirect controlling interest of 81.1% and 100.0% respectively in Veer Palthe Voute NV.
- 4 The capacity of Veer Palthe Voute NV in holding the 17,155,000 shares was an investment manager.
- 5 Commonwealth Bank of Australia was deemed to be interested in the 18,072,000 shares held by First State Investments (Hong Kong) Ltd by virtue of indirect controlling interest of 100.0% in First State Investments (Hong Kong) Ltd.
- 6 The capacity of First State Investments (Hong Kong) Ltd in holding the 18,072,000 shares was an investment manager.

Apart from the foregoing, and other than the directors and the chief executive of the Company whose interests are set out in the sections "Directors' and chief executive's interests in securities" and "Share option scheme" above, no person was recorded in the register kept by the Company under section 336 of the SFO as having an interest or a short position in the shares or underlying shares of the Company as at 30 September 2007.

#### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

There were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the period.

#### **CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company has complied with the code provisions listed in the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules throughout the period. The only exception is that Mr. Chan Yum Kit is the chairman of the Board and also assumes the role of the chief executive. The Board considers that the current management structure ensures consistent leadership and optimal efficiency for the operation of the Company.

#### **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the Company's code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the Company's directors, the directors have complied with the required standard set out in the Model Code, throughout the period of six months ended 30 September 2007.

## **AUDIT COMMITTEE**

The Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises three independent non-executive directors of the Company.

The audit committee of the Company has reviewed with the management the accounting principles and practices adopted by the Group and the unaudited consolidated financial statements of the Group for the six months ended 30 September 2007.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from 7 January 2008 to 9 January 2008, both days inclusive, during which period no transfer of shares will be effected. To qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates should be lodged with the Company's branch share registrar and transfer office in Hong Kong, Hong Kong Registrars Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 4 January 2008.

By Order of the Board  
**Chan Yum Kit**  
*Chairman*

Hong Kong, 19 December 2007