B. A. L. HOLDINGS LIMITED
變靚D控股有限公司

(Continued into Bermuda with limited liability)

(Stock Code: 8079)

FINAL RESULTS FOR THE SEVENTEEN MONTHS ENDED 31ST MARCH, 2010

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

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. 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.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

This announcement, for which the directors (the "Directors") of B.A.L. Holdings 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:– (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

The board of Directors (the "Board") of B.A.L. Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the seventeen months ended 31 March 2010 together with the comparative figures as follows:

CONSOLIDATED INCOME STATEMENT

For the period ended 31 March 2010

	Notes	Period ended 31 March 2010 HK$'000	Year ended 31 October 2008 HK$'000
Revenue	3	**177,592**	272,078
Cost of sales		**(42,163)**	(145,759)
Gross profit		**135,429**	126,319
Other revenue and gains	3	**17,007**	6,541
Servicing, selling and distribution costs		**(125,920)**	(112,053)
Administrative expenses		**(53,754)**	(46,329)
Other operating expenses		**(27,522)**	(55,452)
Operating loss		**(54,760)**	(80,974)
Finance costs	6	**(919)**	(991)
Share of (losses)/profits of associates		**(245)**	3,884
Loss before income tax	5	**(55,924)**	(78,081)
Income tax (expense)/credit	7	**(2,736)**	360
Loss for the period/year		**(58,660)**	(77,721)
Loss attributable to:			
Equity holders of the Company		**(58,193)**	(77,371)
Minority interests		**(467)**	(350)
		(58,660)	(77,721)
Loss per share attributable to equity holders of the Company during the period/year			
– Basic and diluted	9	**HK$(0.05)**	HK$(2.67)

CONSOLIDATED BALANCE SHEET

At 31 March 2010

	Notes	At 31 March 2010 HK$'000	At 31 October 2008 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**21,830**	33,158
Investment properties		**16,390**	11,820
Intangible assets		**–**	4,528
Interests in associates		**15,336**	5,994
Held-to-maturity investments		**2,669**	708
Prepayments, deposits and other receivables		**7,591**	6,567
Restricted bank deposits		**1,300**	449
Deferred tax assets		**–**	1,704
		65,116	64,928
Current assets			
Intangible assets		**–**	1,500
Inventories		**1,727**	2,307
Trade receivables	*10*	**7,294**	21,121
Prepayments, deposits and other receivables		**19,933**	30,910
Financial assets at fair value through profit or loss		**30,903**	13,397
Held-to-maturity investments		**180**	79
Available-for-sale financial assets		**5,034**	3,025
Derivative financial instruments		**16**	2,746
Amounts due from related companies		**875**	2,038
Restricted bank deposits		**–**	3,573
Cash and cash equivalents		**30,626**	46,177
Tax recoverable		**85**	6
		96,673	126,879
Current liabilities			
Trade payables	*11*	**103**	190
Accruals, receipts in advance and other payables		**13,625**	18,786
Amounts due to minority interests		**1,077**	1,077
Derivative financial instruments		**4**	5,671
Borrowings		**513**	1,431
Provision for tax		**3,396**	3,570
		18,718	30,725
Net current assets		**77,955**	96,154
Total assets less current liabilities		**143,071**	161,082

	Notes	At 31 March 2010 HK$'000	At 31 October 2008 HK$'000
ASSETS AND LIABILITIES			
Non-current liabilities			
Borrowings		**8,246**	10,973
Derivative financial instruments		**–**	1,230
Deposits		**251**	212
Deferred tax liabilities		**1,140**	109
		9,637	12,524
Net assets		**133,434**	148,558
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	*12*	**23,633**	8,522
Reserves		**109,801**	139,569
		133,434	148,091
Minority interests		**–**	467
Total equity		**133,434**	148,558

