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SINCERE WATCH (HONG KONG) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0444)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010

FINANCIAL HIGHLIGHTS

- Turnover for the six months ended 30 September 2010 (H1 FY2011) increased by 147.9% to HK$407,344,000 when compared with HK$164,304,000 for the corresponding period of last year.
- Gross margin increased from 21.3% to 29.2% mainly due to lower slow moving stock provision. Gross profit for the six months ended 30 September 2010 increased by 240.4% from HK$34,993,000 to HK$119,099,000.
- Profit after taxation for the six months ended 30 September 2010 turned around from Loss after taxation of HK$27,962,000 to Profit after taxation of HK$33,014,000, primarily attributable to improving market conditions and decreased provision for the slow moving inventories.
- Loss per share of 6.9 HK cents in H1 FY2010 turned around to Earnings per share of 8.1 HK cents in H1 FY2011.
- Net asset value increased to 67.10 HK cents per share as at 30 September 2010 vs 60.88 HK cents per share as at 31 March 2010.

INTERIM RESULTS

The board of directors (the "Board") of Sincere Watch (Hong Kong) Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2010 (the "Period"), together with the unaudited comparative figures for the corresponding six months ended 30 September 2009.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2010

		For the six months ended 30 September	
		2010	**2009**
		(Unaudited)	**(Unaudited)**
	Notes	*HK$'000*	*HK$'000*
Turnover	*3*	407,344	164,304
Cost of sales		(288,245)	(129,311)
Gross profit		119,099	34,993
Other income		499	447
Selling and distribution costs	*12*	(18,163)	(6,935)
General and administrative expenses	*13*	(54,876)	(42,446)
Profit (loss) before taxation and exchange (losses) gains		46,559	(13,941)
Realised exchange gain (loss)		7,397	(3,731)
Unrealised exchange loss		(23,693)	(14,864)
Gain from changes in fair value of financial assets designated as at fair value through profit or loss		9,064	–
Profit (loss) before taxation		39,327	(32,536)
Income tax (expense) credit	*4*	(6,313)	4,574
Profit (loss) for the period, attributable to owners of the Company	*5*	33,014	(27,962)
Other comprehensive income			
Exchange differences on translation of foreign operations, representing other comprehensive income		518	1,619
Total comprehensive income (loss) for the period, attributable to owners of the company		33,532	(26,343)
Earnings (loss) per share – basic	*7*	8.1 HK cents	(6.9)HK cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 September 2010 (Unaudited) HK$'000	31 March 2010 (Audited) HK$'000
Non-current assets			
Property, plant and equipment	*8*	8,059	8,015
Intangible assets		8,595	9,247
Deferred tax assets		23,991	22,877
		40,645	40,139
Current assets			
Inventories		204,539	243,052
Trade and other receivables	*9*	124,529	105,379
Amount due from immediate holding company		33	132
Financial assets designated as at fair value through profit or loss		9,064	–
Taxation recoverable		12	–
Pledged bank deposits		6,900	6,900
Bank balances and cash		273,343	102,121
		618,420	457,584
Current liabilities			
Trade and other payables	*10*	367,220	233,327
Amount due to fellow subsidiaries		3,841	7,996
Taxation payable		13,801	7,119
		384,862	248,442
Net current assets		233,558	209,142
Total assets less current liabilities		274,203	249,281
Non-current liability			
Deferred tax liability		450	900
Net assets		273,753	248,381
Capital and reserves			
Share capital		40,800	40,800
Reserves		232,953	207,581
Equity attributable to owners of the Company		273,753	248,381

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2010

	Attributable to owners of the Company					
	Share capital	**Share premium**	**Special reserve**	**Translation reserve**	**Retained profits**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2010	40,800	59,546	801	827	146,407	248,381
2010 Dividend paid	–	–	–	–	(8,160)	(8,160)
Exchange difference arising from translation of financial statements of foreign operations recognised directly in equity				518	–	518
Profit for the period	–	–	–	–	33,014	33,014
At 30 September 2010 (unaudited)	**40,800**	**59,546**	**801**	**1,345**	**171,261**	**273,753**
At 1 April 2009	40,800	59,546	801	(1,052)	141,622	241,717
Exchange difference arising from translation of financial statements of foreign operations recognised directly in equity				1,619	–	1,619
Loss for the period	–	–	–	–	(27,962)	(27,962)
At 30 September 2009 (unaudited)	**40,800**	**59,546**	**801**	**567**	**113,660**	**215,374**

