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Theme

THEME INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 990)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

The board of directors (the "Directors") of Theme International Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively as the "Group") for the year ended 31 December 2009 together with the comparative figures for the corresponding period in 2008 as follows:–

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	NOTES	**2009** ***HK$'000***	2008 *HK$'000* (restated)
Continuing operations			
Revenue	*3*	**89,593**	95,110
Cost of sales		**(39,944)**	(42,353)
Gross profit		**49,649**	52,757
Other income	*5*	**324**	444
Selling and distribution expenses		**(43,714)**	(51,405)
Administrative expenses		**(8,668)**	(5,777)
Finance costs	*6*	**–**	(166)
Loss before taxation		**(2,409)**	(4,147)
Tax charge	*7*	**(1,795)**	(67)
Loss for the year from continuing operations	*8*	**(4,204)**	(4,214)
Discontinued operations			
Loss for the year from discontinued operations	*9*	**(18,006)**	(28,462)
Loss for the year attributable to owners of the Company		**(22,210)**	(32,676)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – CONTINUED

For the year ended 31 December 2009

	NOTES	2009 HK$'000	2008 HK$'000 (restated)
Other comprehensive income (expense)			
Exchange differences arising on translating foreign operations			
Exchange differences arising during the year		**1,288**	4,618
Reclassification adjustments relating to foreign operations disposed of during the year		**(6,510)**	–
		(5,222)	4,618
Cash flow hedges			
(Loss) gain on fair value changes on cash flow hedges		**(935)**	4,083
Reclassification adjustments to profit or loss		**(246)**	(1,786)
Reclassification adjustments relating to foreign operations disposed of during the year		**(1,116)**	–
		(2,297)	2,297
Other comprehensive (expense) income for the year		**(7,519)**	6,915
Total comprehensive expense for the year		**(29,729)**	(25,761)
			(restated)
Loss per share	*10*		
From continuing and discontinued operations			
Basic		**HK(0.62) cent**	HK(0.91) cent
From continuing operations			
Basic		**HK(0.12) cent**	HK(0.12) cent

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2009

	NOTES	2009 HK$'000	2008 HK$'000
Non-current assets			
Property, plant and equipment		**1,911**	50,457
Intangible assets		–	–
Prepaid lease payments		–	35,708
Investments in associates		–	–
Investments in a jointly controlled entity		–	–
Available-for-sale investments		–	675
Derivative financial instruments		–	419
Deferred taxation		–	1,795
		1,911	89,054
Current assets			
Inventories		**12,626**	49,495
Trade receivables	*11*	**7,539**	32,908
Deposits, prepayments and other receivables		**4,738**	22,268
Amounts due from fellow subsidiaries		–	21,829
Amounts due from a jointly controlled entity		–	17,713
Derivative financial instruments		–	1,878
Bank balances and cash		**16,887**	25,057
		41,790	171,148
Current liabilities			
Trade payables	*12*	**4,157**	23,854
Other payables and accrued charges		**26,821**	37,657
Dividend payable		**11**	–
Amount due to a fellow subsidiary		–	387
Amount due to an associate		–	594
Amount due to a jointly controlled entity		–	17,713
Taxation		–	1,401
Bank borrowings		–	1,149
		30,989	82,755
Net current assets		**10,801**	88,393
Total assets less current liabilities		**12,712**	177,447
Capital and reserves			
Share capital		**8,965**	8,965
Reserves		**3,747**	168,482
Equity attributable to owners of the Company		**12,712**	177,447
Minority interests		–	–
Total equity		**12,712**	177,447

Notes:

1. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") 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 Stock Exchange of Hong Kong Limited (the "Stock Exchange") and by the Hong Kong Companies Ordinance.

