



Best Miracle International Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8272

2010/2011

Third Quarterly Report

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, 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 report.

*This report, for which the directors (the “**Directors**”) of BEST MIRACLE INTERNATIONAL LIMITED (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

This report will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and the Company’s website at www.bestmiracle.com.hk.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The board of Directors (the “Board”) of the Company announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the nine months ended 31 January 2011 together with the comparative unaudited figures for the previous corresponding period as follows:

Condensed Consolidated Income Statement

For the nine months ended 31 January 2011

		Three months ended 31 January		Nine months ended 31 January	
		2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Notes					
Continuing Operations					
Revenue	3	983	3,800	5,242	9,005
Cost of sales		(949)	(3,555)	(4,981)	(8,219)
Gross profit		34	245	261	786
Other income	4	1,391	1,445	5,462	1,970
Selling and distribution costs		(125)	(536)	(125)	(1,338)
General and administrative expenses		(10,525)	(15,002)	(30,604)	(34,842)
Equity-settled share-based payments		—	—	—	(2,816)
Change in fair value of financial assets held for trading		(14,160)	800	(60,531)	1,680
Finance costs		(160)	—	(317)	—
Share of profit of an associate		5,562	—	6,743	—
Loss before tax		(17,983)	(13,048)	(79,111)	(34,560)
Income tax expense	5	2,329	—	9,979	—
Loss for the period from continuing operations		(15,654)	(13,048)	(69,132)	(34,560)

Condensed Consolidated Income Statement *(continued)**For the nine months ended 31 January 2011*

	<i>Notes</i>	Three months ended 31 January		Nine months ended 31 January	
		2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Discontinued Operation					
Profit for the period from discontinued operation	6	—	139	—	42,284
Profit (loss) for the period attributable to owners of the Company		(15,654)	(12,909)	(69,132)	7,724
		<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>
Earnings (loss) per share	8				
From continuing and discontinued operations					
— basic and diluted		(0.56)	(0.54)	(2.73)	0.33
From continuing operations					
— basic and diluted		(0.56)	(0.54)	(2.73)	(1.49)

Condensed Consolidated Statement of Comprehensive Income

For the nine months ended 31 January 2011

	Three months ended 31 January		Nine months ended 31 January	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Profit (loss) for the period	(15,654)	(12,909)	(69,132)	7,724
Other comprehensive income				
Exchange difference arising on translation	469	1	1,174	425
Total comprehensive income (expenses) for the period	(15,185)	(12,908)	(67,958)	8,149

Condensed Consolidated Statement of Changes in Equity

For the nine months ended 31 January 2011

	Share Capital	Share premium	Share options reserve	Special reserve	Translation reserve	Accumulated losses	Total equity attributable to owners of the Company
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 May 2009 (audited)	2,002	20,676	68,088	8,023	928	(85,844)	13,873
Total comprehensive income for the period	—	—	—	—	425	7,724	8,149
Recognition of equity-settled share-based payments	—	—	2,816	—	—	—	2,816
Placing of new shares	400	79,600	—	—	—	—	80,000
Transaction costs attributable to placing of new shares	—	(1,993)	—	—	—	—	(1,993)
Transfer upon disposal of subsidiaries	—	—	—	(8,023)	(1,353)	—	(9,376)
At 31 January 2010 (unaudited)	2,402	98,283	70,904	—	—	(78,120)	93,469
At 1 May 2010 (audited)	2,402	98,283	70,904	—	63	(31,062)	140,590
Total comprehensive income (expenses) for the period	—	—	—	—	1,174	(69,132)	(67,958)
Transfer upon lapse of share options	—	—	(68,462)	—	—	68,462	—
Placing of new shares	480	119,620	—	—	—	—	120,100
Transaction costs attributable to placing of new shares	—	(3,433)	—	—	—	—	(3,433)
At 31 January 2011 (unaudited)	2,882	214,470	2,442	—	1,237	(31,732)	189,299

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 January 2011

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 22 January 2003 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised). The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the address of its principal place of business in Hong Kong is Rooms 1211–20, 12/F., Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong. The shares of the Company have been listed on GEM of the Stock Exchange since 27 June 2003.

