



# MOISELLE

INTERIM REPORT 2009/2010

**MOISELLE INTERNATIONAL HOLDINGS LIMITED**

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE: 130

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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**

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**

HSBC Trustee (Cayman) Limited  
PO Box 484  
HSBC House  
68 West Bay Road  
Grand Cayman  
KY1-1106  
Cayman Islands

### **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:  
11 January 2010 to 13 January 2010  
Interim Dividend Payment:  
20 January 2010



The board of directors (the "Board") of Moisselle 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 2009, together with the comparative figures for the corresponding period in 2008, were as follows:

## CONSOLIDATED INCOME STATEMENT – UNAUDITED

<i>(in HK\$'000)</i>	Note	Six months ended 30 September	
		2009	2008
<b>Turnover</b>		<b>186,210</b>	189,628
Cost of sales		<b>(37,187)</b>	(38,646)
<b>Gross profit</b>		<b>149,023</b>	150,982
Other revenue		<b>1,019</b>	1,998
Other net income		<b>130</b>	3,250
Selling and distribution costs		<b>(111,929)</b>	(109,940)
Administrative and other operating expenses		<b>(27,423)</b>	(32,501)
<b>Profit from operations</b>		<b>10,820</b>	13,789
Finance costs		<b>(1)</b>	(114)
<b>Profit before taxation</b>	3	<b>10,819</b>	13,675
Income tax	4	<b>(3,878)</b>	(3,607)
<b>Profit for the period</b>		<b>6,941</b>	10,068
<b>Earnings per share</b>	6		
Basic		<b>\$0.02</b>	\$0.04
Diluted		<b>N/A</b>	\$0.04

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – UNAUDITED**

<i>(in HK\$'000)</i>	<b>Six months ended 30 September</b>	
	<b>2009</b>	2008
<b>Profit for the period</b>	<b>6,941</b>	10,068
<b>Other comprehensive income for the period:</b>		
Exchange differences on translation of financial statements of PRC subsidiaries	<b>(335)</b>	(254)
<b>Total comprehensive income for the period</b>	<b>6,606</b>	9,814



## CONSOLIDATED BALANCE SHEET – UNAUDITED

<i>(in HK\$'000)</i>	<i>Note</i>	<b>As at 30 September 2009</b>	As at 31 March 2009
<b>Non-current assets</b>			
Fixed assets			
– Investment properties		<b>15,820</b>	15,820
– Other fixed assets		<b>194,626</b>	199,036
		<b>210,446</b>	214,856
Other assets		<b>12,105</b>	14,226
Deferred tax assets		<b>3,060</b>	3,002
		<b>225,611</b>	232,084
<b>Current assets</b>			
Inventories		<b>69,237</b>	73,349
Trade and other receivables	7	<b>51,332</b>	47,185
Cash and cash equivalents		<b>111,307</b>	100,432
		<b>231,876</b>	220,966
<b>Current liabilities</b>			
Trade and other payables	8	<b>53,458</b>	49,507
Tax payable		<b>3,715</b>	4,194
		<b>57,173</b>	53,701
<b>Net current assets</b>		<b>174,703</b>	167,265
<b>Total assets less current liabilities</b>		<b>400,314</b>	399,349
<b>Non-current liabilities</b>			
Deferred tax liabilities		<b>15,395</b>	15,395
<b>NET ASSETS</b>		<b>384,919</b>	383,954
<b>Capital and reserves</b>			
Share capital		<b>2,821</b>	2,821
Reserves		<b>382,098</b>	381,133
<b>TOTAL EQUITY</b>		<b>384,919</b>	383,954

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED**

	Share capital \$'000	Share premium \$'000	Other reserve \$'000	Exchange reserve \$'000	Statutory reserve funds \$'000	Land and buildings revaluation reserve \$'000	Retained profits \$'000	Total \$'000
<b>Balance at 1 April 2008</b>	2,821	58,601	121	13,883	6,161	89,540	237,955	409,082
<b>Changes in equity for the six months ended 30 September 2008:</b>								
Dividend approved in respect of the previous year	-	-	-	-	-	-	(19,742)	(19,742)
Total comprehensive income for the period	-	-	-	(254)	-	-	10,068	9,814
<b>Balance at 30 September 2008</b>	<u>2,821</u>	<u>58,601</u>	<u>121</u>	<u>13,629</u>	<u>6,161</u>	<u>89,540</u>	<u>228,281</u>	<u>399,154</u>
<b>Balance at 1 April 2009</b>	<b>2,821</b>	<b>58,601</b>	<b>121</b>	<b>14,475</b>	<b>9,051</b>	<b>69,146</b>	<b>229,739</b>	<b>383,954</b>
<b>Changes in equity for the six months ended 30 September 2009:</b>								
Dividend approved in respect of the previous year	-	-	-	-	-	-	(5,641)	(5,641)
Total comprehensive income for the period	-	-	-	(335)	-	-	6,941	6,606
<b>Balance at 30 September 2009</b>	<u>2,821</u>	<u>58,601</u>	<u>121</u>	<u>14,140</u>	<u>9,051</u>	<u>69,146</u>	<u>231,039</u>	<u>384,919</u>