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following new and revised Standards, Amendments and Interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKAS 1 (Revised 2007)	Presentation of financial statements
HKAS 23 (Revised 2007)	Borrowing costs
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate
HKFRS 2 (Amendment)	Vesting conditions and cancellations
HKFRS 7 (Amendment)	Improving disclosures about financial instruments
HKFRS 8	Operating segments
HK(IFRIC)-Int 9 & HKAS 39 (Amendments)	Embedded derivatives
HK(IFRIC)-Int 13	Customer loyalty programmes
HK(IFRIC)-Int 15	Agreements for the construction of real estate
HK(IFRIC)-Int 16	Hedges of a net investment in a foreign operation
HK(IFRIC)-Int 18	Transfers of assets from customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

In addition, in the current year, the Group has elected to early adopt the amendment to HKFRS 5 as part of Improvements to HKFRSs 2009 (adopted in advance of effective date of 1 January 2010).

Except as described below, the adoption of the new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior annual periods.

New and revised HKFRSs affecting presentation and disclosure only

HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the consolidated financial statements) and changes in the format and content of the consolidated financial statements.

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS – continued

Improving Disclosures about Financial Instruments (amendments to HKFRS 7 Financial Instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also expand and amend the disclosures required in relation to liquidity risk. These amendments have no material effect to the Group as the Group did not hold any financial instruments which are measured at fair value as at 31 December 2009.

Early adoption of amendment to HKFRS 5 as part of Improvements to HKFRSs 2009

The amendment has clarified that HKFRS 5 has specified the disclosure required in respect of disposal groups classified as discontinued operations. Disclosure requirements in other HKFRSs do not generally apply to such disposal groups.

New and revised HKFRSs affecting the reported results and/or financial position

HKAS 23 (Revised 2007) Borrowing costs

In previous years, the Group expensed all borrowing costs when they were incurred. HKAS 23 (Revised 2007) removes the option previously available to expense all borrowing costs when incurred. The adoption of HKAS 23 (Revised 2007) has resulted in the Group changing its accounting policy to capitalise all such borrowing costs as part of the cost of the qualifying asset. The revised accounting policy does not have a material effect on the reported results and financial position of the Group for the current or prior accounting periods.

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)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009, except for HKFRS 5[2]
HKAS 24 (Revised)	Related party disclosures[5]
HKAS 27 (Revised)	Consolidated and separate financial statements[1]
HKAS 32 (Amendment)	Classification of right issues[4]
HKAS 39 (Amendment)	Eligible hedged items[1]
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters[3]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[6]
HKFRS 2 (Amendment)	Group cash-settled share-based payment transactions[3]
HKFRS 3 (Revised)	Business combinations[1]
HKFRS 9	Financial instruments[7]
HK(IFRIC)-Int 14 (Amendment)	Prepayments of a minimum funding requirement[5]
HK(IFRIC)-Int 17	Distributions of non-cash assets to owners[1]
HK(IFRIC)-Int 19	Extinguishing financial liabilities with equity instruments[6]

1 Effective for annual periods beginning on or after 1 July 2009.
2 Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate.
3 Effective for annual periods beginning on or after 1 January 2010.
4 Effective for annual periods beginning on or after 1 February 2010.
5 Effective for annual periods beginning on or after 1 January 2011.
6 Effective for annual periods beginning on or after 1 July 2010.
7 Effective for annual periods beginning on or after 1 January 2013.

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS – continued

The application of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after 1 January 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group'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.

The directors of the Company anticipate that the application of the other new and revised Standards, Amendments or Interpretations will have no material impact on the consolidated financial statements.

3. REVENUE

Revenue represents the amounts received and receivable for goods sold by the Group to outsider customers, less discounts and sales related tax, from continuing operations for the year.

4. SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments with effect from 1 January 2009. The predecessor Standard (HKAS 14, Segment Reporting) for presentation of segmentation information required an entity to identify two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was geographical segments by location of customers. For the year ended 31 December 2008, the Group's revenue was derived from four regions-Hong Kong and Macau, the People's Republic of China (the "PRC"), Taiwan and Singapore.

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 assessing their performance. The chief operating decision maker is the board of directors of the Company.