The Company is an investment holding company. The condensed consolidated financial statements are presented in Hong Kong dollars which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (the “IASB”) and included applicable disclosures required by the GEM Listing Rules.

The condensed consolidated financial statements have been prepared on the historical cost convention except for certain financial instruments, which are measured at fair values. Except as described below, the principal accounting policies applied in the preparation of these condensed consolidated financial information are consistent with those applied in the preparation of the Group’s consolidated financial statements for the year ended 30 April 2010.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES *(continued)*

In the current period, the Group has applied the following new and revised standards, amendments and interpretations (“new and revised IFRSs”) issued by the IASB and the International Financial Reporting Interpretations Committee (the “IFRIC”) of the IASB which are or have become effective.

IFRSs (Amendments)	Amendment to IFRSs 5 as part of Improvements to IFRSs 2008
IFRSs (Amendments)	Improvements to IFRSs 2009
IAS 1 (Amendment)	Presentation of Financial Statements
IAS 17 (Amendment)	Leases
IAS 27 (Revised)	Consolidated and Separate Financial Statements
IAS 32 (Amendment)	Classification of Right Issues
IAS 36 (Amendment)	Impairment of assets
IAS 38 (Amendment)	Intangible assets
IAS 39 (Amendment)	Eligible hedged items
IFRS 1 (Amendments)	Additional Exemptions for First-time Adopters
IFRS 2 (Amendment)	Share-based Payment: Group Cash-settled Share-based Payment Transactions
IFRS 3 (Revised)	Business Combinations
IFRIC 17	Distribution of Non-cash Assets to Owners

The adoption of the new and revised IFRSs had no material effect on the condensed consolidated financial statements for the current or prior accounting periods.

3. REVENUE

The following is an analysis of the Group's revenue from continuing operations:

	Three months ended 31 January		Nine months ended 31 January	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Sales of goods	983	3,800	5,242	9,005

4. OTHER INCOME

	Three months ended 31 January		Nine months ended 31 January	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Continuing operations				
Bank interest income	7	33	7	55
Interest income from loan receivable	41	—	888	—
Management fee income	—	—	650	—
Consultancy fee income	1,275	1,275	3,825	1,700
Others	68	137	92	215
	1,391	1,445	5,462	1,970

5. INCOME TAX EXPENSE

	Three months ended 31 January		Nine months ended 31 January	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Continuing operations				
Current tax				
— Hong Kong	—	—	—	—
— Other jurisdiction	—	—	—	—
Deferred tax credit	(2,329)	—	(9,979)	—
	(2,329)	—	(9,979)	—

The Company is an exempted company incorporated in the Cayman Islands, as such it is not liable for taxation in the Cayman Islands on its non-Cayman Islands income. No provision for Hong Kong profits tax or tax of other jurisdictions was made as the Group had no assessable profit during the periods.

6. DISCONTINUED OPERATION

On 6 May 2009, the Company entered into a conditional sale and purchase agreement with Million Dragon Limited, an independent third party, to dispose of its entire interest in D Byford Holdings Limited and its subsidiaries (“D Byford Group”), which are involved in licensing business, for a consideration of HK\$45,000,000. On 31 August 2009, the sale and purchase agreement was completed and cash consideration of HK\$45,000,000 was received by the Company.

6. DISCONTINUED OPERATION *(continued)*

The profit for the period from discontinued operation is analysed as follows:

	Nine months ended 31 January	
	2011 (Unaudited) HKD'000	2010 (Unaudited) HKD'000
Turnover	—	4,312
Cost of sales	—	—
Gross profit	—	4,312
Other income	—	157
Selling and distribution costs	—	(170)
General and administrative expenses	—	(367)
Profit before tax	—	3,932
Income tax expense	—	(213)
Profit for the period from licensing business	—	3,719
Gain on disposal of licensing business	—	38,565
Profit for the period from licensing business	—	42,284

7. DIVIDEND

The Board does not recommend the payment of dividend for the nine months ended 31 January 2011 (nine months ended 31 January 2010: Nil).