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 October 2008

	Equity attributable to the equity holders of the Company											
	Share capital	**Share premium***	**Capital redemption reserve***	**Exchange reserve***	**Retained profits/ (accumulated losses)***	**Capital reserves***	**Investment revaluation reserve***	**Share option reserve***	**Contributed surplus***	**Total**	**Minority interests**	**Total equity**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1 November 2007	94,961	19,588	278	17	29,650	28,327	11	1,573	–	174,405	–	174,405
Changes in fair value of available-for-sale financial assets	–	–	–	–	–	–	(2,179)	–	–	(2,179)	–	(2,179)
Loss for the year	–	–	–	–	(77,371)	–	–	–	–	(77,371)	(350)	(77,721)
Total recognised income and expense for the year	–	–	–	–	(77,371)	–	(2,179)	–	–	(79,550)	(350)	(79,900)
Arising from partial disposals of interests in subsidiaries	–	–	–	–	–	–	–	–	–	–	817	817
Transfer to profit or loss on disposal of available-for-sale financial assets	–	–	–	–	–	–	(11)	–	–	(11)	–	(11)
Equity-settled share option arrangement	–	–	–	–	–	–	–	1,655	–	1,655	–	1,655
Rights issue	47,480	(1,447)	–	–	–	–	–	–	–	46,033	–	46,033
Allotment of shares	1,400	4,159	–	–	–	–	–	–	–	5,559	–	5,559
Capital reduction	(135,319)	–	–	–	–	–	–	–	135,319	–	–	–
Balance at 31 October 2008	8,522	22,300	278	17	(47,721)	28,327	(2,179)	3,228	135,319	148,091	467	148,558

For the period ended 31 March 2010

	Equity attributable to the equity holders of the Company											
	Share capital	Share premium*	Capital redemption reserve*	Exchange reserve*	Retained profits/ (accumulated losses)*	Capital reserves*	Investment revaluation reserve*	Share option reserve*	Contributed surplus*	Total	Minority interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1 November 2008	8,522	22,300	278	17	(47,721)	28,327	(2,179)	3,228	135,319	148,091	467	148,558
Changes in fair value of available-for-sale financial assets	–	–	–	–	–	–	749	–	–	749	–	749
Loss for the period	–	–	–	–	(58,193)	–	–	–	–	(58,193)	(467)	(58,660)
Total recognised income and expense for the period	–	–	–	–	(58,193)	–	749	–	–	(57,444)	(467)	(57,911)
Equity-settled share option arrangement	–	–	–	–	–	–	–	1,415	–	1,415	–	1,415
Options forfeited	–	–	–	–	4,554	–	–	(4,554)	–	–	–	–
Bonus issue	18,963	(18,963)	–	–	–	–	–	–	–	–	–	–
Repurchase of shares	(71)	(1,204)	–	–	–	–	–	–	–	(1,275)	–	(1,275)
Allotment of shares	4,400	38,247	–	–	–	–	–	–	–	42,647	–	42,647
Capital reduction	(8,181)	–	–	–	–	–	–	–	8,181	–	–	–
Balance at 31 March 2010	23,633	40,380	278	17	(101,360)	28,327	(1,430)	89	143,500	133,434	–	133,434

* *These reserve accounts comprise the consolidated reserves of HK$109,801,000 (2008: HK$139,569,000) in the consolidated balance sheet.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2010

1. GENERAL INFORMATION

The Company announced on 16 October 2009 that the financial year end date of the Company was changed from 31 October to 31 March commencing from the financial year 2009. Accordingly, the financial statements for the current period cover the seventeen-month period from 1 November 2008 to 31 March 2010. The corresponding amounts shown for the consolidated income statement, the consolidated statement of changes in equity and related notes cover the seventeen-month period from 1 November 2008 to 31 March 2010 and therefore may not be comparable with the amounts shown for the current period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

Standards, amendments and interpretations effective in 2008

In the current period, the Group had applied the following amendments and interpretations ("new HKFRSs") issued by the HKICPA which are or have become effective.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 13	Customer Loyalty Programmes
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation

The application of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 1 (Revised)	Presentation of Financial Statements[3]
HKAS 23 (Revised)	Borrowing Costs[3]
HKAS 24 (Revised)	Related Party Disclosures[10]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[5]
HKAS 32 & HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[3]
HKAS 32 (Amendment)	Classification of Rights Issues[8]
HKAS 39 (Amendment)	Eligible Hedged Items[5]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[3]
HKFRS 1 (Revised)	First-time Adoption of HKFRS[5]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[3]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[7]
HKFRS 3 (Revised)	Business Combinations[5]
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments[2]
HKFRS 8	Operating Segments[3]
HKFRS 9	Financial Instruments (relating to the classification and Measurement of financial assets)[11]
HK(IFRIC)-Int 9 & HKAS 39 (Amendments)	Embedded Derivatives[4]
HK(IFRIC)-Int 14	Prepayments of a Minimum Funding Requirement[10]
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate[3]
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners[5]
HK(IFRIC)-Int 18	Transfers of Assets from Customers[6]
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments[9]

1 Effective for annual periods beginning on or after 1 January 2009 except for the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009

2 Effective for annual periods beginning on or after 1 January 2009, 1 July 2009 and 1 January 2010, as appropriate

3 Effective for annual periods beginning on or after 1 January 2009

4 Effective for annual periods ending on or after 30 June 2009

5 Effective for annual periods beginning on or after 1 July 2009

6 Effective for transfers of assets from customers received on or after 1 July 2009

7 Effective for annual periods beginning on or after 1 January 2010

8 Effective for annual periods beginning on or after 1 February 2010

9 Effective for annual periods beginning on or after 1 July 2010

10 Effective for annual periods beginning on or after 1 January 2011

11 Effective for annual periods beginning on or after 1 January 2013

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary.

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The standard requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

In addition, as part of improvements to HKFRSs (2009), HKAS 17 Leases has been amended in relation to the classification of leasehold land. The amendments will be effective from 1 January 2010, with earlier application permitted. Before the amendments to HKAS 17, leasees were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated balance sheet. The amendments have removed such a requirement. Instead, the amendments require the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee.

The Group is in the process of making an assessment of the impact of the other new and revised standards, amendments and interpretations upon initial application. So far, it has concluded that the other new and revised standards, amendments and interpretations are unlikely to have significant impact on the Group's results of operations and financial position.

3. REVENUE AND OTHER REVENUE AND GAINS

Revenue, which is also the Group's turnover, represents total invoiced value of beauty products and properties for resale sold, net of discounts and sales returns, the appropriate proportion of contract revenue generated from the provision of beauty and clinical services and beauty courses, and the appropriate proportion of rental income based on the terms of the lease of investment properties.

	Period ended 31 March 2010 *HK$'000*	Year ended 31 October 2008 *HK$'000*
Revenue		
Beauty services and sale of beauty products	**97,667**	92,965
Clinical services	**79,153**	53,428
Tuition fees of beauty courses	**–**	861
Rental income from investment properties	**772**	597
Sales of properties held for resale	**–**	124,227
	177,592	272,078
Other revenue and gains		
Dividend income from listed investments	**948**	611
Fair value gains on financial assets at fair value through profit or loss	**8,499**	–
Fair value gains on investment properties	**2,607**	–
Franchise fee income	**839**	569
Gains on disposals of investment properties	**–**	30
Interest income	**2,321**	2,450
Net surplus of sale proceeds over carrying amounts of net assets in subsidiaries disposed of	**–**	683
Rental income from sublet of office premises	**1,604**	937
Others	**189**	1,261
	17,007	6,541

4. SEGMENT INFORMATION

Primary reporting format – business segments

The Group is organised into five (2008: five) main business segments:

- Provision of beauty services and sale of beauty products;
- Provision of clinical services;
- Operation of beauty courses;
- Property investment; and
- Securities investment.

There were no inter-segment sales and transfers during the period ended 31 March 2010 (for the year ended 31 October 2008: Nil).