Pursuant to the new appointment of the chief operating decision maker on 28 October 2009, internal reports reviewed by the newly appointed decision maker are no longer analysed by geographical segments. Instead, the internal reports present only one operating segment, which is the retailing business, to the newly appointed decision maker. The segment revenue derived from the continuing operations of HK$89,593,000 (2008: HK$95,110,000) and segment result derived from the continuing operations of profit HK$2,822,000 (2008: loss HK$1,113,000) (excluding corporate administrative expenses incurred by the Company of HK$5,231,000 (2008: HK$3,034,000)).

The segment revenue derived from the discontinued operations of HK$149,811,000 (2008: HK$207,683,000) and segment result derived from the discontinued operations of loss HK$46,855,000 (2008: loss HK$28,076,000).

Segment assets and liabilities regarding the retailing business are reported below. Amounts reported for the prior year have been restated to conform to the requirements of HKFRS 8.

4. **SEGMENT INFORMATION – continued**

The segment assets and liabilities of the retailing business are analysed as follows:

	2009	2008
	HK$'000	*HK$'000*
Segment assets		
– continuing operations	**42,980**	33,428
– discontinued operations	**–**	147,271
	42,980	180,699
Segment liabilities		
– continuing operations	**29,407**	9,040
– discontinued operations	**–**	52,049
	29,407	61,089

Reconciliation of segment assets

	2009	2008
	HK$'000	*HK$'000*
Segment assets	**42,980**	180,699
Unallocated assets:		
Property, plant and equipment	**80**	22,474
Prepaid lease payments	**–**	36,281
Available-for-sales investments	**–**	675
Deferred taxation	**–**	1,795
Amounts due from a jointly controlled entity	**–**	17,713
Deposit, prepayments and other receivables	**557**	507
Bank balances and cash	**84**	58
	43,701	260,202

Reconciliation of segment liabilities

	2009	2008
	HK$'000	*HK$'000*
Segment liabilities	**29,407**	61,089
Unallocated liabilities:		
Amounts due to fellow subsidiaries	**–**	387
Amount due to an associate	**–**	594
Amounts due to a jointly controlled entity	**–**	17,713
Accrued charges for corporate expenses	**1,571**	422
Dividend payables	**11**	–
Taxation	**–**	1,401
Bank borrowings	**–**	1,149
	30,989	82,755

4. **SEGMENT INFORMATION – continued**

The total revenue of continuing operations and discontinued operations derived from external customers of different geographical locations are analysed as follows:

	2009	2008
	HK$'000	*HK$'000*
Hong Kong and Macau	**18,780**	15,479
PRC	**128,285**	185,903
Taiwan	**89,593**	95,110
Singapore	**2,746**	6,301
	239,404	302,793

The following (income) expenses are included in the measure of segment profit or loss reviewed by the chief operating decision maker:

	2009	2008
	HK$'000	*HK$'000*
Interest income	**(13)**	(81)
Interest expense	**24**	626
Depreciation of property, plant and equipment	**12,566**	17,187
Amortisation of intangible assets	**–**	1,000
Amortisation of prepaid lease payment	**478**	567

During the year ended 31 December 2009, additions of HK$5,669,000 (2008: HK$18,838,000) was made to the non-current assets.

As the Group is principally engaged in retailing business, there is no transaction with a single external customer amount to more than 10 per cent of the Group's revenue. As at 31 December 2009, non-current assets of HK$1,831,000 and HK$80,000 were located in Taiwan and Hong Kong respectively. As at 31 December 2008, non-current assets of HK$81,191,000, HK$2,922,000, HK$2,026,000 and HK$26,000 were located in PRC, Taiwan, Hong Kong and Singapore.