8. EARNINGS (LOSS) PER SHARE

The calculation of basic and diluted earnings (loss) per share is based on the following:

	Three months ended 31 January		Nine months ended 31 January	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
From continuing and discontinued operations				
Profit (loss) for the period attributable to owners of the Company	(15,654)	(12,909)	(69,132)	7,724
From continuing operations				
Loss for the period from continuing operations	(15,654)	(13,048)	(69,132)	(34,560)
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	2,804,074	2,402,000	2,536,025	2,316,493

Diluted earnings (loss) per share for the two periods ended 31 January 2011 and 31 January 2010 are the same as basic earnings (loss) per share as the conversion price of the Company's outstanding share options and warrants during the periods was higher than the average market price of the Company's shares for the two periods ended 31 January 2011 and 31 January 2010.

9. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current period's presentation.

BUSINESS REVIEW

Revenue

During the nine months ended 31 January 2011 (the “Reporting Period”), the Group recorded a revenue of HK\$5,242,000, representing a 42% decrease over the same period last year. This contribution was recorded primarily from the sales of electronic products.

Profit contribution from an associate

The Group recorded a profit attribution of HK\$6,743,000 from its associate company, Guangdong Zhen Rong Petrochemical Company Limited (“Zhenrong”), during the Reporting Period. Zhenrong is involved in the sales of energy-related products in the People’s Republic of China (the “PRC”) and has obtained the necessary business licenses and commenced their sales operation during the Reporting Period. The Board remains positive to the prospects of this associate company in contributing to the Group’s overall financial performance.

Loss for the period

The Group recorded a loss of HK\$69,132,000 for the Reporting Period, as compared with a loss of HK\$34,560,000 for the same period last year. The loss was mainly due to the recognition of the loss as a result of a change in fair value of financial assets, being securities listed on the Stock Exchange, held for trading purposes.

Proposed investment in Cheong Tat

In the interim report, the Board reported that Megamillion Asia Limited (“Megamillion”), an indirect wholly-owned subsidiary of the Company entered into a subscription agreement (the “CB Subscription Agreement”) with Cheong Tat International Development Limited on 4 November 2010 pursuant to which Megamillion conditionally agreed to subscribe for the convertible bonds issued by Cheong Tat (the “Convertible Bonds”) in the principal amount of HK\$35,154,000 at the conversion price of HK\$620 per conversion shares.

The principal asset of Cheong Tat is its 100% equity interest in a PRC subsidiary (the “PRC Target”) which in turn owns a 60% equity interest in each of 承德五穀農莊食品有限公司 (Chengde Wugu Farming & Food Co. Ltd.*) and 承德綠豐生態農業科技發展有限公司 (Chengde Lufeng Farming & Technology Co. Ltd.*) (collectively, the “Operating Companies”). Headquartered in Chengde City, Hebei Province, the PRC, the Operating Companies are principally engaged in the manufacturing and sales of instant noodle products and instant soup base. As at date of the report, the Operating Companies have an annual production capacity of approximately 600 million instant noodle packs and 60 million instant soup packs.

On 29 November 2010, the Company announced that Megamillion entered into a loan agreement with Cheong Tat pursuant to which Megamillion agreed to provide a loan amount of HK\$30,000,000 to Cheong Tat for a period of 12 months at an interest rate of 4.2% per annum. The purpose for the grant of loan is intended to be used by Cheong Tat as partial payment for the total consideration of RMB160 million payable by the PRC Target for the acquisition of the 60% interest in each of the Operating Companies (“Acquisition”).

On 14 January 2011, the Company announced that on 29 November 2010, the Board approved the exercise of the conversion rights attached to the Convertible Bonds (the “Conversion”). Upon completion of the Conversion, the Company will own approximately 85% of the issued share capital of Cheong Tat as enlarged by the issuance of the conversion shares.

It is also noted that, pursuant to the CB Subscription Agreement, in the event that the aggregate net profit after tax of the Operating Companies falls below RMB100 million for the year ended 31 December 2010 or RMB170 million for the year ending 31 December 2011, the total number of shares in Cheong Tat issued to Megamillion (the “Conversion Shares”) shall be increased to such extent that if exercised in full, the Conversion Shares shall ultimately represent 99% of the entire equity interest of Cheong Tat. This proposed Conversion constitutes a very substantial acquisition for the Company and is subject to the shareholders’ approval.

