

# THEME

A woman with long dark hair is leaning against a wooden structure, possibly a fence or a door. She is wearing a shiny, dark purple or maroon jacket over a light blue, sequined or shimmering top, and light blue shorts. She is holding a small, round, light-colored bag. The background shows some greenery and a bright sky.

INTERIM REPORT

2007

Theme

Theme International Holdings Limited

(Incorporated in Bermuda with limited liability) (Stock Code: 990)

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## CHAIRMAN'S STATEMENT

On 20 July of this year, the Company announced to raise funds by offering shareholders one share for every two existing shares held, and raised approximately HK\$179 million, which was mainly applied for the repayment of loans owed to banks and our parent company High Fashion International Limited. As such, we expect a significant fall in our interest expenses in the coming year, hence our sufficient financial strengths and operating funds for the Group's overall development is in an even more sustained manner.

The turnover in the first half year increased by 14.5% as compared with the last corresponding period, but still recorded an after-tax loss of HK\$ 7.1 million. Under the impact of the political instability in Taiwan on the retail market, the turnover fell 22%, resulting in a change from operating profit to loss. The Group will continue adjusting its shops network in Taiwan and shut down some shops with unsatisfactory performances. During the period, the "Theme" brand was unable to attain their performance targets on Mainland China. The Group is making adjustments to its development strategy. The brand CSLR, which was acquired by the Group last year, developed steadily and continued to make contribution to the profit of the Group.

In mid-August, the Group opened the first "Mango" shop in Chengdu, Sichuan, China. The Group is making active preparations for an expansion of business under the "Mango" brand, and the number of Mango shops is expected to increase to 4 by the end of this year. Meanwhile, the Group's plan to invest jointly with Stefanel Group to develop the China market for the "Stefanel" brand has been carried out as scheduled, and a Beijing shop and a Shanghai shop are expected to be opened at the end of September.

The Group is of the view that China's growing retail market will provide substantial in business opportunities for the Group's future development. At present, the Group is making strategic preparations with a business approach which is careful and prudent as well as positive and aggressive, aiming to develop and expand its existing retail brands and networks. The number of Group's shops is expected to increase to upwards of 300 by the end of this year.

I would like to take this opportunity to express our gratitude to my fellow Directors, colleagues, franchisees, and suppliers for their support and contribution.

**Lam Foo Wah**

*Chairman*

Hong Kong, 6 September 2007

## MANAGEMENT DISCUSSION AND ANALYSIS

### Results

Turnover increased to HK\$156 million for the first half year of 2007, a rise of 14.5% when compared with the corresponding period of 2006. Net loss attributable to shareholders was HK\$7.1 million for the six-month period, compared to a loss attributable to shareholders of HK\$3.3 million for the last corresponding period.

### Review of Operations

The segmental operating profit and loss is as follows:

	Turnover		Contribution	
	Six months ended 30 June		Six months ended 30 June	
	2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000
Region				
Hong Kong & Macau	11,594	14,518	1,504	(752)
Taiwan	53,014	67,973	(2,394)	3,486
People's Republic of China	87,007	49,782	7,005	8,203
Singapore	4,011	3,641	(193)	288
	<b>155,626</b>	<b>135,914</b>	<b>5,922</b>	<b>11,225</b>
Less: Corporate Overhead			(10,423)	(10,663)
Operating Profit/(Loss)			<b>(4,501)</b>	<b>562</b>

Despite the turnover increased by 14.5%, the unsatisfactory performance was mainly affected by the political unrest of Taiwan region. An operating loss of HK\$2.4 million, before finance costs, was recorded compared with a small operating profit in last corresponding period.

In the PRC, turnover was increased after the acquisition of the brand "CSLR". The performance of "CSLR" was achieved as plan, while the result of Theme shops was not satisfactory. After the acquisition of "CSLR", our shops number in the PRC increased from 75 in June 2006 to 218 in June 2007, of which "CSLR" has 90 shops.

In Taiwan, we have adjusted our retail shop network to 53 shops from 57 shops in June 2007. Under the unstable retail market situation in Taiwan, a deeper discount offered caused a loss contribution during the period.

## MANAGEMENT DISCUSSION AND ANALYSIS

The market in Hong Kong was tough. The number of retail shops reduced from 5 at last year-end to 4 in June 2007, and HK\$1.5 million operating profit was recorded for the period.