## CONDENSED CONSOLIDATED CASH FLOW STATEMENT – UNAUDITED

	<b>Six months ended 30 September</b>	
<i>(in HK\$'000)</i>	<b>2009</b>	2008
<b>Net cash from operating activities</b>	<b>23,730</b>	13,356
<b>Net cash used in investing activities</b>	<b>(7,213)</b>	(6,179)
<b>Net cash used in financing activities</b>	<b>(5,642)</b>	(19,856)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>10,875</b>	(12,679)
<b>Cash and cash equivalents at 1 April</b>	<b>100,432</b>	76,747
<b>Cash and cash equivalents at 30 September</b>	<b>111,307</b>	64,068
<b>Analysis of balance of cash and cash equivalents</b>		
Deposits with banks	<b>70,813</b>	35,317
Cash at bank and in hand	<b>40,494</b>	31,814
<b>Cash and cash equivalents in the consolidated balance sheet</b>	<b>111,307</b>	67,131
<b>Less: Bank overdrafts</b>	<b>–</b>	(3,063)
<b>Cash and cash equivalents in the condensed consolidated cash flow statement</b>	<b>111,307</b>	64,068



## NOTES TO THE FINANCIAL STATEMENTS

### 1. Basis of preparation

These unaudited consolidated interim financial statements are prepared in accordance with the applicable disclosure provisions 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 2009, 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 2009 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 months ended 30 September 2009.

### 3. Profit before taxation

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

<i>(in HK\$'000)</i>	<b>Six months ended 30 September</b>	
	<b>2009</b>	2008
Depreciation	<b>10,686</b>	10,656
Interest on bank advances and other borrowings wholly repayable within five years	<b>1</b>	114
Net realised and unrealised losses on equity securities	<b>–</b>	14
Net losses/(gain) on sale of fixed assets	<b>242</b>	(44)
	<b>—————</b>	<b>—————</b>

### 4. Income tax

<i>(in HK\$'000)</i>	<b>Six months ended 30 September</b>	
	<b>2009</b>	2008
Current tax		
Hong Kong Profits Tax	<b>130</b>	9
PRC	<b>3,806</b>	3,672
	<b>—————</b>	<b>—————</b>
	<b>3,936</b>	3,681
Deferred tax		
Origination and reversal of temporary differences	<b>(58)</b>	(74)
	<b>—————</b>	<b>—————</b>
	<b>3,878</b>	3,607

The provision for Hong Kong Profits Tax is calculated at 16.5% (2008: 16.5%) of the estimated assessable profits for the six months ended 30 September 2009. 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 HK2.0 cents (2008/2009: HK2.0 cents) per share for the year ending 31 March 2010 payable to the shareholders on the register of members of the Company at the close of business on 13 January 2010. The relevant dividend warrants will be despatched to the shareholders on 20 January 2010.

## 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\$6,941,000 (2008: HK\$10,068,000) and the weighted average number of 282,030,000 (2008: 282,030,000) ordinary shares in issue during the period.

The diluted earnings per share for the six months ended 30 September 2009 is not presented as the Company does not have dilutive potential ordinary shares in existence during the period.

For the six months ended 30 September 2008, the calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of approximately HK\$10,068,000 and the weighted average number of 283,534,955 ordinary shares after adjusting for the effects of all dilutive potential ordinary shares.