The Board expects the circular and the notice of the meeting to be convened and held to approve the ordinary resolution(s) in respect of the Conversion and the transactions contemplated thereunder will be despatched to the shareholders no later than 30 June 2011.

* For identification purposes only

CAPITAL STRUCTURE

During the Reporting Period, the issued share capital of the Company was increased from 2,402,000,000 ordinary shares of HK\$0.001 each (“Shares”) to 2,882,400,000 Shares as a result of the issuance of 480,400,000 new Shares on 16 November 2010 pursuant to the Subscription, details of which will be set out in the below section of “Fund Raising Activities”.

Refreshment of general mandate

At the extraordinary general meeting of the Company held on 28 December 2010, the resolution approving the refreshment of general mandate of the Company to allot, issue and deal with 576,480,000 new Shares, being 20% of the total issued share capital of the Company as at 28 December 2010, was passed by the independent Shareholders. As at the date hereof, no part of this refreshed general mandate has been utilized.

FUND RAISING ACTIVITIES

On 2 November 2010, the Company entered into a placing and subscription agreement with Upper Run Investments Limited (“Upper Run”) and CCB International Capital Limited as the placing agent in relation to placing of a maximum of 480,400,000 existing Shares held by Upper Run then (collectively, the “Placing”) and the subscription of a maximum of 480,400,000 new Shares, the exact number of which shall be equivalent to the number of the Shares actually placed under the Placing (collectively, the “Subscription”). The Placing was completed on 8 November 2010 under which the 480,400,000 Shares was fully placed at HK\$0.25 each Share to not less than six placees, while the Subscription was completed on 16 November 2010 under which 480,400,000 new Shares at a price of HK\$0.25 each Share were issued to Upper Run. The gross and net proceeds were approximately HK\$120 million and HK\$117 million, respectively, and are intended to be applied towards part payment for the total consideration of RMB160 million payable by the PRC Target for the Acquisition reported above and/or for general working capital use of the Group.

PROSPECT AND OUTLOOK

The Group is principally engaged in brand management and is acting as a sourcing agent for reputable buyers in a variety of products. In addition, it is the Group's corporate strategy to explore other industries with good business potential and growth prospects.

To explore into the PRC food and beverage industry, the Company entered into the CB Subscription Agreement with Cheong Tat on 4 November 2010 and subscribed thereunder for the Convertible Bonds in the principal amount of HK\$35,154,000. As further investment by way of financing to Cheong Tat will be required, the Board decided to convert the Convertible Bonds to consolidate control over the management of Cheong Tat.

The proposed Conversion presents an opportunity for the Company to expand into China's instant noodles market, which currently has a limited number of companies participating in the sector. The Operating Companies also differentiate themselves, within the sector, as a mixed grain, non-fried noodle brand that uses healthier ingredients for production as compared to traditional instant noodles.

Based on information available to the Company, China is the biggest instant noodle market accounting for approximately half the world's instant noodle consumption. The market is still expected to grow steadily over the next few years as the lifestyle of China consumers become more frenetic and fast-paced. Additionally, the Chinese consumers are increasingly concerned about food safety and where ingredients of food are sourced from. Of particular concern is the use of pesticides, artificial fertilizers and genetically modified food.

Following completion of the proposed Conversion, the Group will retain the existing core management for the daily management of the Operating Companies and focus on business development and branding of the Operating Companies. The Company intends to leverage on such demand from the Chinese consumers and positioning the Operating Companies as a dominant provider in the healthy convenience food segment with their unique non-fried mixed-grain instant noodles and instant soup base.

The Board would like to thank all business partners and Shareholders for their continued support and confidence in our management and the Company. It is our vision to continue our Group's corporate strategy to explore other industries with good business potential and growth prospects to gain attractive returns for our investors.

Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Associated Corporation

As at 31 January 2011, the interests and short positions of the Directors, the chief executive of the Company and their associates in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("SFO")) as recorded in the register required to be kept under section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to rule 5.46 of the GEM Listing Rules, were as follows:

Long positions in the ordinary Shares and the underlying Shares of equity derivatives

Name of Director	Nature of interests/holding capacity	Number of Shares	Number of underlying Shares (share options*)	Total number of Shares and underlying Shares	Approximate percentage of interests in the Company's issued share capital
Ms. Chan Lai Kwan Rainbow	Personal	—	1,000,000 (Note 1)	1,000,000	0.03%
Ms. Wong Yuet May Jeremy	Personal	—	1,000,000 (Notes 1 & 2)	1,000,000	0.03%
Mr. Chan Fu Kei	Personal	—	1,000,000 (Note 1)	1,000,000	0.03%
Mr. Too Shu Wing	Personal	—	1,000,000 (Note 1)	1,000,000	0.03%
Mr. Woo Hing Keung Lawrence (Note 3)	Personal	1,325,000	—	1,325,000	0.05%

* The interests in the underlying Shares, being regarded as unlisted physically settled equity derivatives of the Company.

Notes:

1. On 11 September 2009, each of Ms. Chan Lai Kwan Rainbow, Ms. Wong Yuet May Jeremy, Mr. Chan Fu Kei, Mr. Woo Hing Keung Lawrence and Mr. Too Shu Wing was granted share options pursuant to the share option scheme adopted by the Company on 10 June 2003 (“**Share Option Scheme**”) to subscribe for a total of 1,000,000 Shares at an exercise price of HK\$0.70 per Share. The share options would be exercisable during the period from 11 September 2009 to 10 September 2012.
2. On 28 October 2010, 20,000,000 share options (adjusted after the share subdivision became effective on 30 October 2007) granted to Ms. Wong Yuet May Jeremy lapsed due to the expiration of the exercise period.
3. Mr. Woo Hing Keung Lawrence resigned as an executive Director with effect from 10 November 2010 and the 1,000,000 share options granted to him lapsed on the same date pursuant to the Share Option Scheme.

Save as disclosed above, as at 31 January 2011, none of the Directors, the chief executive of the Company and their respective associates had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporation.

Substantial Shareholders and Other Persons with Interests and Short Positions in the Shares and Underlying Shares

As at 31 January 2011, the following persons or companies other than Directors and the chief executive of the Company, had interests or short positions (directly or indirectly) in the Company's Shares or underlying Shares were recorded in the register kept by the Company pursuant to section 336 of the SFO:

Long positions in the Shares

Name of shareholder	Nature of interest/holding capacity	Number of Shares	Approximate percentage of interests in the Company's issued share capital
Upper Run Investments Limited ("Upper Run")	Beneficial Owner	1,019,099,900 (Note 1)	35.36% (Note 1)
Ms. Chan Yuen Fan Winky ("Ms. Winky Chan")	Interest through controlled corporation	1,019,099,900 (Note 1)	35.36% (Note 1)
Kingston Finance Limited ("Kingston")	Having a security interest	1,010,000,000 (Notes 2 & 3)	35.04% (Note 2)
Ample Cheer Limited ("Ample Cheer")	Interest through controlled corporation	1,010,000,000 (Note 3)	35.04% (Note 2)
Best Forth Limited ("Best Forth")	Interest through controlled corporation	1,010,000,000 (Note 3)	35.04% (Note 2)
Mrs. Chu Yuet Wah ("Mrs. Chu")	Interest through controlled corporation	1,010,000,000 (Note 3)	35.04% (Note 2)
Public Mutual Berhad	Investment Manager	161,430,000	5.60%

Notes:

1. These Shares are beneficially owned by Upper Run, a company incorporated in the British Virgin Islands, whose entire issued share capital is wholly and beneficially owned by Ms. Winky Chan. By virtue of the SFO, Ms. Winky Chan is deemed to be interested in the Shares held by Upper Run.
2. Kingston has a security interest in the 1,010,000,000 Shares out of the Shares held by Upper Run mentioned in Note 1 above.
3. Kingston is wholly-owned by Ample Cheer which is in turn 80% owned by Best Forth. Best Forth is in turn wholly-owned by Mrs. Chu. By virtue of the SFO, Mrs. Chu, Best Forth and Ample Cheer are deemed to be interested in the Shares held by Kingston as mentioned in Note 2 above.