Note: *The special reserve of the Group represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for the acquisition at the time of the reorganisation during its listing in The Stock Exchange of Hong Kong Limited.*

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For the six months ended 30 September 2010

	For the six months ended 30 September	
	2010	**2009**
	(Unaudited)	**(Unaudited)**
	HK$'000	*HK$'000*
Net cash inflow (outflow) from operating activities	183,580	(8,046)
Net cash used in investing activities	(4,198)	(994)
Net cash used in financing activities	(8,160)	–
Net increase (decrease) in cash and cash equivalents	171,222	(9,040)
Cash and cash equivalents at the beginning of the period	102,121	77,569
Cash and cash equivalents at the end of the period	273,343	68,529

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

The unaudited consolidated financial statements for the Period have been prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong including compliance with Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting" 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"). The financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company.

The Company's ultimate holding company is Sincere Holdings Limited, ("SHL"), a company incorporated in the Cayman Islands and controlled by a consortium of investors. The Company's immediate holding company is Sincere Watch Limited ("SWL"), a company incorporated in the Republic of Singapore. On 30 September 2009, SHL announced that it would make a voluntary conditional cash offer for all the issued ordinary shares of SWL and the cash offer has been executed on 22 December 2009.

2. SIGNIFICANT ACCOUNTING POLICIES

The unaudited consolidated financial statements have been prepared on the historical cost basis. The principal accounting policies used in the preparation of the unaudited consolidated financial statements are consistent with those applied in the Group's audited financial statements for the year ended 31 March 2010.

The adoption of HKFRS 3 (Revised 2008) may affect the Group's accounting for business combinations for which the acquisition dates are on or after the beginning of the first annual reporting period beginning on after 1 July 2009. HKAS 27 (Revised 2008) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary that do not result in loss of control of the subsidiary. Changes in the Group's ownership interest that do not result in loss of control of the subsidiary will be accounted for as equity transactions.

The Group has not early applied new and revised standards, amendments or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of the new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements of the Group.

3. SEGMENT INFORMATION

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1 April 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and to assessing their performance. The chief operating decision makers of the Group have been identified as the executive directors of the Company (the "Executive Directors"). The adoption of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14 nor change in measurement of segment results.

The Group determines its operating segments based on the internal reports reviewed by the Executive Directors that are used to allocate resources and assess performance, which are analysed based on the geographical locations of the sales.

Segment results represents the profit before taxation earned by each segment and excluding unallocated other income and unallocated corporate expenses such as central administration costs, selling and distribution costs, exchange gain or loss and directors' salaries. This is the measure reported to the Executive Directors for the purpose of resource allocation and assessment of segment performance.

The Group's principal activity is distribution of branded luxury watches, timepieces and accessories.

An analysis of the Group's turnover and results by operating segments is as follows:–

For the six months ended 30 September 2010

	Hong Kong (Unaudited) *HK$'000*	**PRC other than Hong Kong (Unaudited)** *HK$'000*	**Other Asian locations (Unaudited)** *HK$'000*	**Total (Unaudited)** *HK$'000*
REVENUE				
External Sales	319,714	66,987	20,643	407,344
RESULT				
Segment results	89,804	23,236	6,059	119,099
Unallocated expenses				(80,271)
Unallocated income				499
Profit before taxation				39,327

For the six months ended 30 September 2009

	Hong Kong (Unaudited) *HK$'000*	**PRC other than Hong Kong (Unaudited)** *HK$'000*	**Other Asian locations (Unaudited)** *HK$'000*	**Total (Unaudited)** *HK$'000*
REVENUE				
External Sales	112,382	41,209	10,713	164,304
RESULT				
Segment results	14,597	17,104	3,292	34,993
Unallocated expenses				(67,976)
Unallocated income				447
Loss before taxation				(32,536)

4. INCOME TAX (EXPENSES) CREDIT

	For the six months ended 30 September 2010 (Unaudited) *HK$'000*	2009 (Unaudited) *HK$'000*
The charge comprises:		
Current tax		
Hong Kong	(6,890)	–
Other jurisdictions	(939)	(589)
	(7,829)	(589)
Deferred tax	1,516	5,163
	(6,313)	4,574