In Singapore, turnover was increased by 10% and a small operating loss is recorded.

### Liquidity and Financial Resources

At 30 June 2007, the aggregate loan amount and interests due to High Fashion International Limited (“High Fashion”) was about HK\$55 million, which was fully repaid in August 2007. As of the balance sheet date, a total of about HK\$131 million banking facilities were granted to the Group, of which about HK\$85 million was utilized. There are no other material borrowings as of the balance sheet date. There are no charges on the Group’s assets. The Group also has no borrowings at fixed interest rates.

The Company announced to make an open offer of new shares on the basis of one new share for every two existing shares in July 2007. It was completed in August 2007 and raised approximately HK\$176 million net proceeds after expenses.

The Group’s receivables were mainly denominated in Hong Kong dollars, Renminbi and New Taiwan dollars. The entire bank borrowing and other borrowing were either denominated in Hong Kong dollars or Renminbi. The Group considers that its foreign exchange risk is not significant.

As at 30 June 2007, the current ratio was 1.4, with the capital injection by open offer, the current ratio would be substantially improved. Based on the current cash position, the available banking facilities and the new capital by open offer, the Group should have sufficient liquidity to meet its operational needs.

### Human Resource

As of 30 June 2007, the total number of employees of the Group including factory workers was about 1,900. Other than the competitive remuneration package offered to the employees, share options may also be granted to selected employees based on the Group’s performance. The Group has granted no options during the period.



## MANAGEMENT DISCUSSION AND ANALYSIS

### **Post Balance Sheet Event**

On 20 July 2007, the Company announced to make an open offer of new shares on the basis of one new share for every two existing shares; it raises approximately HK\$176 million net proceeds after expenses. The prospectus of the open offer dated 13 August 2007 was delivered to the shareholders. All subscription monies have been received as at end of August 2007.

### **General**

The Group had no material contingent liabilities as of the balance sheet date. There was no material capital expenditure during the period.

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors (the “Board”) of Theme International Holdings Limited (the “Company”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2007 together with the comparative figures.

### Condensed Consolidated Income Statement

		Six months ended 30 June	
		2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000
	Notes		
TURNOVER	3	155,626	135,914
Cost of sales		<u>(65,522)</u>	<u>(47,997)</u>
Gross profit		90,104	87,917
Other income and gains		7,123	1,693
Selling and distribution expenses		(68,636)	(55,873)
Administrative expenses		(33,092)	(33,175)
Finance costs	4	<u>(4,308)</u>	<u>(2,603)</u>
LOSS BEFORE TAXATION	5	(8,809)	(2,041)
Taxation	6	<u>1,713</u>	<u>(1,286)</u>
LOSS FOR THE PERIOD		<u><u>(7,096)</u></u>	<u><u>(3,327)</u></u>
Attributable to:			
Equity holders of the Company		(7,096)	(3,327)
Minority interests		<u>–</u>	<u>–</u>
		<u><u>(7,096)</u></u>	<u><u>(3,327)</u></u>
LOSS PER SHARE	7		
Basic		<u>(0.12 cent)</u>	<u>(0.06 cent)</u>
Diluted		<u>(0.12 cent)</u>	<u>(0.06 cent)</u>

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## Condensed Consolidated Balance Sheet

	Notes	30 June 2007 (Unaudited) HK\$'000	31 December 2006 (Audited) HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		43,190	40,468
Intangible assets		10,800	11,300
Prepaid lease payments		30,332	29,500
Investment in a jointly-controlled entity		995	–
Investments in associates		–	–
Available-for-sale investments		675	675
Deferred taxation		1,483	1,440
		<b>87,475</b>	<b>83,383</b>
<b>CURRENT ASSETS</b>			
Inventories		58,547	64,200
Trade receivables	9	26,724	28,300
Prepaid lease payments		476	459
Deposits, prepayments and other receivables		34,524	26,535
Amounts due from fellow subsidiaries		18,745	3,673
Bank balances and cash		33,664	29,216
		<b>172,680</b>	<b>152,383</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	10	20,317	23,767
Other payables and accrued charges		45,365	40,639
Amount due to immediate holding company		5,755	3,872
Amounts due to fellow subsidiaries		7,588	2,237
Amount due to an associate		597	599
Bank borrowings		46,405	17,323
Taxation		655	2,181
		<b>126,682</b>	<b>90,618</b>
<b>NET CURRENT ASSETS</b>		<b>45,998</b>	<b>61,765</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>133,473</b>	<b>145,148</b>
<b>NON-CURRENT LIABILITIES</b>			
Bank borrowings		38,860	44,500
Loan from immediate holding company	11	49,000	49,000
		<b>87,860</b>	<b>93,500</b>
<b>NET ASSETS</b>		<b>45,613</b>	<b>51,648</b>
<b>CAPITAL AND RESERVES</b>			
Share capital		59,764	50,167
Convertible notes		–	66,220
Reserves		(14,951)	(65,539)
Equity attributable to equity holders of the Company		44,813	50,848
Minority interests		800	800
<b>TOTAL EQUITY</b>		<b>45,613</b>	<b>51,648</b>



## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## Condensed Consolidated Statement of Changes in Equity (Unaudited)

Attributable to equity holders of the Company

	Share capital	Share premium account	Contri- buted surplus	Share- holder's contri- bution	Exchange reserve	Accumu- lated losses	Convertible notes	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 January 2007	50,167	846,922	34,503	45,000	(8,176)	(983,788)	66,220	50,848	800	51,648
Exchange realignment	-	-	-	-	1,061	-	-	1,061	-	1,061
Issue of new shares on conversion of convertible notes	9,597	56,623	-	-	-	-	(66,220)	-	-	-
Loss for the period	-	-	-	-	-	(7,096)	-	(7,096)	-	(7,096)
<b>At 30 June 2007</b>	<b>59,764</b>	<b>903,545</b>	<b>34,503</b>	<b>45,000</b>	<b>(7,115)</b>	<b>(990,884)</b>	<b>-</b>	<b>44,813</b>	<b>800</b>	<b>45,613</b>
At 1 January 2006	50,167	846,922	34,503	45,000	(13,050)	(977,207)	66,220	52,555	800	53,355
Exchange realignment	-	-	-	-	196	-	-	196	-	196
Loss for the period	-	-	-	-	-	(3,327)	-	(3,327)	-	(3,327)
<b>At 30 June 2006</b>	<b>50,167</b>	<b>846,922</b>	<b>34,503</b>	<b>45,000</b>	<b>(12,854)</b>	<b>(980,534)</b>	<b>66,220</b>	<b>49,424</b>	<b>800</b>	<b>50,224</b>

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## Condensed Consolidated Cash Flow Statement

	Six months ended 30 June	
	2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000
Net cash (used in)/generated from operating activities	(9,733)	1,010
Net cash used in investing activities	(9,736)	(13,597)
Net cash generated from financing activities	23,834	23,237
Net increase in cash and cash equivalents	4,365	10,650
Cash and cash equivalents at beginning of period	28,824	28,988
Effect of foreign exchange rate changes, net	475	193
Cash and cash equivalents at end of period	33,664	39,831
Analysis of balances of cash and cash equivalents		
Bank balances and cash	33,664	39,831

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### Notes to Condensed Consolidated Financial Statements

#### 1. Basis of preparation

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

#### 2. Principal accounting policies

The unaudited condensed consolidated financial statements have been prepared under the historical cost basis.

The accounting policies used in the unaudited condensed consolidated financial statements are consistent with those used in the preparation of the Group’s annual financial statements for the year ended 31 December 2006.

In the current interim period, the Group has applied, for the first time, new Hong Kong Financial Reporting Standards (“HKFRSs”) (which also included HKASs and Interpretations) issued by the HKICPA, which are effective for accounting periods beginning on or after 1 January 2007. The adoption of the new HKFRSs had no material effect on how the results for the current and/or prior accounting periods are prepared and presented. Accordingly, no prior period adjustment has been required.

#### *Potential impact arising from the recently issued Accounting Standards*

The Group has not early applied the following new HKFRSs that have been issued but are not yet effective. The directors of the Company anticipate that the application of these HKFRSs will have no material impact on the financial statements of the Group.

HKFRS 8	Operating Segments <sup>1</sup>
HKAS 23 (Revised)	Borrowing Costs <sup>1</sup>
HK(IFRIC)-INT 11	HKFRS 2 – Group and Treasury Share Transactions <sup>2</sup>
HK(IFRIC)-INT 12	Service Concession Arrangements <sup>3</sup>

<sup>1</sup> Effective for accounting periods beginning on or after 1 January 2009.