	Period ended 31 March 2010					
	Beauty services and sale of beauty products	**Clinical services**	**Beauty courses**	**Property investment**	**Securities investment**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue:						
Revenue from external customers	97,667	79,153	–	772	–	177,592
Other revenue	–	–	–	2,607	9,457	12,064
	97,667	79,153	–	3,379	9,457	189,656
Segment results	(38,408)	6,390	–	2,297	8,660	(21,061)
Unallocated income						4,943
Unallocated expenses						(38,642)
Operating loss						(54,760)
Finance costs						(919)
Share of losses of associates						(245)
Loss before income tax						(55,924)
Income tax expense						(2,736)
Loss for the period						(58,660)

	Period ended 31 March 2010					
	Beauty services and sale of beauty products	**Clinical services**	**Beauty courses**	**Property investment**	**Securities investment**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment assets	23,377	14,439	–	16,402	38,803	93,021
Associate						15,336
Unallocated assets						53,432
Total assets						161,789
Segment liabilities	6,881	4,548	–	135	4	11,568
Unallocated liabilities						16,787
Total liabilities						28,355
Capital expenditure	4,205	622	–	1,963	–	6,790
Unallocated portion						530
Total capital expenditure						7,320
Depreciation and amortisation	9,867	6,738	–	–	–	16,605
Unallocated portion						615
Total depreciation and amortisation						17,220
Impairment of goodwill	4,528	–	–	–	–	4,528
Other non-cash expenses other than deprecation and amortisation	9,062	2,110	–	–	3,079	14,251
Unallocated portion						12,319
Total other non-cash expenses other than depreciation and amortisation						26,570

	Year ended 31 October 2008					
	Beauty services and sale of beauty products *HK$'000*	Clinical services *HK$'000*	Beauty courses *HK$'000*	Property investment *HK$'000*	Securities investment *HK$'000*	Total *HK$'000*
Segment revenue:						
Revenue from external customers	92,965	53,428	861	124,824	–	272,078
Other revenue	–	–	–	30	1,576	1,606
	92,965	53,428	861	124,854	1,576	273,684
Segment results	(31,209)	(9,921)	(1,176)	12,552	(34,227)	(63,981)
Unallocated income						4,935
Unallocated expenses						(21,928)
Operating loss						(80,974)
Finance costs						(991)
Share of profits of associates						3,884
Loss before income tax						(78,081)
Income tax credit						360
Loss for the year						(77,721)

	Year ended 31 October 2008					
	Beauty services and sale of beauty products	Clinical services	Beauty courses	Property investment	Securities investment	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment assets	58,792	25,593	1	11,866	19,954	116,206
Associate						5,994
Unallocated assets						69,607
Total assets						191,807
Segment liabilities	11,272	6,274	30	154	6,901	24,631
Unallocated liabilities						18,618
Total liabilities						43,249
Capital expenditure	6,655	5,255	–	14,367	–	26,277
Unallocated portion						633
Total capital expenditure						26,910
Depreciation and amortisation	8,223	5,535	136	–	–	13,894
Unallocated portion						513
Total depreciation and amortisation						14,407
Impairment of goodwill	291	–	–	–	–	291
Other non-cash expenses other than depreciation and amortisation	6,147	2,147	6,698	2,347	35,803	53,142
Unallocated portion						4,846
Total other non-cash expenses other than deprecation and amortisation						57,988

Secondary reporting format – geographical segments

The Group's operations are located in three main geographical areas. The following table provides an analysis of the Group's sales by geographical market based on the geographical location of customers, irrespective of the origin of the goods and services.

Revenue from external customers by geographical markets:

	Period ended 31 March 2010 *HK$'000*	Year ended 31 October 2008 *HK$'000*
Hong Kong	**130,505**	236,618
Macau	**21,286**	15,454
The People's Republic of China ("PRC")	**25,801**	20,006
	177,592	272,078

No customer accounted for 10% or more of the total revenue for the period/year ended 31 March 2010/31 October 2008.

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment and investment properties, analysed by the geographical area in which the assets are located.