The provision for Hong Kong Profits Tax is calculated at 16.5% (30 September 2009: 16.5%) of the estimated assessable profits for the Period. Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

5. PROFIT (LOSS) FOR THE PERIOD

	For the six months ended 30 September 2010 (Unaudited) *HK$'000*	2009 (Unaudited) *HK$'000*
Profit for the period has been arrived at after charging:		
Directors' remuneration	10,242	3,707
Other staff costs	10,354	7,144
Other staff's retirement benefits scheme contributions	187	163
Total staff costs	20,783	11,014
Allowances for inventories	9,084	26,022
Amortisation of intangible assets (included in general and administrative expenses)	653	653
Depreciation of property, plant and equipment	4,197	5,063
Minimum lease payments in respect of rented Premises	21,470	20,793

6. DIVIDEND

The Board has resolved not to declare the payment of any interim dividend for the six months ended 30 September 2010 (30 September 2009: Nil).

Final dividend for the year ended 31 March 2010 amounting to HK$8,160,000 was approved by the shareholders at the annual general meeting held on 27 August 2010 and was paid during the period. (2009: No final dividend was paid in respect of the year ended 31 March 2009.)

7. EARNINGS (LOSS) PER SHARE

The calculation of basic earnings (loss) per share is based on the Profit for the Period of HK$33,014,000 (30 September 2009: Loss HK$27,962,000) and on the number of 408,000,000 shares (30 September 2009: 408,000,000 shares) that have been in issue throughout the Period.

8. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, the Company spent approximately HK$4,234,000 (30 September 2009: HK$1,000,000) on acquisition of property, plant and equipment.

9. TRADE AND OTHER RECEIVABLES

	30 September 2010 (Unaudited) *HK$'000*	**31 March 2010 (Audited)** *HK$'000*
Trade receivables	107,496	74,349
Other receivables	17,033	31,030
	124,529	105,379
The following is an aged analysis of trade receivables:		
Within 30 days	59,886	35,129
31-90 days	47,610	38,043
91-120 days	–	1,177
Over 120 days	484	484
	107,980	74,833
Allowance for doubtful debts	(484)	(484)
	107,496	74,349

The Group allows a credit period normally ranging from 30 to 90 days to its trade customers.

10. TRADE AND OTHER PAYABLES

	30 September 2010 (Unaudited) *HK$'000*	31 March 2010 (Audited) *HK$'000*
Trade payables	302,820	194,373
Other payables	64,400	38,954
	367,220	233,327
The following is an aged analysis of trade payables:		
Within 90 days	119,677	87,843
91-365 days	149,332	70,825
Over 365 days	33,811	35,705
	302,820	194,373

The amount of trade payables above includes HK$297,891,000 (31 March 2010: HK$193,070,000), HK$413,000 (31 March 2010: HK$227,000) and HK$4,516,000 (31 March 2010: HK$1,008,000) which are denominated in Swiss Franc, Euro and SGD respectively.

11. RELATED PARTY TRANSACTIONS

(a) Transaction

During the Period, the Group had HK$4,065,000 (30 September 2009: HK$4,635,000) purchases from a fellow subsidiary and nil (30 September 2009: HK$425,000) sales to immediate holding company.

(b) Compensation of key management personnel

The remuneration of Directors during the Period was as follows:

	For the six months ended 30 September	
	2010 (Unaudited) *HK$'000*	2009 (Unaudited) *HK$'000*
Directors' Remuneration	10,242	3,707

The remuneration of Directors is determined by the remuneration committee and management respectively having regard to the performance of individuals and market trends.

12. SELLING AND DISTRIBUTION COSTS

The increase in selling and distribution costs was mainly due to higher commission and increased promotional and marketing activities held during the period.

13. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses comprised mainly rentals, depreciation and staff costs. The increase in general and administrative expenses was mainly due to the increased directors' remuneration and other staff costs.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Group reported a sterling performance for the six months ended 30 September 2010 with Group sales surging 147.9% to HK$407.3 million from HK$164.3 million over the same period last year. The revenue achieved in the period under review was about 92% of the total sales of the full year ended 31 March 2010 (FY2010). The surge in sales was due to improved market conditions and rebounded economy.

