THE SINCERE COMPANY, LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code : 0244)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2009

The Board of Directors (the "Board") of The Sincere Company, Limited (the "Company") announces that the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 28 February 2009 together with the comparative figures for the previous year are as follows:

CONSOLIDATED INCOME STATEMENT

	Notes	**2009** *HK$'000*	2008 *HK$'000*
REVENUE	*2*	**289,494**	420,082
Cost of sales		**(156,139)**	(167,052)
Other income and gains, net		**6,187**	30,953
Net unrealised loss on securities and future contracts trading	*9*	**(94,941)**	(9,665)
Selling and distribution costs		**(147,415)**	(143,059)
General and administrative expenses		**(127,026)**	(128,112)
Other operating expenses, net		**(5,370)**	783
Finance costs	*3*	**(5,173)**	(7,961)
Share of profits less losses of associates		**(38,560)**	(19,892)
LOSS BEFORE TAX	*4*	**(278,943)**	(23,923)
Tax	*5*	**(29)**	1,956
LOSS FOR THE YEAR		**(278,972)**	(21,967)
ATTRIBUTABLE TO:			
Equity holders of the Company		**(276,186)**	(21,809)
Minority interests		**(2,786)**	(158)
		(278,972)	(21,967)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*6*		
Basic		**HK$(0.57)**	HK$(0.04)
Diluted		**N/A**	N/A

CONSOLIDATED BALANCE SHEET

	Notes	**2009** *HK$'000*	2008 *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**54,346**	58,828
Investment properties		**2,138**	3,921
Interests in associates		**64,779**	119,166
Financial instruments		**43,896**	9,170
Rental deposits		**6,054**	5,704
Pension scheme assets		**5,055**	4,981
Total non-current assets		**176,268**	201,770
CURRENT ASSETS			
Properties held for sale		**–**	3,777
Inventories		**48,227**	54,827
Debtors	*7*	**1,372**	1,996
Prepayments, deposits and other receivables		**23,854**	27,012
Financial assets at fair value through profit or loss		**198,263**	462,549
Derivative financial instruments		**11,619**	14,523
Pledged bank balances		**7,683**	6,523
Pledged deposits with banks		**19,684**	76,634
Cash and bank balances		**65,196**	53,536
		375,898	701,377
Assets of a disposal group classified as held for sale		**232,717**	230,904
Total current assets		**608,615**	932,281
CURRENT LIABILITIES			
Creditors	*8*	**80,467**	99,995
Deposits, accrued expenses and other payables		**40,408**	52,143
Derivative financial instruments		**8,464**	24,278
Interest-bearing borrowings and overdrafts		**40,120**	62,887
Tax payable		**16**	–
		169,475	239,303
Liabilities directly associated with the assets of a disposal group classified as held for sale		**5,977**	10,392
Total current liabilities		**175,452**	249,695
NET CURRENT ASSETS		**433,163**	682,586
TOTAL ASSETS LESS CURRENT LIABILITIES		**609,431**	884,356

	2009	2008
	HK$'000	*HK$'000*
EQUITY		
Equity attributable to equity holders of the Company		
Issued share capital	**287,154**	287,154
Share premium account	**26**	26
Reserves	**337,238**	613,358
	624,418	900,538
MINORITY INTERESTS	**(14,987)**	(16,182)
TOTAL EQUITY	**609,431**	884,356

Notes:

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, derivative financial instruments and financial assets at fair value through profit or loss, which have been measured at fair value. The disposal group and non-current assets held for sale are stated at the lower of their carrying amounts and fair values less costs to sell. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new interpretations and amendments to HKFRSs for the first time for the current year's financial statements:

HKAS 39 and HKFRS 7 Amendments	Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement* and HKFRS 7 *Financial Instruments: Disclosures – Reclassification of Financial Assets*
HK(IFRIC)-Int 12	*Service Concession Arrangements*
HK(IFRIC)-Int 14	*HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

The adoption of these new interpretations and amendments has had no significant financial effect on these financial statements and there have been no significant changes to the accounting policies applied in these financial statements.

IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 *First-time Adoption of HKFRSs* and HKAS 27 *Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* [1]
HKFRS 1 (Revised)	*First-time Adoption of HKFRSs* [3]
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Vesting Conditions and Cancellations* [1]
HKFRS 3 (Revised)	*Business Combinations* [3]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments* [1]
HKFRS 8	*Operating Segments* [1]
HKAS 1 (Revised)	*Presentation of Financial Statements* [1]
HKAS 23 (Revised)	*Borrowing Costs* [1]
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements* [3]
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation* and HKAS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation* [1]
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items* [3]
HK(IFRIC)-Int 9 and HKAS 39 Amendments	Amendments to HK(IFRIC) – Int 9 *Reassessment of Embedded Derivatives* and HKAS 39 *Financial Instruments: Recognition and Measurement – Embedded Derivatives* [2]
HK(IFRIC)-Int 13	*Customer Loyalty Programmes* [4]
HK(IFRIC)-Int 15	*Agreements for the Construction of Real Estate* [1]
HK(IFRIC)-Int 16	*Hedges of a Net Investment in a Foreign Operation* [5]
HK(IFRIC)-Int 17	*Distributions of Non-cash Assets to Owners* [3]
HK(IFRIC)-Int 18	*Transfers of Assets from Customers* [3]

Apart from the above, the HKICPA has issued *Improvements to HKFRSs** which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. Except for the amendment to HKFRS 5 which is effective for annual periods beginning on or after 1 July 2009, other amendments are effective for annual periods beginning on or after 1 January 2009 although there are separate transitional provisions for each standard.

1 Effective for annual periods beginning on or after 1 January 2009
2 Effective for annual periods ending on or after 30 June 2009
3 Effective for annual periods beginning on or after 1 July 2009
4 Effective for annual periods beginning on or after 1 July 2008
5 Effective for annual periods beginning on or after 1 October 2008
* Improvements to HKFRSs contains amendments to HKFRS 5, HKFRS 7, HKAS 1, HKAS 8, HKAS 10, HKAS 16, HKAS 18, HKAS 19, HKAS 20, HKAS 23, HKAS 27, HKAS 28, HKAS 29, HKAS 31, HKAS 34, HKAS 36, HKAS 38, HKAS 39, HKAS 40 and HKAS 41

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that while the adoption of HKAS 27 (Revised) and HK(IFRIC)-Int 13 may result in changes in accounting policies and HKFRS 8 and HKAS 1 (Revised) may result in new or amended disclosures, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

2. SEGMENT INFORMATION

(a) Business segments

The following tables present revenue, loss and certain asset, liability and expenditure information for the Group's business segments for the years ended 28/29 February 2009 and 2008.

	Department store operations		Property rental		Property development		Securities trading		Corporate and others		Eliminations		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Segment revenue:														
Sales to external customers	372,894	389,902	9,098	8,915	–	–	(100,845)	18,548	8,347	2,717	–	–	289,494	420,082
Intersegment sales	–	–	24,899	18,698	–	–	–	–	12,770	10,173	(37,669)	(28,871)	–	–
Other revenue	118	740	5,123	1,784	786	767	–	–	64	85	–	–	6,091	3,376
Total	373,012	390,642	39,120	29,397	786	767	(100,845)	18,548	21,181	12,975	(37,669)	(28,871)	295,585	423,458
Segment results	(12,358)	(8,583)	1,551	9,295	(10,819)	(18,132)	(203,741)	394	(8,971)	(5,468)	–	–	(234,338)	(22,494)
Interest, dividend income and unallocated revenue													96	27,577
Unallocated expenses													(968)	(1,153)
Finance costs													(5,173)	(7,961)
Share of profits less losses of associates													(38,560)	(19,892)
Loss before tax													(278,943)	(23,923)
Tax													(29)	1,956
Loss for the year													(278,972)	(21,967)
Segment assets	112,880	156,019	297,381	295,485	8,548	12,647	224,899	513,237	52,984	18,835	(38,085)	(31,327)	658,607	964,896
Unallocated assets													45,994	34,215
Interests in associates	–	–	–	–	36,336	25,201	–	–	28,443	93,965	–	–	64,779	119,166
Bank overdrafts included in segment assets	13,423	–	–	–	–	–	2,080	15,774	–	–	–	–	15,503	15,774
Total assets													784,883	1,134,051
Segment liabilities	131,738	149,513	16,648	22,110	9,028	12,458	33,899	25,545	6,562	5,427	(38,085)	(31,327)	159,790	183,726
Unallocated liabilities													159	50,195
Bank overdrafts included in segment assets	13,423	–	–	–	–	–	2,080	15,774	–	–	–	–	15,503	15,774
Total liabilities													175,452	249,695
Other segment information:														
Depreciation	4,979	8,125	1,104	3,205	–	–	190	84	451	355	–	–	6,724	11,769
Amortisation of prepaid land premium	–	–	–	27	–	–	–	–	–	–	–	–	–	27
Capital expenditure	1,060	18,022	746	192	–	–	428	–	192	432	–	–	2,426	18,646
Loss/(gain) on disposal/write-off of items of property, plant and equipment	52	1,901	133	(786)	–	–	–	–	15	–	–	–	200	1,115
Gain on disposal of investment properties	–	–	(2,851)	(929)	–	–	–	–	–	–	–	–	(2,851)	(929)
Gain on disposal of properties held for sale	–	–	(1,551)	–	–	–	–	–	–	–	–	–	(1,551)	–
Impairment/(write-back of impairment) for inventories	463	(312)	–	–	–	–	–	–	–	–	–	–	463	(312)
Impairment on interests in associates	–	–	–	–	1,300	6,838	–	–	–	–	–	–	1,300	6,838
Fair value loss/(gain) on investment properties in Mainland China	–	–	3,873	(9,525)	–	–	–	–	–	–	–	–	3,873	(9,525)
Impairment on an available-for-sale investment	–	1	–	–	–	–	–	–	–	–	–	–	–	1