	At 31 March 2010		At 31 October 2008	
	Segment assets *HK$'000*	**Capital expenditures** *HK$'000*	Segment assets *HK$'000*	Capital expenditures *HK$'000*
Hong Kong	**95,995**	**5,850**	135,934	23,257
Macau	**6,440**	**336**	9,383	3,015
PRC	**13,260**	**1,134**	18,661	638
Unallocated assets	**46,094**	**–**	27,829	–
	161,789	**7,320**	191,807	26,910

5. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/(crediting):

	Period ended 31 March 2010	Year ended 31 October 2008
	HK$'000	*HK$'000*
Auditors' remuneration		
Current year	**460**	600
Less: Underprovision in prior year	**–**	10
	460	610
Amortisation of intangible assets	**1,500**	1,500
Cost of inventories recognised as expense	**5,600**	112,561
Depreciation	**15,720**	12,907
Net exchange losses	**120**	192
Fair value losses on derivative financial instruments	**797**	11,335
Fair value losses on financial assets at fair value through profit or loss	**–**	24,225
Fair value losses on investment properties	**–**	2,347
Losses on disposals of an associates	**–**	1,241
Losses on disposals of available-for-sale financial assets	**–**	243
Losses on disposals of property, plant and equipment	**844**	79
Minimum lease payments under operating leases in respect of land and buildings	**23,021**	16,847
Impairment of goodwill	**4,528**	291
Provision for impairment of other receivables	**10,205**	1,950
Provision for impairment of amount due from a related company	**699**	–
Provision for impairment of trade receivables	**10,328**	12,595
Rental income net of outgoings in respect of investment properties	**(351)**	(493)
Employee benefit expense (including directors' remuneration)		
Basic salaries and allowances	**72,387**	60,331
Equity-settled share option expense	**1,415**	1,655
Equity-settled transactions with cash alternative	**2,820**	1,622
Retirement benefit scheme contributions	**2,646**	1,876
Total employee benefit expense	**79,268**	65,484

6. FINANCE COSTS

	Period ended 31 March 2010 *HK$'000*	Year ended 31 October 2008 *HK$'000*
Interest expense on:		
– bank borrowings wholly repayable within five years	**–**	131
– bank borrowings not wholly repayable with five years	**318**	113
– bank overdrafts	**5**	1
– other loans wholly repayable within five years	**539**	708
– finance lease liabilities	**57**	38
	919	991

7. INCOME TAX EXPENSE/(CREDIT)

Hong Kong profits tax has been provided at the rate of 16.5% (for the year ended 31 October 2008: 16.5%) on the estimated assessable profit for the period/year. No provision for Hong Kong Profits Tax has been made in the financial statements as the Group incurred a tax loss for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period/year at the rates of taxation prevailing in the countries in which the Group operates.

	Period ended 31 March 2010 *HK$'000*	Year ended 31 October 2008 *HK$'000*
Current tax:		
Hong Kong		
– Charge for the period/year	**–**	296
– Under/(Over)provision in prior years	**1**	(121)
Overseas		
– Charge for the period/year	**–**	513
	1	688
Deferred tax		
– Current year	**1,031**	(1,430)
– Underprovision in prior years	**1,704**	350
– Attributable to reduction in tax rate	**–**	32
	2,735	(1,048)
Income tax expense/(credit)	**2,736**	(360)

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the Hong Kong Profits Tax rate of 16.5% (for the year ended 31 October 2008: 16.5%) as follows:

	Period ended 31 March 2010 *HK$'000*	Year ended 31 October 2008 *HK$'000*
Loss before income tax	**(55,924)**	(78,081)
Tax on loss before income tax, calculated at the rate applicable to loss in the tax jurisdiction concerned	**(10,048)**	(13,804)
Tax effect of non-taxable revenue	**(690)**	(974)
Tax effect of non-deductible expenses	**2,184**	5,721
Tax effect of prior years' unrecognised tax losses utilised this period/year	**(127)**	(43)
Tax effect of unused tax loss not recognised	**8,483**	7,601
Tax effect of unrecognised deferred tax items	**1,229**	861
Effect on opening deferred tax balances resulting from a reduction in tax rate during the period/year	**–**	32
Underprovision of deferred tax in prior years	**1,704**	350
Under/(Over)provision of current tax in prior years	**1**	(121)
Others	**–**	17
Tax charge/(credit)	**2,736**	(360)

8. LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The loss attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of approximately HK$44,821,000 (at 31 October 2008: HK$33,824,000).

9. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the period/year attributable to equity holders of the Company of approximately HK$58,193,000 (at 31 October 2008: HK$77,371,000) and on the weighted average number of 1,143,895,562 (at 31 October 2008: 29,016,767) ordinary shares in issue during the period/year.

The computation of diluted loss per share did not assume the exercise of the Company's potential ordinary shares granted under the Company's share option scheme since their exercise would have an anti-dilutive effect.

10. TRADE RECEIVABLES

	At 31 March 2010 HK$'000	At 31 October 2008 HK$'000
Trade receivables	**10,058**	34,514
Less: Provision for impairment of trade receivables	**(2,764)**	(13,393)
Trade receivables – net	**7,294**	21,121

Included in trade receivables are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

	At 31 March 2010	At 31 October 2008
Renminbi ("RMB")	**RMB1,481,000**	RMB2,539,000
Macao Pataca ("MOP")	**MOP1,405,000**	MOP2,088,000

The Group maintains credit terms of one to three months. At balance sheet date, the ageing analysis of the trade receivables based on the invoice dates is as follows:

	At 31 March 2010 HK$'000	At 31 October 2008 HK$'000
Within three months	**4,925**	14,831
Over three months but within six months	**2,369**	4,348
Over six months and within one year	**–**	1,942
Over one year	**2,764**	13,393
	10,058	34,514

The movements in provision for impairment of trade receivables are as follows:

	Period ended 31 March 2010 HK$'000	Year ended 31 October 2008 HK$'000
Balance at beginning of the period/year	**13,393**	798
Provision for impairment recognised during the period/year	**10,328**	12,595
Receivables written off during the period/year	**(20,957)**	–
Balance at end of the period/year	**2,764**	13,393

At each balance sheet date, the Group reviews receivables for evidence of impairment on both an individual and collective basis. At 31 March 2010, the Group has determined trade receivables of approximately HK$2,764,000 (at 31 October 2008: HK$13,393,000) as individually impaired. Based on this assessment, impairment loss of HK$10,328,000 (for the year ended 31 October 2008: HK$12,595,000) has been recognised. The impaired trade receivables are due from customers experiencing financial difficulties that were in default or delinquency of payments.

The Group did not hold any collateral as security or other credit enhancements over the impaired trade receivables whether determined on an individual or collective basis.

The ageing analysis of the Group's trade receivables that were past due as at the balance sheet date but not impaired, based on due date is as follows:

	At 31 March 2010	At 31 October 2008
	HK$'000	*HK$'000*
Neither past due nor impaired	**2,625**	9,282
Within three months past due	**2,675**	5,549
Over three months but within six months past due	**1,994**	4,348
Over six months but within one year past due	**–**	1,942
	7,294	21,121

Trade receivables that were past due but not impaired related to a large number of diversified customers. Based on past credit history, management believe that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The Group did not hold any collateral in respect of trade receivables past due but not impaired.

11. TRADE PAYABLES

The Group was granted by its suppliers credit periods ranging from one to three months. At balance sheet date, the ageing analysis of the trade payables based on the invoice dates is as follows:

	At 31 March 2010	At 31 October 2008
	HK$'000	*HK$'000*
Within three months	**103**	190

12. SHARE CAPITAL

	Number of shares	*HK$'000*
Authorised:		
Ordinary shares of HK$0.05 each		
At 1 November 2007	6,000,000,000	300,000
Ordinary shares of HK$0.20 each		
Share consolidation	(4,500,000,000)	–
Ordinary shares of HK$0.01 each		
Share subdivision	28,500,000,000	–
Ordinary shares of HK$0.05 each		
Share consolidation	(24,000,000,000)	–
At 31 October 2008	6,000,000,000	300,000
Ordinary shares of HK$0.01 each		
Share subdivision	24,000,000,000	–
At 31 March 2010	30,000,000,000	300,000

