Joyce Boutique Holdings Limited

(Incorporated in Bermuda with limited liability)
（於百慕達註冊成立的有限公司）

JOYCE

STOCK CODE 股份代號：647

INTERIM REPORT TO SHAREHOLDERS
for the half-year period ended 30 September 2009

致股東中期報告書
截至二〇〇九年九月三十日止半年度

Group Results

The unaudited Group profit attributable to Shareholders for the six months ended 30 September 2009 amounted to HK$4.0 million, an increase of 155.0% as compared with the profit of HK$1.6 million for the corresponding period last year. Earnings per share were 0.2 cents (2008: 0.1 cent).

Interim Dividend

The Board has resolved not to declare any interim dividend for the six months ended 30 September 2009 (2008: Nil).

Management Discussion and Analysis

Business Review

For the six-month period ended 30 September 2009, the Group recorded a turnover of HK$491.8 million (2008: HK$479.5 million), showing a mild growth of 2.6% as compared with same period last year. As a consequence of the unfolding global financial crisis and the outbreak of the H1N1 swine flu during the period, the weakened local consumer sentiment and reduced customer traffic have affected the Group performance in Hong Kong for the period resulting in a 0.3% drop in the Hong Kong turnover. However, the China division continued its strong growth momentum and recorded an overall turnover growth of 20.5%. In particular, the multi-label JOYCE store in Shanghai reported a 30.0% turnover growth.

In order to boost sales and liquidate stocks in the prevailing difficult retail market, more active promotions were offered to customers during the period, resulting in a drop of the overall margin.

Despite the small growth in turnover and the reduction in the margin, the Group managed to reduce the overall operating overheads through stringent cost controls and achieve a Group profit of HK$4.0 million as compared to a HK$1.6 million profit for the same period last year.

With a satisfactory turnover growth and the pruning of some non-performing shops in China, the China division managed to achieve a breakeven in the operating profit for the period. The operating loss for the same period last year was HK$9.0 million.

The Marni joint venture business, also affected by the sluggish market and reduced margin, made a HK$1.0 million profit contribution to the Group for the period (2008: HK$1.3 million).

In August 2009, a new Balenciaga shop at Landmark was opened and its performance has been well above expectation. On the other hand, the Group also closed some non-performing shops during the period. As impairment loss for these shops has already been provided in previous financial years, no significant closure costs were incurred during the period.

Business Development

Following the resignation of the Ma Family from the management in November 2007, the new management successfully extended its joint venture partnership with Marni International S.A. and consolidated its partnership with key vendors. Despite difficult trading conditions brought about by the outbreak of the global financial crisis, the management managed to maintain profitability of the Group by taking various corrective measures including stringent costs control, reducing purchases of stocks and pruning of non-performing shops and brands. These various measures have proved to be effective, which has helped the Group ride out the economic downturn.

At the same time, the management has reviewed the past business model of the Group and strategically embarked on various initiatives to further develop its core multi-label JOYCE store model and the high productivity and highly attractive growth potential of the JOYCE Beauty business.

In August 2009, JOYCE Pacific Place was renovated and was strategically repositioned as a multi-label store for fashion forward customers. With a contemporary shop design and maintaining a high proportion of edgy and contemporary merchandise, together with over 50% of the brand mix being exclusive to the store, it successfully differentiates itself from the other JOYCE stores and brings in a new stream of customers. In October 2009, JOYCE, in collaboration with On Pedder, introduced a compelling concept of women's footwear and accessories supported by an offer of international women's wear on the first floor of the JOYCE store at New World Tower. The women's footwear and accessories offer was made by a concession corner of On Pedder. The management believes that this strategic move presents significant opportunity to strengthen those existing vendor relationships, providing an extension of the product offer to better service its customers. The store performance for the first month of operation after the introduction of the On Pedder corner indicated that the collaboration between JOYCE and On Pedder is successful and resulted in improved merchandise mix and services offered to customers, leading to an increase in customer traffic, higher customer spending and increased productivity of the store.