Save as disclosed above and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, based on public records filed at the website of the Stock Exchange and record kept by the Company, as at 31 January 2011, no persons other than the Directors or the chief executive of the Company had registered an interest or short positions in the Shares and underlying Shares which required to be recorded pursuant to section 336 of the SFO.

Other Interests Discloseable under the SFO

Save as disclosed in the paragraphs headed "Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Associated Corporation" and "Substantial Shareholders and Other Persons with Interests and Short Positions in the Shares and Underlying Shares" above, so far as is known to the Directors as at 31 January 2011, there is no other person who has any interests or short positions in the Shares and underlying Shares that is discloseable under section 336 of the SFO.

Share Option Scheme

The Company adopted the Share Option Scheme to provide incentive to the people and the parties working for the interests of the Group with an opportunity to obtain an equity interest in the Company.

During the Reporting Period, detailed movements relating to share options granted under the Share Option Scheme were as follows:

Name or category of participant	Date of grant	Effective exercise price HK\$	Exercise Period	Movement of share options (adjusted) during the period				
				As at 01.05.2010	Exercised	Granted	Lapsed	As at 31.01.2011
Consultant	27.10.2007	2.320	27.10.2007– 27.10.2010	20,000,000	—	—	20,000,000	—
Staff	11.09.2009	0.700	11.09.2009– 10.09.2012	1,000,000	—	—	—	1,000,000
	14.09.2009	0.708	14.09.2009– 13.09.2012	1,000,000	—	—	1,000,000	—
Directors								
Ms. Chan Lai Kwan Rainbow	11.09.2009	0.700	11.09.2009– 10.09.2012	1,000,000	—	—	—	1,000,000
Ms. Wong Yuet May Jeremy	27.10.2007	2.320	27.10.2007– 27.10.2010	20,000,000	—	—	20,000,000	—
	11.09.2009	0.700	11.09.2009– 10.09.2012	1,000,000	—	—	—	1,000,000
Mr. Chan Fu Kei	11.09.2009	0.700	11.09.2009– 10.09.2012	1,000,000	—	—	—	1,000,000
Mr. Too Shu Wing	11.09.2009	0.700	11.09.2009– 10.09.2012	1,000,000	—	—	—	1,000,000
Mr. Woo Hing Keung Lawrence (Note)	11.09.2009	0.700	11.09.2009– 10.09.2012	1,000,000	—	—	1,000,000	—
				47,000,000	—	—	42,000,000	5,000,000

Note: Mr. Woo Hing Keung Lawrence resigned as an executive Director with effect from 10 November 2010 and the 1,000,000 share options granted to him lapsed on the same date pursuant to the Share Option Scheme.

Disclosure on Change of Information of Directors Pursuant to rule 17.50A(1) of the GEM Listing Rules

Mr. Lam Raymond Shiu Cheung, an independent non-executive Director, resigned as an independent non-executive director of ZZNode Technologies Company Limited, a company listed on the main board of the Stock Exchange, on 30 September 2010.

Directors' and Chief Executive's Rights to Acquire Shares or Debentures

Save as disclosed above, as at 31 January 2011, neither the Company nor any of its subsidiaries was a party to any arrangements whose objects are, or one of whose objects is, to enable the Directors and the chief executive of the Company to acquire benefits by means of the acquisition of Shares in, or debt securities, including debentures, of the Company or any other body corporate, or there have, at any time during the Reporting Period, subsisted such arrangement(s) as aforesaid and none of the Directors and the chief executive of the Company or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such rights.

Purchase, Sale or Redemption of Listed Securities of the Company

During the period under review, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

Corporate Governance

The Company has applied the principals and has complied with the code provisions as set out in the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 15 of the GEM Listing Rules throughout the Reporting Period except for the deviation from code provisions A.2.1 and A.4.1 of the CG Code which are explained below:

Code provision A.2.1

It stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

During the Reporting Period, the office of the chairman/chairperson of the Board remains vacant. The role of the chairman is assumed by executive Directors other than the chief executive officer (who is also an executive Director) who have discharged all duties and responsibilities of the chairman/chairperson. Currently, Ms. Chan Lai Kwan Rainbow is the chief executive officer of the Company. She is mainly responsible for the day-to-day management of the Group's business. The Board is of the view that the role of the chief executive officer is being exercised and there exists a balance of power and authority.