	Number of shares	*HK$'000*
Issued and fully paid:		
Ordinary shares of HK$0.05 each		
At 1 November 2007	1,899,217,082	94,961
Ordinary shares of HK$0.20 each		
Share consolidation	(1,424,412,812)	–
Rights issue	237,402,135	47,480
Ordinary shares of HK$0.01 each		
Capital reduction	–	(135,319)
Allotment of shares	140,000,000	1,400
Ordinary shares of HK$0.05 each		
Share consolidation	(681,765,124)	–
At 31 October 2008	170,441,281	8,522
Ordinary shares of HK$0.05 each		
Share option exercised	19	–
Share consolidation	(136,353,040)	–
Capital reduction	–	(8,181)
Ordinary shares of HK$0.01 each		
Allotment of shares	440,000,000	4,400
Bonus issue	1,896,353,040	18,963
Repurchase of shares	(7,100,000)	(71)
At 31 March 2010	2,363,341,300	23,633

13. DIVIDEND

The Directors do not recommend the payment of a dividend for the period ended 31 March 2010 (for the year ended 31 October 2008: Nil).

14. POST BALANCE SHEET EVENTS

Save as disclosed elsewhere in these consolidated financial statements, subsequent to the balance sheet date, the Group had the following material events:

(i) Acquisition of PRC Company

On 15 January 2010, the Company entered into a memorandum of understanding in respect of a possible acquisition with a third party in which to acquire a mining company at an indication aggregate consideration not exceeding of HK$227,000,000.

(ii) Placing of new shares

On 14 April 2010, the Company entered into a placing agreement with the placing agent, pursuant to which, the Company conditionally agreed to place, through the placing agent, a maximum number of 4,000,000,000 new shares by a maximum of four tranches to independent investors at a price of HK$0.05 per new share.

On 9 June 2010, the first tranche of the placing was completed in which 1,200,000,000 new shares of HK$0.05 each was placed to independent investors.

(iii) Acquisition of investment property

On 24 April 2010, an indirect wholly-owned subsidiary of the Company, entered into an acquisition agreement with a third party to acquire a property located in Hong Kong at a total cash consideration of HK$51,000,000.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Revenue

Turnover for the seventeen months ended 31 March 2010 was approximately HK$178 million. During the period under review, as the Group did not have any properties held for resale, no turnover was recorded for this segment. Loss attributable to the equity holders of the Company for the period was approximately HK$58 million

Beauty Services and Sale of Beauty Products Operations

The Group's turnover in relation to the operation of beauty services and sale of beauty products for the period under review was approximately HK$98 million. During the period, our Tsuen Wan Branch was closed while the Shatin and Tsimshatsui branches were relocated to new business locations with lower rental.

Our business strategy in 2010 will remain conservative. We plan to close down those branches with unsatisfactory performance in the coming years upon the expiry of the lease terms.

Clinical Services

There was an increase of the turnover of this segment for the period under review. Turnover from this segment amounted to approximately HK$79 million. We anticipate more customers will switch to this segment in the coming year as aesthetics and clinical beauty services has become more openly accepted by the public.

Beauty Course

Following the close of our Beauty Course Training Centre in 2008, turnover was not recorded for this segment during the period under review.

Sale of properties held for resale

No turnover for this segment was recorded during the period under review as the Group did not have any properties held for resale.

Our investment properties have been providing steady rental income to the Group.

Investment in financial instruments and quoted shares

As a result of the recovery of the stock market, this segment generated gross profits of approximately HK$9 million during the seventeen-month period.

Possible acquisitions

On 15 January 2010, we entered into a memorandum of understanding in respect of a possible acquisition of 65% equity interest in a PRC Mining Company at a consideration not less than HK$144.5 million but in any event will not be more that HK$215 million. We consider that the acquisition will provide an opportunity for the Group to gain access to the copper ore mining industry with an aim to broaden the income base of the Group, and thereby enhancing the Group's future performance and profitability. As at 31 March 2010, no binding agreement has been entered.

The Company entered into a memorandum of understanding with Shenzhen Peng'ai Hospital Investment Company Limited on 19 December 2009 in relation to a possible acquisition in Peng'ai Medical Aesthetic Hospital. As at 31 March 2010, no binding agreement has been entered.

Investment in movie distribution

In November 2009, we acquired 40% interest of an associated company - One Dollar Distribution Limited which is principally engaged in the business of movies distribution.