(b) **Geographical segments**

The following table presents revenue and certain asset and expenditure information for the Group's geographical segments.

	Hong Kong		Mainland China		United Kingdom		Others		Eliminations		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:												
Sales to external customers	**297,388**	411,861	**8,951**	6,957	**–**	–	**(16,845)**	1,264	**–**	–	**289,494**	420,082
Segment assets	**289,724**	524,152	**238,016**	242,690	**44,884**	37,848	**212,259**	329,361	**–**	–	**784,883**	1,134,051
Capital expenditure	**2,349**	18,227	**77**	419	**–**	–	**–**	–	**–**	–	**2,426**	18,646

3. FINANCE COSTS

	Group	
	2009	2008
	HK$'000	*HK$'000*
Interest on bank loans and overdrafts wholly repayable within five years	**4,832**	5,416
Others	**341**	2,545
	5,173	7,961

4. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2009	2008
	HK$'000	*HK$'000*
Depreciation	**6,724**	11,769
Amortisation of prepaid land premium	**–**	27
Employee benefits expenses, excluding directors' remuneration		
Wages and salaries	**66,371**	65,385
Pension contributions, including pension costs for defined benefit schemes of HK$2,925,000 (2008: HK$2,617,000)	**3,612**	2,893
	69,983	68,278
Fair value loss/(gain) on investment properties in Mainland China *	**3,873**	(9,525)
Impairment/(write-back of impairment) for inventories **	**463**	(312)
Impairment on an available-for-sale investment *	**–**	1
Impairment on interests in associates *	**1,300**	6,838
Net realised loss/(gain) on securities and future contracts trading	**100,845**	(18,548)
Operating lease rental payments in respect of land and buildings:		
Minimum lease payments	**113,229**	93,581
Contingent rent	**675**	1,663
Gain on disposal of investment properties ***	**(2,851)**	(929)
Gain on disposal of properties held for sale ***	**(1,551)**	–
Loss on disposal/write-off of items of property, plant and equipment *	**200**	1,115
Foreign exchange losses, net ***	**6,384**	6,320
Gross and net rental income	**(9,098)**	(8,915)
Dividends from listed investments ***	**(7,522)**	(13,499)
Interest income ***	**(10,339)**	(14,838)
Loss/(gain) on deregistration/dissolution of subsidiaries, net *	**11,655**	(4,028)

Dividend income of HK$2,367,000 (2008: Nil) from an unlisted associate was eliminated on consolidation in the current year.

* Amounts are included in "Other operating expenses, net" on the face of the consolidated income statement.