Gross profits also leapt by 240.3 per cent to HK$119.1 million from HK$35.0 million over the same period last year. The gross profits over sales improved to 29.2% from 21.3% due to improved sales and lower stock provision.

The Group's profit before tax and exchange differences also rebounded strongly to HK$46.6 million – against a loss of HK$13.9 million in the same period last year.

Spurred by the higher revenue and margins, the Group reported an interim net profit of HK$33.0 million – reversing a loss of HK$28.0 million in the same period of the last financial year. It was almost seven times higher than the net profit of HK$4.8 million for the whole of FY2010.

The Group's interim net profit surge was achieved despite unrealised foreign exchange losses and higher selling and distribution expenses and administrative expenses. These forex losses went up 59% to HK$23.7 million from HK$14.9 million in the same period last year.

Excluding the realised and unrealised exchange differences, the Group's net profit was about HK$49.3 million for the six-month period ended 30 September 2010.

Such foreign exchange difference arose from trade payables denominated in foreign currencies, which were translated at the exchange rates prevailing at the balance sheet dates and any differences in valuation were then recognised in the income statement as unrealised gains or losses.

Selling and distribution expenses increased mainly due to higher commission and increased promotional and marketing activities held during the period. General and administrative expenses also went up mainly because of increased directors' remuneration and other staff costs.

Inventory levels declined 15.8% from HK$243.1 million to HK$204.5 million in the period under review due to the increase in sales volume.

The performance of the Group reflected the continued robust recovery in the region's economy and the improved overall business climate, resulting in a strong comeback of consumer demand in all of the Group's key markets. The Group's growth in the past six months was also spurred by accelerated growth in the luxury industry in Asia and the delivery of new watch models.

Group Net Asset Value per share (NAV) rose by about 10.2% to 67.10 HK cents from 60.88 HK cents in the same period last year.

Group earnings per share (EPS) for the first six months ended 30 September 2010 returned to the black at HK$0.081 or 8.1 HK cents against a loss per share of HK$0.0685 or 6.9 HK cents in the same period last year. The Group's EPS for the full year FY2010 was 1.2 HK cents.

Performance by Geographical markets

All its markets recorded stronger profit performances.

Hong Kong

Hong Kong continues to be the Group's major market, accounting for 78.5% of the Group's revenue in the six months ended 30 September 2010. Performance in this market recorded the greatest increase in revenue. Sales surged almost two folds or 185% to HK$319.7 million from HK$112.4 million in the previous period.

PRC other than Hong Kong

PRC and Macau accounted for about 16.4% of the Group's revenue in the first six months of the year ended 30 September 2010. Sales in this region jumped to HK$67.0 million, up 62.6% from HK$41.2 million in the same period last year.

This region's percentage contribution to the Group's total sales declined as the rate of sales growth was lower than Hong Kong. The PRC and Macau market accounted for about 25.1% of Group total sales in the same period last year.

Other Asian locations

Sales from the other Asian territories (including Taiwan and Singapore) rebounded strongly.

Revenue from the other Asian markets doubled to reach HK$20.6 million from HK$10.7 million in the previous corresponding period.

This region's contribution to the Group's overall revenue has decreased to about 5.1% against about 6.5% of Group total revenue in the same period last year.

Taiwan has seen a rebound in the business mainly due to recovery of the economy and changes made to the distribution mix and improvement in the Franck Muller boutique's performance. The boutique has seen a marked improvement with half year turnover already over last year full year's performance.

BUSINESS REVIEW

The Group is the sole distributor of Franck Muller watches and accessories in Hong Kong, Macau and the PRC. We also represent five other exclusive luxury brands – de Grisogono, CVSTOS, Pierre Kunz, European Company Watch and the latest addition – Backes & Strauss.

Backes & Strauss was launched into the market in September with a presentation to key media and will be available in the Hong Kong from October.

The Group increased its overall brand portfolio as it focused its attention on expanding its market share in North Asia, by growing its distribution network of independent watch retailers and its own operated mono-brand boutiques. These mono-brand boutiques form a vital part of the Group's brand management strategy, as they are located in prime shopping areas and act as a showcase for the exclusive luxury brands that the Group represents.

New tie ups with key retail operators such as Chow Tai Fook allowed the group high exposure opportunities in high end heavy foot fall areas. This will also give access to their retail chain in China in the future.