We view the acquisition as a step towards expansion into the business of movies distribution and allow the Group to diversify its investment in South-East Asia.

Investment in commercial property

The Company has acquired a commercial property located at 1/F and 2/F, Morrison Plaza, No. 9 Morrison Hill Road together with the external wall area I, II and III at a consideration of HK$51,000,000 on 24 April 2010. The completion of the acquisition will take place on or before 29 October 2010.

Outlook

Apart from our beauty and clinical services, the Company is developing its businesses in movie distribution and money-lending in 2010. At present, the Group is financially strong. We are confident that the Group's performance will gradually improve in the coming year.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions ("Code Provisions") set out in Appendix 15 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) ("GEM Listing Rules") that are considered to be relevant to the Company and has complied with the Code Provisions save as disclosed below.

a) Ms. Siu York Chee currently holds the offices of Chairperson and Chief Executive Officer of the Company. The Board considers that the current structure of vesting the roles of Chairperson and Chief Executive Officer in the same person will not impair the balance of power and authority between the Board and the management of the Company. The Board also believes that the current structure provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies.

b) None of the independent non-executive directors is appointed for a specific term but pursuant to the Company's Bye-Laws, all directors of the Company are subject to retirement by rotation and re-election at the annual general meetings of the Company at least once every three years. Further, pursuant to the Company's Bye-Laws, any new director appointed to fill a casual vacancy is subject to re-election by shareholders at the first annual general meeting after his/her appointment. The Company in practice will observe Code Provision A.4.2 and will ensure that any new director appointed to fill a casual vacancy shall submit himself/herself for re-election by shareholders at the first general meeting after his/her appointment.

AUDIT COMMITTEE

The Company has formed an audit committee with written terms of reference based on the guidelines recommended by the Hong Kong Institute of Certified Public Accountants. The audit committee (the "Committee") comprises three Independent Non-Executive Directors, namely Mr. Hung Anckes Yau Keung, and Mr. Siu Yim Kwan, Sidney and Mr. Tsui Pui Hung Walter. Mr. Hung Anckes Yau Keung is also the chairman of the audit committee. The primary duties of the Committee are to review the Company's annual report and accounts, half-yearly report, quarterly reports and monthly reports and to provide advice and comments thereon to the board of Directors. The Committee is also responsible for reviewing and monitoring the Company's internal control procedures. The Committee has reviewed the draft of this report and has provided advice and comments thereon.

During the seventeen months ended 31 March 2010, the audit committee has reviewed the Company's half-year report, quarterly reports and monthly reports and has provided advice and comments thereon to the Board. The audit committee has met six times during the period for reviewing the Company's financial reports and monitoring the Company's internal control procedures.

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

During the period ended 31 March 2010, the Company repurchased its own shares through the Stock Exchange as follows:

Date of repurchase	Number of share repurchased	Aggregate Consideration paid	Price per share repurchased	
			Highest	Lowest
		HK$		
27 January 2010	5,100,000	918,700	HK$0.186	HK$0.177
29 January 2010	2,000,000	351,460	HK$0.177	HK$0.175
Total:	7,100,000	1,270,160		

The above shares were cancelled upon repurchase.

COMPETING INTEREST

None of the Directors or the management shareholders (as defined in the GEM Listing Rules) of the Company has an interest in a business, which competes or may compete with the business of the Group.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 (the "Required Standard of Dealings") of the GEM Listing Rules.

Specific enquiry has been made of all the directors and the directors have confirmed that they have complied with the Required Standard of Dealings throughout the period ended 31 March 2010.

As of the date of this announcement, the Board of Directors of the Company comprises, Ms. Siu York Chee, Mr. Leung Kwok Kui and Ms. Leung Ge Yau, Executive Director; Mr. Hung Anckes Yau Keung, Dr. Siu Yim Kwan, Sidney and Mr. Tsui Pui Hung, Walter, Independent Non-Executive Director of the Company.

On behalf of the Board
B.A.L. Holdings Limited
Siu York Chee, Doreen
Chairperson

Hong Kong, 23 June, 2010