** Amount is included in "Cost of sales" on the face of the consolidated income statement.

*** Amounts are included in "Other income and gains, net" on the face of the consolidated income statement.

5. TAX

No provision for Hong Kong profits tax has been made during the year (2008: Nil) as the Group did not generate any assessable profits arising in Hong Kong. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the locations in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	Group	
	2009	2008
	HK$'000	*HK$'000*
Group:		
Current – Hong Kong	**–**	–
Current – Elsewhere		
Charge for the year	**29**	27
Overprovision in prior years	**–**	(1,983)
Total tax charge/(credit) for the year	**29**	(1,956)

6. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic loss per share is based on the net loss attributable to ordinary equity holders of the Company for the year of HK$276,186,000 (2008: HK$21,809,000) and the 486,233,000 ordinary shares (2008: 486,233,000) in issue throughout the year, as adjusted to reflect the number of shares held by an associate through reciprocal shareholding.

No diluted loss per share is presented for the current and prior years, respectively, as there are no dilutive potential ordinary shares in existence during these years.

7. DEBTORS

The Group's trading terms with its customers are mainly on credit, except for department store operations, where payment is normally made on a cash basis. The credit period is generally for a period of one month. The Group seeks to maintain strict control over its outstanding receivables from the sales department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An aged analysis of the debtors as at the balance sheet date, based on the payment due date, is as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Within 3 months not past due	**1,110**	202
Within 3 months past due	**–**	1,552
Over 3 months past due	**262**	242
Total debtors	**1,372**	1,996
Impairment	**–**	–
Total	**1,372**	1,996

Debtors that were neither past due nor impaired relate to a number of customers for whom there was no recent history of default. Debtors that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the Directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

8. CREDITORS

An aged analysis of trade creditors at the balance sheet date was as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Current – 3 months	**57,313**	94,714
4 – 6 months	**21,700**	2,014
7 – 12 months	**478**	2,491
Over 1 year	**976**	776
	80,467	99,995

9. COMPARATIVE AMOUNT

In the prior year, the Group's net unrealised loss on securities and future contracts trading were presented under "Revenue". During the current year, the Group has changed the presentation, as in the opinion of the Directors, it is more appropriate to disclose unrealised loss on securities and future contracts trading on the face of the consolidated income statements, instead of including it in "Revenue". To conform with the current year's presentation, the amounts of revenue were increased by HK$94.9 million and HK$9.7 million in the current and prior years, respectively.

DIVIDENDS

The Board of Directors does not recommend the payment of a dividend for the year ended 28 February 2009 (2008: Nil).

RESULTS

In the reporting year 2008, the turbulence in the United State's property market resulted in a sharp plunge in the stock market. This triggered a major global financial tsunami which has severely impaired the Hong Kong general economy. The financial institutions responded by tightening available credits and had dampened all local business sectors. Confronted by the above economic fallout, there were poor consumer sentiments and adding the severe drop in the global stock market, the Group recorded a considerable loss of HK$279 million. The result was mainly attributable to the losses recorded in the securities trading and the losses sharing from associates.

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

There was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed shares during the financial year.

CORPORATE GOVERNANCE PRACTICE

The Company has complied throughout the year ended 28 February 2009 with the Code on Corporate Governance Practices as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), except that the non-executive directors were not appointed for a specific term, subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with the Company's articles of association.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code") as the code governing the transactions of securities by the Directors. After making specific enquiry to all Directors, it is confirmed by the Company that the Directors of the Company had complied with the relevant standard as provided in the Model Code.

AUDIT COMMITTEE

The Audit Committee of the Company comprises three members all of whom are Independent Non-executive Directors, namely, Mr. Eric K. K. Lo, Mr. Charles M. W. Chan and Mr. King Wing Ma. Regular meetings have been held by the Audit Committee since its establishment and the Audit Committee met two times in the year under review. The primary duties of the Audit Committee are to review the Group's internal control and financial reporting process including interim and annual financial statements before recommending them to the Board of Directors for approval. The Group's results for the year ended 28 February 2009 have been reviewed by the Audit Committee.