Distribution network and market penetration

The Group has an extensive network of 46 points of sales in the region run by 23 independent watch dealers throughout North Asia – including Hong Kong, Macau, the PRC and Taiwan.

The Group has consistently undertaken niche marketing initiatives to underscore the wow factor of its global watch brands and to delight its customers. This included several unique events in China – one of the world's fastest growing markets for luxury watches.

The Group has also expanded its range of watch brands under its portfolio. It launched a new brand Backes & Strauss in September 2010. Backes & Strauss, founded in the UK in 1789, combines a genius for horology with a passion for diamonds; and it has produced some of the world's finest and most luxurious watch collections.

With the addition of this brand, the Group now has 6 key watch brands: Franck Muller, de Grisogono, CVSTOS, Pierre Kunz, European Company Watch and Backes & Strauss.

In the period under review, the Group also undertook several high profile events to launch new watch collections. These included the Franck Muller "Liberty" series of watches with in-house produced self-winding movements which represent a major breakthrough for the Franck Muller manufactory giving them less dependence on external sourcing.

The Group held media presentations in Beijing and Shanghai in June 2010 – to launch the Liberty series.

In Taiwan, a presentation to the media was made to show the new collections launched earlier in the year in Geneva.

In the period under review, the Group has maintained its strong distribution network. The Group has opened four new points of sales in Hong Kong while closing two under performing sales outlets.

Brand enhancement activities

The Group also continued to reinforce its brand leadership with the introduction of new POS display units, light boxes focused product placements in relevant media. Two new advertising layouts were introduced concentrating on the Infinity and Liberty collection.

PROSPECTS

The centre of gravity of the luxury business is shifting rapidly to Asia with China forecasts to be the world's largest luxury market in the next few years (source: Boston Consulting Group).

The latest figures from the Federation of the Swiss Watch Industry reinforced Asia's eminent position as the main engine of growth for the Swiss watch industry. Asia including the Middle East took the lion's share of about 51% of the total value of all Swiss watch imports at the end of September 2010. The same report showed Hong Kong as the top destination of most Swiss watch industry products, capturing 19.4% of total world imports amounting to CHF 279 million – outpacing other leading markets such as U.S. and Japan.

The demand for Swiss watches in Asia was such that Hong Kong surpassed the United States and Europe as the world's top market for Swiss watches for three consecutive years since 2007.

By September 2010, Hong Kong and China posted a year-on-year increase of 50.3% and 35.5% respectively in Swiss watch imports.

The Group's other markets such as Singapore and Taiwan also showed robust rises in demand for Swiss watches – registering growth of 27.8% and 21.2% respectively.

The Group's ultimate holding company Sincere Holdings Limited is now controlled by a consortium of investors including Triple A Enterprises Pte Ltd (which is owned by Mr. Tay Liam Wee – Executive Chairman of Sincere Watch Limited), Standard Chartered Private Equity Limited, L Capital Sincere Cayman Limited (a member of the world's top luxury group – LVMH), and a group of banks. With the resources of this global consortium and in the light of the improved outlook, the Group is optimistic of its prospects in the coming months.

The Group will take advantage of the strong rebound in consumer sentiment and the sustained global economic recovery to bring forth new initiatives to expand market share and grow its business network.

The Group is looking into setting up new boutiques and the appointment of distribution partner in China.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 30 September 2010, the Group strengthened its healthy financial position with cash and bank deposits, including pledged bank deposit, up 157% to reach HK$280.2 million from HK$109.0 million, as of 31 March 2010. The cash level also represents a substantial increase of 272% from HK$75.4 million (as at 30 September 2009). The Group also has no outstanding bank loan.

The Group generally finances its operations and investing activities with internally generated cash flows. As at 30 September 2010, the Group's net current asset rose 11.7% to HK$233.6 million from HK$209.1 million as the end of March 2010. This is also a 32.9% improvement compared to HK$175.8 million recorded on 30 September 2009. The directors believe the Group's existing financial resources are sufficient to fulfil its commitments and current working capital requirements.

CAPITAL STRUCTURE AND FOREIGN EXCHANGE EXPOSURE

The income of the Group is mainly denominated in Hong Kong Dollars and the Group has adequate recurring cash flow to meet the working capital needs.