### Reconciliations

	<b>Six months ended 30 September</b>	
	<b>2009</b>	2008
<i>(Number of shares)</i>		
Weighted average number of ordinary shares used in calculating basic earnings per share	<b>282,030,000</b>	282,030,000
Effect of deemed issue of ordinary shares under the Company's share option scheme for nil consideration	—	1,504,955
Weighted average number of ordinary shares used in calculating diluted earnings per share	<b><u>282,030,000</u></b>	<b><u>283,534,955</u></b>

**7. Trade and other receivables**

Included in trade and other receivables are trade debtors (net of allowance for doubtful debts) with the following ageing analysis:

<i>(in HK\$'000)</i>	<b>As at 30 September 2009</b>	As at 31 March 2009
Outstanding balances aged:		
Within 30 days	<b>10,035</b>	16,060
Between 31 to 90 days	<b>7,476</b>	2,700
Between 91 to 180 days	<b>1,133</b>	752
Between 181 to 365 days	<b>73</b>	1
Over 365 days	<b>21</b>	–
	<b>18,738</b>	19,513

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 2009</b>	As at 31 March 2009
Outstanding balances aged:		
Within 30 days	<b>6,069</b>	3,441
Between 31 to 90 days	<b>1,482</b>	353
Over 90 days	<b>588</b>	488
	<b>8,139</b>	4,282



## 9. Segment reporting

The Group manages its business by entities, which are organised by geography. Information regarding the Group's reporting segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 30 September 2009 and 2008 is set out below.

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

(in HK\$'000)	Six months ended 30 September							
	Hong Kong		Hong Kong Outside		Unallocated		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008
Revenue from external customers	<b>92,385</b>	104,123	<b>93,825</b>	85,505	-	-	<b>186,210</b>	189,628
Other revenue from external customers	-	-	-	-	<b>282</b>	288	<b>282</b>	288
Reportable segment revenue	<b>92,385</b>	104,123	<b>93,825</b>	85,505	<b>282</b>	288	<b>186,492</b>	189,916
Reportable segment profit	<b>1,062</b>	3,674	<b>8,610</b>	4,867			<b>9,672</b>	8,541
Unallocated operating income and expenses							<b>1,148</b>	5,248
Profit from operations							<b>10,820</b>	13,789
Finance costs							<b>(1)</b>	(114)
Income tax							<b>(3,878)</b>	(3,607)
Profit for the period							<b>6,941</b>	10,068

## MANAGEMENT DISCUSSION AND ANALYSIS

### REVIEW AND PROSPECTS

The Group's turnover decreased by approximately 2% to approximately HK\$186,210,000 (2008: HK\$189,628,000) during the six months ended 30 September 2009 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 10% to approximately HK\$93,825,000 (2008: HK\$85,505,000) during the period under review. The segment revenue reached approximately 50% 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 80%, which was similar to that for the corresponding period in 2008. The gross margin remained in the normal range of the brands under the Group.

Operating expenses for the six months ended 30 September 2009 totaled approximately HK\$139,352,000, compared to approximately HK\$142,441,000 for the same period last year with a slight decrease of approximately 2%. The decrease in operating expenses had been attributable to the effective management measures to control administrative and other operating expenses such as staff costs during the period.

The profit for the period was approximately HK\$6.9 million (2008: HK\$10.1 million), approximately 31% lower than the corresponding period last year. The decrease was mainly attributable to the decrease in turnover and which in turn was caused by the slow down of Hong Kong retail market after the financial tsunami last year.

There were totally 58 *MOISELLE* (2008: 68 *MOISELLE*) stores located in various cities in the PRC as at 30 September 2009. 40 (2008: 45) out of the 58 (2008: 68) stores were operated as consignment stores and 13 (2008: 8) were retail shops. The remaining ones were operated by franchisees. The Group also operated totally 12 *mademoiselle* (2008: 18 *mademoiselle*) and 10 *imaroon* (2008: 12 *imaroon*) stores in China at the end of the period under review. The *REISS* Store in Sanlitun, Beijing was also maintained during the period under review.

Concerning Hong Kong retail market, the Group operated 16 *MOISELLE*, 7 *imaroon* and 3 *mademoiselle* (2008: 17 *MOISELLE*, 8 *imaroon* and 3 *mademoiselle*) retail outlets as at 30 September 2009. There were two *MOISELLE* (2008: two *MOISELLE*) stores in Macau and 7 *MOISELLE* and 4 *mademoiselle* (2008: 9 *MOISELLE*, one *mademoiselle* and one *imaroon*) stores in Taiwan at the end of the period under review.