The Board will keep reviewing the current structure of the Board from time to time. If a candidate with suitable knowledge, skills and experience is identified, the Company will make appointment to fill the post of chairman/chairperson as appropriate.

Code provision A.4.1

It stipulates that the non-executive Directors should be appointed for a specific term, subject to re-election.

The existing independent non-executive Directors were not appointed for a specific term as required under the code provision A.4.1 of the CG Code but they are entitled to terminate their appointment at any time by giving the Company notice in writing.

They are also subject to retirement by rotation and re-election provisions in accordance with the Company's articles of association. As such, the Company considers that sufficient measures have been taken to ensure that the Company has good corporate governance practices.

Directors' Securities Transactions

The Company has adopted a code of conduct for securities transactions by directors which is no less exacting than the required standard of dealings of shares by the directors as set out in rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry to all Directors, all Directors confirmed that they had complied with the required standard of dealings and its code of conduct regarding directors' securities transactions throughout the Reporting Period.

Director's Interest in Competing Business

The Directors are not aware of any business or interest of the Directors, the substantial shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group throughout the Reporting Period.

Audit Committee

The Company has established an Audit Committee with written terms of reference based upon the guidelines recommended by the Hong Kong Institute of Certified Public Accountants and the CG Code. The primary duties of the Audit Committee are to review and supervise of the Company's financial reporting process and internal control system.

The Audit Committee comprises three independent non-executive Directors, namely, Mr. Orr Joseph Wai Shing (chairman of the Audit Committee), Mr. Chan Tak Yan and Mr. Lam Raymond Shiu Cheung.

The unaudited third quarterly results for the nine months ended 31 January 2011 have been reviewed by the members of the Audit Committee before recommending it to the Board for approval.

Board of Directors

As at the date of this report, the Board comprises Ms. Chan Lai Kwan Rainbow, Ms. Wong Yuet May Jeremy, Mr. Chan Fu Kei and Mr. Too Shu Wing being executive Directors; and Mr. Chan Tak Yan, Mr. Orr Joseph Wai Shing and Mr. Lam Raymond Shiu Cheung being independent non-executive Directors.

By Order of the Board
Best Miracle International Limited
Chan Lai Kwan Rainbow

Chief Executive Officer and Executive Director

Hong Kong, 11 March 2011

Board of Directors

Executive Directors

Ms. Chan Lai Kwan Rainbow

(Chief Executive Officer)

Ms. Wong Yuet May Jeremy

Mr. Chan Fu Kei

Mr. Too Shu Wing

Independent Non-executive Directors

Mr. Chan Tak Yan

Mr. Orr Joseph Wai Shing

Mr. Lam Raymond Shiu Cheung

Company Secretary

Mr. Chung Wai Yip, Wilson

Compliance Officer

Ms. Chan Lai Kwan Rainbow

Audit Committee

Mr. Orr Joseph Wai Shing

(chairman of the audit committee)

Mr. Chan Tak Yan

Mr. Lam Raymond Shiu Cheung

Remuneration Committee

Mr. Chan Tak Yan

(chairman of the remuneration committee)

Mr. Orr Joseph Wai Shing

Mr. Lam Raymond Shiu Cheung

Auditors

Messrs. SHINEWING (HK) CPA Limited

Registered Office

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Head Office and Principal Place of Business in Hong Kong

Rooms 1211-20

12/F., Sun Hung Kai Centre

30 Harbour Road

Wanchai

Hong Kong

Principal Share Registrar and Transfer Office

HSBC Trustee (Cayman) Limited

P.O. Box 484

HSBC House

68 West Bay Road

Grand Cayman KY1-1106

Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Union Registrars Limited

18/F., Fook Lee Commercial Centre

Town Place

33 Lockhart Road

Wanchai

Hong Kong

Principal Bankers

Fubon Bank (Hong Kong) Limited

The Hongkong and Shanghai Banking Corporation Limited

Website

www.bestmiracle.com.hk

Stock Code

8272