The Group recorded realised exchange gain of HK$7.4 million as at end September 2010 compared to a loss of HK$3.7 million in the same period last year. In addition, the Group had unrealised exchange loss of about HK$23.7 million in the first half ended 30 September 2010 against an unrealised exchange loss of about HK$14.9 million recorded in the same period last year. Besides, the Group recorded HK$9.1 million gain from changes in fair value of financial assets designated as at fair value through profit or loss, which represents the "mark-to-market" gain on foreign currency forward contracts.

The Group pursued a prudent policy on financial risk management and the management of foreign currencies and interest rate. The Group benefits from favourable payment terms from its suppliers that may result in unrealised gain or losses from time to time in applying Hong Kong Accounting Standard 21 "The Effects of Changes in Foreign Exchange Rates".

CHARGE ON ASSETS

The Group had a pledged bank deposit of HK$6,900,000 as at 30 September 2010 (31 March 2010: HK$6,900,000) to secure undrawn banking facilities.

SIGNIFICANT ACQUISITION OF SUBSIDIARY

No significant acquisition of subsidiary was made in the current period.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

There was no definite future plan for material investments and acquisition of material capital assets as at 30 September 2010.

CONTINGENT LIABILITIES

The Group did not have any contingent liabilities as at 30 September 2010. (31 March 2010: Nil).

STAFF AND EMPLOYMENT

As at 30 September 2010, the Group's work force stood at 72 including directors (31 March 2010: 72).

Employees were paid at market rates with discretionary bonus and medical benefits and covered under the mandatory provident fund scheme. The Group is constantly reviewing its staff remuneration to ensure it stays competitive with market practice.

DIRECTORS' INTERESTS IN SHARES

At 30 September 2010, none of the directors, chief executives, nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

SUBSTANTIAL SHAREHOLDERS

At 30 September 2010, the following persons (other than the interests disclosed above in respect of directors or chief executives of the Company) had interests in the share capital of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name	**Capacity**	**Number of shares held** *(Note 1)*	**Percentage of shareholding in the Company**
Sincere Watch Limited ("SWL")	Beneficial owner *(Note 2)*	306,000,000 (L)	75%
Sincere Holdings Limited	Interest of a controlled corporation *(Note 3)*	306,000,000 (L)	75%
Chartered Asset Management Pte Ltd.	Investment manager	27,408,000 (L)	6.72%
CAM-GTF Limited	Investment fund	24,637,000 (L)	6.04%

Notes:

1. The letter "L" denotes the person's long position in the shares.

2. These 306,000,000 shares of the Company are registered in the name of and beneficially owned by SWL.

3. Sincere Holdings Limited is deemed to be interested in the 306,000,000 shares of the Company as referred to in Note 2 above as it holds more than one-third of the issued share capital of SWL.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the shares or underlying shares of the Company as at 30 September 2010.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES AND MODEL CODE

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices ("Code") contained in Appendix 14 to the Listing Rules during the Period save that Mr. Tay Liam Wee, the Chairman of the Company, did not attend the annual general meeting of the Company held on 27 August 2010 as he was engaged in other business of the Company. In accordance with the Code, Mr. Tay Liam Wee should attend the annual general meeting of the Company. The annual general meeting was chaired by Mr. Chau Kwok Fun, Kevin, the Vice Chairman and Executive Director of the Company.

AUDIT COMMITTEE

The Audit Committee has reviewed the Group's unaudited financial statements for the six months ended 30 September 2010.

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

The Company has not redeemed any of its shares and neither the Company nor any of its subsidiaries has purchased or sold any of the shares of the Company during the six months ended 30 September 2010.

PUBLICATION OF FURTHER INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

The interim report containing all the information required by the Listing Rules will be published on the Stock Exchange's website and the Company's website in due course.

By order of the Board
Tay Liam Wee
Chairman

Hong Kong, 24 November 2010

As at the date of the announcement, the Executive Directors are Mr. Tay Liam Wee, Mr. Chau Kwok Fun, Kevin and Ms. Tay Liam Wuan; the Non-executive Director is Mr. John Howard Batchelor; and the Independent Non-executive Directors are Mr. Lew, Victor Robert, Dr. King Roger and Mr. Lam Man Bun, Alan.