<sup>2</sup> Effective for accounting periods beginning on or after 1 March 2007.

<sup>3</sup> Effective for accounting periods beginning on or after 1 January 2008.

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 3. Segment information

	Turnover		Loss before taxation	
	Six months ended 30 June		Six months ended 30 June	
	2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000
By geographical area:				
Hong Kong & Macau	11,594	14,518	891	(1,646)
Taiwan	53,014	67,973	(6,003)	(1,992)
People's Republic of China	87,007	49,782	1,078	4,206
Singapore	4,011	3,641	(467)	(6)
	<b>155,626</b>	<b>135,914</b>	<b>(4,501)</b>	<b>562</b>
Finance costs			<b>(4,308)</b>	<b>(2,603)</b>
Loss before taxation			<b>(8,809)</b>	<b>(2,041)</b>
By principal activity:				
Retailing	153,021	132,324		
Uniform	2,605	3,590		
	<b>155,626</b>	<b>135,914</b>		

## 4. Finance costs

	Six months ended 30 June	
	2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000
Interest on bank loans, overdrafts and amount due to immediate holding company wholly repayable within five years	3,827	2,438
Bank charges	481	165
	<b>4,308</b>	<b>2,603</b>

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 5. Loss before taxation

	Six months ended 30 June	
	2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000
Loss before taxation for the period is arrived at after charging:		
Depreciation	6,606	5,598
Amortisation of intangible assets	500	–
Amortisation of prepaid lease payments	234	–
	<u>          </u>	<u>          </u>

## 6. Taxation

	Six months ended 30 June	
	2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000
Current tax – Other jurisdiction	(1,713)	1,286
	<u>          </u>	<u>          </u>

No Hong Kong profits tax have been provided for the six months ended 30 June 2007 (Six months ended 30 June 2006: Nil) as the Group had no assessable profit arising in Hong Kong during the period. Taxes on profits arising elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**7. Loss per share**

The calculation of basic and diluted loss per share for the six months ended 30 June 2007 together with the comparative figures for 2006 is based on the following data:

	Six months ended 30 June	
	2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000
Loss for the purpose of basic and diluted loss per share attributable to equity holders of the Company	(7,096)	(3,327)
	Number	Number
Weighted average number of ordinary shares for the purpose of basic loss per share including ordinary shares that will be issued upon the conversion of mandatory convertible notes from the beginning of the date the contract was entered into	5,976,366,398	5,976,366,398

**8. Interim dividend**

The Board did not declare an interim dividend to shareholders for the six months ended 30 June 2007 (Six months ended 30 June 2006: Nil).

**9. Trade receivables**

An aged analysis of the trade receivables as at the balance sheet date is as follows:

	30 June 2007 (Unaudited) HK\$'000	31 December 2006 (Audited) HK\$'000
Current to 90 days	22,440	27,217
91 to 180 days	3,910	630
181 to 360 days	374	453
	26,724	28,300

The Group allows an average credit period ranging from 30 to 90 days to its trade customers.

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**10. Trade payables**

An aged analysis of the trade payables as at the balance sheet date is as follows:

	<b>30 June 2007 (Unaudited) HK\$'000</b>	31 December 2006 (Audited) HK\$'000
Current to 90 days	15,904	14,053
91 to 180 days	860	947
181 to 360 days	190	5,303
Over 360 days	3,363	3,464
	<b>20,317</b>	<b>23,767</b>

**11. Loan from immediate holding company**

The loan amount of HK\$49 million was unsecured and interest bearing at Hong Kong Prime Rate.