To maximise the high productivity and attractive growth potential of the JOYCE Beauty business, the Group has strategically strengthened its merchandise mix by introducing over 50 new brands, majority being exclusive with high margin. The Group has opened two concession corners inside the Lane Crawford stores at Pacific Place and International Finance Centre and relocated the Times Square shop to a ground floor concession corner inside the Lane Crawford store at Times Square in September 2009. At the same time, the existing shop-in-shop inside the JOYCE store at New World Tower was also fully renovated and has doubled its size to 2,500 sq. ft. Including the free standing shop at Festival Walk and the shop-in-shop inside the JOYCE store at Canton Road, the JOYCE Beauty business is now operating a total of six points of sales offering the new broadened merchandise mix to customers. With the increased support in marketing and in-store visual merchandising, the JOYCE Beauty image will be elevated. These efforts will provide a good foundation for the further development of the JOYCE Beauty business.

In respect of the marketing strategy, in order to strengthen our JOYCE card customers base, we have re-launched a brand new bonus programme in Hong Kong and have also successfully extended the bonus programme to China. The new programme was well received by the customers with significant increase in the number of JOYCE card holders. We have also organised various marketing events, including collaboration with international renowned creative / artistic talents, which help enhancing the Group image and brand positioning as well as driving customer traffic.

Going forward, we will further build on this successful model to maximize productivity and explore new opportunities.

Outlook

We are beginning to see signs that indicate the global recessions are easing and that sustained economic recoveries have begun, albeit at a very slow pace. The outlook for the retail market in the coming quarters will continue to be challenging but we are cautiously optimistic. With the Group's careful approach to purchasing, stock-holding and new expansion plans together with enhanced operating efficiency through stringent cost controls and pruning of non-performing shops, the Group is well-equipped to resume its growth momentum in the coming quarters.

Financial Review

(I) Results Review

Group profit attributable to Shareholders for the six months ended 30 September 2009 amounted to HK$4.0 million, compared to a profit of HK$1.6 million for the same period last year. Earnings per share were 0.2 cents (2008: 0.1 cent).

The Group's turnover for the six months ended 30 September 2009 was HK$491.8 million, representing an increase of 2.6% over the same period last year. The Hong Kong division remained to be the core business of the Group, contributing 83.3% (2008: 85.7%) of the total Group's turnover. Its turnover dropped by 0.3% against the same period last year partly due to the sluggish local retail market sentiment prevailing in the period and partly due to the closure of some non-performing shops during the period. On the contrary, the China division, which emerged to be less affected by the global economic crisis, continued its strong growth momentum and recorded a turnover growth of 20.5%, accounting for 16.7% (2008: 14.2%) of the Group's turnover for the period.

During the period, more aggressive promotions were launched to meet keen market competitions. This has led to a drop in the overall gross profit margin by 2.2 percentage points. Nevertheless, the Group managed to lower the overall operating overheads through introducing effective cost control measures and closing non-performing shops.

With the closure of various non-performing shops in China and the satisfactory sales performance of the remaining shops, the China division has managed to achieve breakeven in the first half of the financial year (2008: operating loss of HK$9.0 million).

During the period, the profit contribution from the Marni joint venture business decreased slightly by HK$0.3 million to HK$1.0 million, which was mainly due to reduced gross margin required to boost sales.

(II) Liquidity and Financial Resources

At 30 September 2009, the Group's financial position remained strong with total cash deposits and cash on hand amounted to HK$212.6 million.

At 30 September 2009, the Group had banking facilities in a total amount of HK$233.0 million (31/3/2009: HK$233.0 million).

With its strong financial position and available banking facilities, the Group believes that it will have sufficient fund to pursue new potential investment opportunities.

(III) Foreign Exchange Risk Management

Most of the Group's imported purchases are denominated in foreign currencies, primarily being Euro. To minimise exposure on foreign exchange fluctuations, the Group will from time to time review its foreign exchange position and, when it considers appropriate and necessary, will hedge its foreign exchange exposure by way of forward foreign exchange contracts.

(IV) Human Resources

The Group had 525 staff as at 30 September 2009 (31/3/2009: 583). Staff are remunerated according to nature of the job and market trend, with a built-in merit component incorporated in the annual increment to reward and motivate individual performance. The Group provides various job-related training programmes to staff when necessary. Total staff costs for the period ended 30 September 2009 amounted to HK$60.9 million.