LIQUIDITY AND FINANCIAL RESOURCES

As at 28 February 2009, the Group held cash and bank balances of HK$65 million, representing 22% increase as compared to last year and the total borrowings reduced by 36% to HK$40 million. This was mainly attributable to the strategy of cutting back the securities investments and utilizing the proceeds to settle the bank borrowings. As a result, the Group's current year gearing has further dropped to 6% (2008: 7%). The net interest expense reduced by 35% to HK$5 million (2008: HK$8 million). The bank borrowings were mainly in HK dollars and US dollars with interest rates ranging from approximately 1% to 7%. The current ratio slightly decreased by 0.2 to 3.5 as compared to last year.

The Group currently has a foreign currency hedging policy on Euro for the purchase of inventories, which is to hedge half of the anticipated total value of the European inventory purchase for re-sale at the department stores. In addition to the internal generated cash flows, the Group also made use of short term borrowings to finance its operation during the year. Portion of the borrowings were secured against certain properties, bank deposits and securities.

CONTINGENT LIABILITIES

The Group's share of guarantee provided by certain associates amounted to approximately HK$51,081,000 (2008: HK$103,194,000) as at the balance sheet date in respect of a banking facility granted to their associate.

EMPLOYEES AND REMUNERATION POLICIES

As at 28 February 2009, the Group had 532 employees (2008: 548) including part time staff. The Group operates different remuneration schemes for sales and non-sales employees to motivate front-line and back office staff towards higher sales achievement and operating efficiencies. Apart from basic salary and discretionary year-end bonuses based on individual merit, sales personnel are further remunerated on the basis of goal-oriented packages comprising several schemes of sales commission. The Group provides employee benefits such as staff purchase discounts, subsidised medical care and training courses.

BUSINESS REVIEW

Given the economic downturn, the undermined consumer sentiment and the increase in rental according to the tenancy agreements, the retail operation had a very tough year. Commencing from the fourth quarter of 2008, the buying attitude of consumers has dropped drastically. To tackle the adverse situation, the department stores management implemented different strategies to sustain the business including offering deeper discount, launching extra sale promotions during the Chinese New Year and introducing more consignment counters to enlarge the merchandising mix. With these strategies, the turnover of the department store operation recorded just a slight decrease though the direct operating profit recorded a decline.

The advertising business recorded a satisfactory growth attributable to the successful expansion in the PRC region. The Sincere Living furniture business is also satisfactory where good reference has brought several major customers from the retail and residential sectors. The Uniglobe travel franchise business remained focus in the PRC region with the recruitment of a new regional president and opened an office in Beijing to propel the business. The recent investment in TR-BIZ L.L.C., a company engaged in the gaming and hospitality software consulting and development continued to look promising.

The Group's securities trading recorded a substantial loss. It was mainly attributable to the prolonged instability in the global financial markets and the rising concerns about the insolvency risks driven by financial institutions. With a wave of publicity on possible bank failures, solvency problems and the failure of the government bailouts, the global stock market plunged. As a result, the Group has trimmed down the size of the security investment portfolios, resulted an acute absorption of the realized portfolio losses.

On the property investment, our associated company which develops Brisbane Australia has experienced a serious slow down and the Group has conservatively provided for the diminished value of the unsold units.

PROSPECTS

Looking ahead, given the persistent macro uncertainties and the instability of the global stock market, the Group expects the operating environment would continue to be difficult in 2009. The Management of the department store will return to basics to sustain the store operations, improve the gross profit margin, strengthen the merchandising mix and enhance the customer services. The Management will also streamline the operation and curtail the operating and management costs to protect the bottom line. Since April 2009, the Company is on a three months 10% pay cut (15% for executive directors) with three days leave for compensation.

On the advertising and travel franchise operation, the Group will remain focus in China as this is the first area likely to rebound. On the furniture business, the Group will expand its operation by establishing a factory in the PRC. With this production line, the Management is confident to achieve a better growth in the year ahead. On the securities trading investments, the Management will remain cautious to position its investment and stay liquid until the market conditions show a clear sign of improvement. To conclude, the Management team is prepared for the challenges ahead, priority would be given to sustain the core department store operation and to maintain a healthy cash position for the Group.

DIRECTORS

As at the date of this announcement, the executive directors of the Company are Mr. Walter K. W. Ma and Mr. Philip K. H. Ma, and the independent non-executive directors are Mr. King Wing Ma, Mr. Eric K. K. Lo and Mr. Charles M. W. Chan.

On behalf of the Board
Walter K W MA
Chairman

Hong Kong, 18 June 2009