**12. Related party transactions**

The Group had the following material transactions with related parties during the period:

		<b>Six months ended 30 June</b>	
	<i>Notes</i>	<b>2007 (Unaudited) HK\$'000</b>	2006 (Unaudited) HK\$'000
Interest expense to immediate holding company	<i>(i)</i>	1,883	1,914
Rental expense to a fellow subsidiary	<i>(ii)</i>	105	210
Subcontracting fee income from fellow subsidiaries	<i>(iii)</i>	6,718	8,209
Key management compensation	<i>(iv)</i>	3,198	3,164

*Notes:*

- (i) Interest expenses was charged by immediate holding company on the loan advance of HK\$49 million (30 June 2006: HK\$49 million) bearing interest at Hong Kong Prime Rate.
- (ii) Rental expense was charged by a subsidiary of the ultimate holding company with reference to the prevailing market rate of the office premise.
- (iii) Subcontracting fee income from subsidiaries of the ultimate holding company in the normal course of business and at a consideration decided between parties with reference to the prevailing market price.
- (iv) The remuneration of directors and key executive is determined by the remuneration committee having regard to the performance of individuals and market trends.

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 13. Contingent liability

As at 30 June 2007, there was no material contingent liability (31 December 2006: Nil).

### 14. Post balance sheet event

On 20 July 2007, the Company proposed to raise approximately HK\$179 million before expenses by issuing not more than 2,988,183,199 new shares of the Company on the basis of one offer share for every two existing shares of the Company at the subscription price of HK\$0.06 per offer share by way of the open offer.

Navigation Limited, a wholly owned subsidiary of High Fashion International Limited, entered into the underwriting agreement dated 16 July 2007 with the Company in relation to the underwriting and other arrangements in respect of the open offer.

The prospectus of the open offer dated 13 August 2007 was delivered to the shareholders. All subscription monies has been received as at end of August 2007.

### 15. Approval of the interim financial report

These unaudited condensed consolidated interim financial statements were approved and authorised for issue by the Board on 6 September 2007.



## OTHER INFORMATION

### **Interim Dividend**

The Board did not declare the payment of an interim dividend for the six months ended 30 June 2007 (Six months ended 30 June 2006: Nil).

### **Code on Corporate Governance Practices**

The Company has complied with all the code provisions set out in Appendix 14 Code on Corporate Governance Practices of the Listing Rules throughout the accounting period for the six months ended 30 June 2007.

### **Model Code for Securities Transactions by Directors**

For the six months period to 30 June 2007, 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.

The Company has made specific enquiry of all directors regarding any non-compliance with the Model Code during the six months ended 30 June 2007, and they all confirmed that they have fully complied with the required standard set out in the Model Code and its code of conduct regarding directors' securities transactions.

### **Purchase, Sale or Redemption of the Listed Securities of the Company**

During the six months ended 30 June 2007, the Company had not redeemed, and neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed securities.

### **Review of Account**

Disclosure of financial information in this report complies with Appendix 16 of the Listing Rules.

The Audit Committee assisted by independent professional accounting firm has reviewed the accounting principles and practices adopted by the Group and in the course has discussed with the management and internal auditor the internal controls and financial reporting matters related to the preparation of the unaudited condensed consolidated financial statements for the six months ended 30 June 2007.

## OTHER INFORMATION

**Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures**

As at 30 June 2007, the interests and short positions of the directors, chief executives of the Company and their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") which have been notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such director or chief executive was taken or deemed to have under such provisions of the SFO), the Model Code contained in the Listing Rules and which have been recorded in the register maintained by the Company pursuant to Section 352 of the SFO, were as follows:

**(i) Long Positions in the Company's Shares**

Name of director	Capacity	Nature of interest	Number of ordinary shares held	Percentage of the Company's share capital
Lam Foo Wah	Interest of controlled corporation	Corporate	3,055,477,694 (Note 1)	51.13% (Note 2)

Note:

- The 3,055,477,694 shares of the Company are registered in the name of Navigation Limited which is an indirect wholly-owned subsidiary of High Fashion International Limited ("High Fashion"), representing approximately 51.13% of the issued share capital of the Company. Pursuant to the SFO, Mr Lam Foo Wah is deemed to have the corporate interest in 3,055,477,694 ordinary shares of the Company as a result of his shareholding of 43.01% in High Fashion.
- The issued share capital of the Company is 5,976,366,398 shares as at 30 June 2007.