Code on Corporate Governance Practices

During the financial period under review, the Company has complied with all the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Condensed Consolidated Interim Income Statement

for the six months ended 30 September 2009

	Note	**Unaudited 30/09/2009 HK$'000**	(Restated) Unaudited 30/09/2008 HK$'000
Turnover	2	**491,765**	479,510
Other income		**2,780**	5,019
		494,545	484,529
Direct costs and operating expenses	4	**(445,938)**	(432,942)
Selling and marketing expenses	4	**(15,534)**	(17,792)
Administrative expenses	4	**(29,513)**	(33,292)
Operating profit		**3,560**	503
Finance costs	3	**(6)**	(195)
Share of profit of associate		**1,031**	1,272
Profit before income tax		**4,585**	1,580
Income tax expense	5	**(556)**	—
Profit attributable to equity holders of the Company		**4,029**	1,580
Earnings per share	6		
- Basic and diluted		**0.2 cents**	0.1 cent
Dividends	7	**—**	—

Condensed Consolidated Interim Statement of Financial Position

at 30 September 2009

	Note	Unaudited 30/09/2009 HK$'000	(Restated) Audited 31/03/2009 HK$'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		**52,943**	65,218
Deposits, prepayments and other assets		**35,388**	33,018
Interest in associate		**8,830**	19,586
Deferred income tax assets		**2,585**	4,478
		99,746	122,300
Current Assets			
Inventories		**243,849**	263,398
Trade and other receivables	8	**40,527**	31,992
Deposits, prepayments and other assets		**22,815**	17,435
Amount due from associate		**2,057**	—
Cash and cash equivalents		**212,574**	213,275
		521,822	526,100
Total Assets		**621,568**	648,400
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	10	**162,400**	162,400
Reserves		**313,474**	302,486
Total Equity		**475,874**	464,886
LIABILITIES			
Non-Current Liabilities			
Financial liability at fair value through profit or loss		**1,394**	1,394
Deferred income tax liabilities		**283**	645
		1,677	2,039
Current Liabilities			
Trade and bills payables	9	**56,607**	57,040
Other payables and accruals		**82,839**	81,923
Amount due to associate		**—**	22,779
Current income tax liabilities		**1,125**	—
Financial derivative liabilities		**122**	12,844
Deferred revenue		**3,324**	3,013
Short-term bank loans		**—**	3,876
		144,017	181,475
Total Liabilities		**145,694**	183,514
Total Equity And Liabilities		**621,568**	648,400
Net Current Assets		**377,805**	344,625
Total Assets Less Current Liabilities		**477,551**	466,925

Condensed Consolidated Interim Statement of Changes in Equity
For the six months ended 30 September 2009

	Attributable to equity holders of the Company								
	Share capital HK$'000	Share premium HK$'000	Capital surplus HK$'000	Contributed surplus HK$'000	Exchange fluctuation reserve HK$'000	Employee compensation reserve HK$'000	Hedging reserve HK$'000	Retained profits HK$'000	Total HK$'000
Balance at 1 April 2009	162,400	3,728	76	139,196	(1,964)	2,645	(7,378)	166,183	464,886
Exchange differences on translation of accounts of foreign entities:									
- Subsidiaries	—	—	—	—	(214)	—	—	—	(214)
- Associate	—	—	—	—	(224)	—	—	—	(224)
Cash flow hedges:									
- Fair value gains for the period	—	—	—	—	—	—	9,496	—	9,496
- Deferred income tax recognised	—	—	—	—	—	—	(2,099)	—	(2,099)
Profit attributable to equity holders	—	—	—	—	—	—	—	4,029	4,029
Total recognised (loss)/income	—	—	—	—	(438)	—	7,397	4,029	10,988
Employee share option scheme:									
- transfer of reserve upon lapse of share options	—	—	—	—	—	(2,645)	—	2,645	—
Balance at 30 September 2009	162,400	3,728	76	139,196	(2,402)	—	19	172,857	475,874

The comparative figures for the six months ended 30 September 2008 are set out as follows:

	Attributable to equity holders of the Company								
	Share capital HK$'000	Share premium HK$'000	Capital surplus HK$'000	Contributed surplus HK$'000	Exchange fluctuation reserve HK$'000	Employee compensation reserve HK$'000	Hedging reserve HK$'000	Retained profits HK$'000	Total HK$'000
Balance at 1 April 2008	162,400	3,728	76	139,196	(2,442)	2,892	15,329	185,545	506,724
Exchange differences on translation of accounts of foreign entities	—	—	—	—	(31)	—	—	—	(31)
Fair value losses on cash flow hedge	—	—	—	—	—	—	(30,610)	—	(30,610)
Profit attributable to equity holders	—	—	—	—	—	—	—	1,580	1,580
Total recognised (loss)/income	—	—	—	—	(31)	—	(30,610)	1,580	(29,061)
Final dividend paid	—	—	—	—	—	—	—	(22,736)	(22,736)
Balance at 30 September 2008	162,400	3,728	76	139,196	(2,473)	2,892	(15,281)	164,389	454,927

Condensed Consolidated Interim Statement of Comprehensive Income

for the six months ended 30 September 2009

	Unaudited 30/09/2009 HK$'000	Unaudited 30/09/2008 HK$'000
Profit for the period	**4,029**	1,580
Other comprehensive income		
Exchange differences on translation of accounts of foreign entities	**(438)**	(31)
Fair value gains / (losses) on cash flow hedge, net of tax	**7,397**	(30,610)
Total comprehensive income / (loss) for the period	**10,988**	(29,061)

Condensed Consolidated Interim Statement of Cash Flows

for the six months ended 30 September 2009

	Unaudited 30/09/2009 HK$'000	Unaudited 30/09/2008 HK$'000
Net cash outflow from operating activities	**(5,082)**	(21,994)
Net cash inflow / (outflow) from investing activities	**8,518**	(23,207)
Net cash outflow from financing activities	**(3,876)**	(22,736)
Decrease in cash and cash equivalents	**(440)**	(67,937)
Effect of foreign exchange rate changes, net	**(261)**	(31)
Cash and cash equivalents at beginning of period	**213,275**	251,129
Cash and cash equivalents at end of period	**212,574**	183,161
Analysis of balances of cash and cash equivalents		
Bank balances and cash	**212,574**	198,847
Short-term bank loans	**—**	(15,686)
	212,574	183,161

Notes to Interim Financial Statements

(1) Basis of preparation and accounting policies

The unaudited condensed consolidated interim 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 ("HKICPA"), and the applicable disclosure requirements of Appendix 16 of the Listing Rules of the Stock Exchange.

These unaudited consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2009, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

Except as described below, the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 March 2009, as described in those annual financial statements.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 April 2009.

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKFRS 8	Operating Segments
HK(IFRIC) – Int 13	Customer Loyalty Programmes

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 April 2009 but are not relevant to the Group's operations.

HKAS 32 and HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 and HKAS 27 (Amendments)	Cost of an investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Share-based Payment
HKFRS 7 (Amendment)	Financial Instruments : Disclosures
HK(IFRIC) – Int 9 and HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation

The adoption of the above new and revised standards, amendments and interpretations has had no material impact on the Group's results and financial position.

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 April 2009 and have not been early adopted:

HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement - Eligible Hedged Items
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners
HK(IFRIC) – Int 18	Transfers of Assets from Customers

Apart from the above, the HKICPA has also issued improvements to HKFRSs under its annual improvement project, primarily with a view to remove inconsistencies and clarify working. The Group does not expect adoption of the amendments to have a significant effect on the results and financial position.

(2) Segment information

The Group is principally engaged in sale of designer fashion garments, cosmetics and accessories.

An analysis of the Group's segment information for the period by geographical segment is as follows:

	Segment turnover		**Segment results**	
	30/09/2009	30/09/2008	**30/09/2009**	30/09/2008
	HK$'000	HK$'000	**HK$'000**	HK$'000
Geographical segments:				
Hong Kong	**409,546**	410,800	**4,692**	10,654
China	**82,137**	68,152	**154**	(9,009)
Others	**82**	558	**(1,286)**	(1,142)
Total	**491,765**	479,510		
Operating profit			**3,560**	503
Finance costs			**(6)**	(195)
Share of profit of associate			**1,031**	1,272
Profit before income tax			**4,585**	1,580
Income tax expense			**(556)**	—
Profit attributable to equity holders			**4,029**	1,580

There are no sales or other transactions between the geographical segments.