The Group also maintained two (2008: one) retail outlets of *COCCINELLE*, an Italian fashion accessories brand, three (2008: three) retail outlets of *REISS*, a UK high street fashion brand, and one (2008: one) point of sales of *SEQUOIA*, a French accessories brand in the *imeroon* shop during the period. The additional retail outlet of *COCCINELLE* was opened at the Gateway shopping mall during the period. By establishing retail outlets in the shopping districts with high pedestrian flows, in addition to strategically launched marketing campaigns, the Group successfully expanded the brand mix and increased the brand equity of the brands under the Group.

The management has refreshed the brand image of *MOISELLE* with the *New Look* theme to capture new groups of customers with different niche requirements. In addition, resources would continue to be concentrated in design and development and customer services enhancement in order to provide prestige brand choice to the customers. Various measures would also be implemented by the management to control costs and expenses under the current economic conditions.

## 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\$111 million (31 March 2009: HK\$100 million). As at 30 September 2009, the Group maintained aggregate composite banking facilities of approximately HK\$68 million (31 March 2009: HK\$68 million) with various banks, of which approximately HK\$7 million (31 March 2009: HK\$6 million) was utilised.

The Group continues to enjoy healthy financial position. As at 30 September 2009, the current ratio (current assets divided by current liabilities) was approximately 4.1 times (31 March 2009: 4.1 times) and the gearing ratio (aggregate of bank borrowings and finance lease payables divided by shareholders' equity) was zero (31 March 2009: zero).

## Commitments

Capital commitments outstanding at 30 September 2009 which were contracted for but not provided for in the financial statements were HK\$596,000 (31 March 2009: HK\$687,000).

## **Contingent liabilities**

At 30 September 2009, the Company and its subsidiaries 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 2009: HK\$6 million). At 30 September 2009, the Company had also issued a single guarantee to a supplier against obligations or sums payable for goods and services supplied to a wholly owned subsidiary amounted to approximately HK\$1 million (31 March 2009: HK\$1 million).

## **EMPLOYEE**

As at 30 September 2009, the Group employed 1,133 (31 March 2009: 1,241) 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 2009, 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 2009, 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 had granted options to certain directors and employees of the Company and other participant to subscribe for shares of the Company. A summary of the movements of the outstanding share options during the six months ended 30 September 2009 is set out below.

Eligible person	Number of share options				Balance as at 30 September 2009	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 2009	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 2009 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 2009, 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% <i>(Note 1)</i>
Commonwealth Bank of Australia	16,262,000	5.77% <i>(Note 2)</i>
First State Investments (Hong Kong) Ltd	16,262,000	5.77% <i>(Note 3)</i>
Queensland Investment Corporation	19,500,000	6.91% <i>(Note 4)</i>
Yeoman Capital Management Pte Ltd	19,500,000	6.91% <i>(Note 5)</i>
Mr. Yeo Seng Chong ("Mr. Yeo")	20,300,000	7.20% <i>(Note 6)</i>
Ms. Lim Mee Hwa ("Ms. Lim")	20,300,000	7.20% <i>(Note 6)</i>

*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 Commonwealth Bank of Australia was deemed to be interested in the 16,262,000 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.
- 3 The capacity of First State Investments (Hong Kong) Ltd in holding the 16,262,000 shares was an investment manager.
- 4 The capacity of Queensland Investment Corporation holding the 19,500,000 shares was a trustee for Queensland Investment Trust No.2.
- 5 Yeoman Capital Management Pte Ltd was deemed to be interested in the 19,500,000 shares held by Queensland Investment Corporation by virtue of direct controlling interest of 100.0% in Queensland Investment Corporation. The capacity of Yeoman Capital Management Pte Ltd in holding the 19,500,000 shares was also an investment manager.
- 6 Yeoman Capital Management Pte Ltd was an indirectly controlled corporation of Mr. Yeo and of his spouse, Ms. Lim. As a result, the interest held by Yeoman Capital Management Pte Ltd was deemed interest held by each of Mr. Yeo and Ms. Lim. 800,000 of these shares were held by Ms. Lim as personal interest and Mr. Yeo was deemed to be interested in the 800,000 shares held by Ms. Lim as family interest.

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 2009.



## **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 of six months ended 30 September 2009. The only exception is that Mr. Chan Yum Kit is the chairman of the Board and also assumes the role of the chief executive officer. 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 for Securities Transactions by Directors of Listed Issuers (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 2009.

## **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 2009.



## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from 11 January 2010 to 13 January 2010, 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, 8 January 2010.

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

Hong Kong, 21 December 2009