**(ii) Long Positions in the Shares of Associated Corporations**

(i) *High Fashion International Limited – Ultimate Holding Company of the Company*

Name of Directors	Notes	Capacity	Nature of interests	Number of ordinary shares held	Percentage of the associated corporation's issued capital (Note 3)
Lam Foo Wah	1, 2	Other Interest	Other	143,719,986	43.01%
Hui Yip Wing		Interest of Spouse	Family	2,652,007	0.79%

## OTHER INFORMATION

(II) *High Fashion Knitters Limited – Fellow Subsidiary of the Company*

Name of director	Note	Capacity	Nature of interests	Number of ordinary shares held	Percentage of the fellow subsidiary's issued capital
Lam Foo Wah	4	Interest of controlled corporations	Corporate	5,339,431	35.60%

*Notes:*

1. Mr. Lam Foo Wah is deemed to have the other interest in 108,802,419 ordinary shares of High Fashion which are beneficially owned by Hinton Company Limited, the entire issued share capital of which is held under a related discretionary trust. Mr. Lam is regarded as a founder of the trust.
2. Mr. Lam Foo Wah is deemed to have the other interest in 34,917,567 ordinary shares of High Fashion which are beneficially owned by High Fashion Charitable Foundation Limited, the entire issued share capital of which is held under a related discretionary trust. Mr. Lam is regarded as a founder of the trust.
3. The issued share capital of the associated corporation is 334,125,550 shares as at 30 June 2007.
4. These shares are held through three companies beneficially owned by Mr. Lam Foo Wah.

Save as disclosed above, as at 30 June 2007, the directors, chief executive of the Company nor their associates had or was deemed to have any interests or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which has been recorded in the register maintained by the Company pursuant to Section 352 of the SFO or which has been notified to the Company and the Stock Exchange pursuant to the Model Code of the Listing Rules. Furthermore, save as disclosed in the "Share Option Scheme" section below, at no time during the six months ended 30 June 2007 was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## OTHER INFORMATION

### Share Option Scheme

Pursuant to the Company's share option scheme, there were no outstanding options at the beginning and at the end of the six-month period ended 30 June 2007. No options were granted, exercised, cancelled or lapsed under the existing share option scheme during the period.

Apart from the Company's share option scheme, during the six months ended 30 June 2007, no rights were granted to the directors, chief executives of the Company, or any of their spouses or children under 18 years of age to subscribe for equity or debt securities of the Company.

### Substantial Shareholder

As at 30 June 2007, the following substantial shareholders, other than directors or chief executive of the Company, had an interest or short position in the shares and underlying shares of the Company which fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, have been recorded in the register kept by the Company pursuant to Section 336 of SFO:

Long Positions in the Company's Shares:

Name of Shareholder	Capacity	Number of ordinary shares held	Percentage of the Company's issued share capital
High Fashion International Limited ( <i>Note 1</i> )	Interest of controlled corporations	3,055,477,694	51.13% ( <i>Note 2</i> )

Notes:

1. These interests have been disclosed as the interests of Mr. Lam Foo Wah in the "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above.
2. The issued share capital of the Company is 5,976,366,398 shares as at 30 June 2007.

Save as disclosed above, no person, other than the directors or chief executive of the Company, whose interests are set out in the section "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, as at 30 June 2007, had registered an interest or short position in the shares, underlying shares and debentures of the Company that was required to be recorded pursuant to Section 336 of the SFO.

## CORPORATE INFORMATION

Theme International Holdings Limited is incorporated in Bermuda with limited liability.

### Board of Directors

#### Executive Directors

Mr. Lam Foo Wah (*Chairman*)

Ms. So Siu Hang, Patricia (appointed on 1 July 2007)

Mr. Hui Yip Wing (resigned on 1 August 2007)

#### Independent Non-Executive Directors

Mr. Mak Kam Sing

Mr. Wong Shiu Hoi, Peter

Mr. Leung Hok Lim

### Audit Committee

Mr. Wong Shiu Hoi, Peter (*Chairman*)

Mr. Mak Kam Sing

Mr. Leung Hok Lim

### Remuneration Committee

Mr. Mak Kam Sing (*Chairman*)

Mr. Wong Shiu Hoi, Peter

Mr. Leung Hok Lim

### Head Office and Principal Place of Business

11th Floor, High Fashion Centre, 1-11 Kwai Hei Street,  
Kwai Chung, New Territories, Hong Kong

### Sub-registrar and Transfer Agent in Hong Kong

Computershare Hong Kong Investor Services Limited  
Rooms 1712-6, 17th Floor, Hopewell Centre,  
183 Queen's Road East, Wanchai, Hong Kong

### Company Website

[www.theme.com.hk](http://www.theme.com.hk)