No business segment analysis is provided as over 90% of the Group's turnover and profit contribution came from the retail business during the period.

(3) Finance costs

	30/09/2009 HK$'000	30/09/2008 HK$'000
Interest on bank loans and overdrafts	6	195

(4) Expenses by nature

	30/09/2009 HK$'000	30/09/2008 HK$'000
Cost of inventories (including provision for inventories)	**280,106**	262,741
Depreciation of property, plant and equipment	**14,900**	15,685
Operating lease rentals in respect of land and buildings	**97,670**	105,955
Staff costs	**60,909**	61,313
Net cost of transferring shares in jointly controlled entity	**—**	155
Other expenses	**37,400**	38,177
	490,985	484,026

(5) Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the period ended 30 September 2009 (2008: Nil).

No provision for overseas profits tax has been made as there were no net assessable profits generated during the period ended 30 September 2009 (2008: Nil).

The amount of taxation charged to the consolidated income statement represents:

	30/09/2009 HK$'000	30/09/2008 HK$'000
Current income tax		
– Hong Kong profits tax	**1,125**	—
Deferred income tax	**(569)**	—
	556	—

(6) Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the consolidated profit attributable to equity holders for the period of HK$4,029,000 (2008: HK$1,580,000) and the weighted average number of ordinary shares of 1,624,000,000 (2008: 1,624,000,000) shares in issue during the period.

(b) Diluted earnings per share

As the exercise price of the Company's outstanding share options were higher than the average market price of the Company's ordinary shares during the period ended 30 September 2008 and 2009, the outstanding share options had no dilutive effect on the earnings per share.

(7) Dividends

(a) Dividends attributable to the period

The Board has resolved not to declare any interim dividend for the period ended 30 September 2009 (2008: Nil).

(b) Dividends attributable to the previous financial year, approved and paid during the period.

	30/09/2009 HK$'000	30/09/2008 HK$'000
Final dividend in respect of the previous financial year, approved and paid during the period, of nil cents (2008: 1.4 cents) per share	**—**	22,736

(8) Trade and other receivables

Included in trade and other receivables are trade receivables with an ageing analysis at 30 September 2009 as follows:

	30/09/2009 HK$'000	31/03/2009 HK$'000
Within 30 days	**28,106**	20,330
Between 31 to 60 days	**3,828**	4,057
Between 61 to 90 days	**327**	3,589
Over 90 days	**—**	1,408
	32,261	29,384

The Group has established credit policies for each of its core businesses. The general credit terms allowed range from 0 to 60 days.

(9) Trade and bills payables

The ageing analysis of trade and bills payables at 30 September 2009 is as follows:

	30/09/2009	31/03/2009
	HK$'000	HK$'000
Due within 30 days	**54,048**	45,072
Due between 31 to 60 days	**2,299**	4,545
Due between 61 to 90 days	**6**	1,502
Due after 90 days	**254**	5,921
	56,607	57,040

(10) Share capital

	2009		2008	
	Number of shares '000	**HK$'000**	Number of shares '000	HK$'000
Authorised:				
Ordinary shares of HK$0.10 each				
Beginning and end of the period	**3,000,000**	**300,000**	3,000,000	300,000
Issued and fully paid:				
Beginning and end of the period	**1,624,000**	**162,400**	1,624,000	162,400

No options were exercised during the period ended 30 September 2008 and 2009, and all the outstanding options were lapsed on 31 August 2009.

(11) Commitments

(a) Operating lease commitments

At 30 September 2009, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	30/09/2009	31/03/2009
	HK$'000	HK$'000
Land and buildings:		
Not later than one year	**145,927**	155,468
Later than one year and not later than five years	**234,795**	238,673
Later than five years	**39,847**	53,911
	420,569	448,052

Payment obligations in respect of operating leases with rentals varied with gross revenues are not included as future minimum lease payment.

(b) Capital commitments

Capital expenditure at the balance sheet date but not yet incurred is as follows:

	30/09/2009 HK$'000	31/03/2009 HK$'000
Property, plant and equipment contracted but not provided for	**5,583**	2,342

(12) Related party transactions

Significant related party transactions, which were carried out in the normal course of the Group's business during the period, are as follows:

(a) Transactions with a fellow subsidiary

	30/09/2009 HK$'000	30/09/2008 HK$'000
Rental expenses paid to a fellow subsidiary	**4,222**	5,892

(b) Transactions with associate

	30/09/2009 HK$'000	30/09/2008 HK$'000
Management fee received from associate	1,143	1,348

(13) Review of unaudited interim financial statements

The unaudited interim financial statements for the six months ended 30 September 2009 have been reviewed with no disagreement by the Audit Committee of the Company.

Model Code for Directors' Dealing in Securities

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in Appendix 10 of the Listing Rules. The Company has made specific enquiry of all Directors and all the Directors have complied with the required standard set out in the Model Code and its code of conduct regarding Directors' securities transactions.

Directors' Interests in Shares

As recorded in the register kept by the Company under section 352 of the Securities and Futures Ordinance ("SFO") in respect of information required to be notified to the Company and the Stock Exchange by the Directors and/or Chief Executive of the Company pursuant to the SFO or to the Model Code, there were no interests, both long and short positions, held during the financial period by any of the Directors or Chief Executive of the Company in shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), nor had there been any exercises during the financial period of any rights to subscribe for any shares, underlying shares or debentures of the Company.

Substantial Shareholders' Interests

Given below are the names of all parties, who/which were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital of the Company as at 30 September 2009, the respective relevant numbers of shares in which they were, and/or were deemed to be, interested as at that date as recorded in the register kept by the Company under section 336 of the SFO (the "Register") and the percentages which the shares represented to the issued share capital of the Company:

	Names	**No. of Ordinary Shares** (percentage of issued capital)
(i)	Allied Wisdom International Limited	831,862,723 (51.22%)
(ii)	Wisdom Gateway Limited	831,862,723 (51.22%)
(iii)	HSBC Trustee (Guernsey) Limited	831,862,723 (51.22%)
(iv)	Mr. Peter K. C. Woo	831,862,723 (51.22%)
(v)	J. W. Mark Limited	368,000,000 (22.66%)
(vi)	Asiatrust Limited	368,000,000 (22.66%)
(vii)	Mr. Walter K. W. Ma	368,000,000 (22.66%)

Note: For the avoidance of doubt and double counting, it should be noted that duplication occurs in respect of all of the shareholdings stated against parties (i) to (iv) above in that they all represent the same block of shares and that duplication also occurs in respect of shareholdings stated against parties (v) to (vii) above in that they all represent the same block of shares.

All the interests stated above represented long positions and as at 30 September 2009, there were no short position interests recorded in the Register.

Share Option Scheme

Set out below are particulars and movements during the financial period of the Company's outstanding share options under the Share Option Scheme which were granted to 11 employees, all of them working under employment contracts that are regarded as "continuous contracts" for the purposes of the Employment Ordinance and all being participants with options not exceeding the respective individual limits:

Date granted (Day/Month/Year)	No. of ordinary shares represented by unexercised options outstanding as at 01/04/2009	No. of ordinary shares represented by options lapsed during the financial period	No. of ordinary shares represented by unexercised options outstanding as at 30/09/2009	Period during which rights exercisable (Day/Month/Year)	Price per share to be paid on exercise of options (HK$)
17/09/2004	10,250,000	10,250,000	Nil	01/09/2005 to 31/08/2009	0.405

Except as disclosed above, no share option of the Company was issued, exercised, cancelled, lapsed or outstanding throughout the financial period.

Purchase, Sale or Redemption of Shares

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the financial period under review.

By Order of the Board
Wilson W. S. Chan
Company Secretary

Hong Kong, 4 December 2009

As at the date of this interim report, the Board of Directors of the Company comprises Mr. Stephen T. H. Ng, Ms. Doreen Y. F. Lee and Mr. Paul Y. C. Tsui, together with three independent Non-executive Directors, namely, Mr. Antonio Chan, Mr. Eric F. C. Li and Mr. Eric K. K. Lo.