5. **OTHER INCOME**

	2009	2008
	HK$'000	*HK$'000*
Continuing operations		
Interest income	**11**	10
Net foreign exchange gain	**77**	–
Others	**236**	434
	324	444

6. FINANCE COST

	2009	2008
	HK$'000	*HK$'000*
Continuing operations		
Interest on bank loans and other borrowings wholly repayable within five years	**–**	166
	–	166

7. TAX CHARGE

	2009	2008
	HK$'000	*HK$'000*
Continuing operations		
Tax charge comprises:		
Current tax charge	**–**	–
Underprovision in prior years	**–**	190
Deferred tax	**1,795**	(123)
	1,795	67

No provision for Hong Kong Profits Tax has been made for both years as the Company and its subsidiaries have no assessable profit arising in Hong Kong. On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2009 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009.

Taxation arising in other jurisdictions are calculated at the rates prevailing in the relevant jurisdictions. During the year ended 31 December 2009, the profit tax rate prevailing in Taiwan was reduced from 25% to 20%.

8. LOSS FOR THE YEAR

Continuing operations

	2009	2008
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging (crediting):		
Write back of allowance for obsolete inventories (included in cost of sales) *(note a)*	**(2,772)**	(4,180)
Cost of inventories recognised as expenses	**42,716**	45,431
Depreciation of property, plant and equipment	**2,231**	3,328
Net foreign exchange (gain) loss	**(77)**	427
Auditor's remuneration	**933**	1,224
Operating lease rentals in respect of rented premises	**5,829**	7,579
Contingent rents *(note b)*	**12,925**	14,128
Loss on disposal of property, plant and equipment	**109**	189
Directors' remuneration	**633**	360
Other staff costs		
Salaries and allowances	**14,300**	11,888
Retirement benefits scheme contributions	**734**	793
	15,034	12,681

8. **LOSS FOR THE YEAR – continued**

Notes:

(a) Excess obsolete inventory provisions are written back when the relevant inventories are sold. The amount is included in cost of sales for both years.

(b) The contingent rents are determined based on a certain percentage of the gross sales of the relevant shops when the sales meet certain specified levels.

9. **DISCONTINUED OPERATIONS**

On 8 August 2009, the Group entered into a sale agreement to dispose of Theme International Holdings (BVI) Limited ("Theme BVI"), a wholly owned subsidiary of the Company, and its subsidiaries (excluding Access Sino Limited ("Access Sino"), Taiwan Vision Company Limited ("Taiwan Vision") and Da Hua Li Company Limited ("Da Hua Li")) (collectively referred to as the "Disposal Group")), which carried out the Group's retailing business in Hong Kong and Macau, the PRC and Singapore (the "Disposal"). The Disposal was completed on 28 October 2009, on which date control of Theme BVI was passed to the acquirer.

The loss for the year from discontinued operations is analysed as follows:

	2009 ***HK$'000***	2008 *HK$'000*
Loss from discontinued operations for the year	**(47,330)**	(28,462)
Gain on disposal of the Disposal Group	**29,324**	–
	(18,006)	(28,462)

The results of the discontinued operations for the period from 1 January 2009 to 28 October 2009, which have been included in the consolidated statement of comprehensive income, were as follows:

	1 January 2009 to 28 October 2009 ***HK$'000***	Year ended 31 December 2008 *HK$'000*
Revenue	**149,811**	207,683
Cost of sales	**(79,495)**	(98,906)
Other income	**2,430**	7,211
Selling and distribution expenses	**(57,336)**	(77,938)
Administrative expenses	**(39,344)**	(54,496)
Gain on disposal of a jointly controlled entity	**–**	1,456
Impairment loss on property, plant and equipment	**(10,460)**	–
Allowance for an amount due from a jointly controlled entity	**(12,437)**	(3,326)
Impairment loss on intangible asset	**–**	(9,300)
Finance costs	**(24)**	(460)
Loss before tax	**(46,855)**	(28,076)
Income tax expense	**(475)**	(386)
Loss for the period/year	**(47,330)**	(28,462)

9. DISCONTINUED OPERATIONS – continued

Loss for the period/year from discontinued operations included the following:

	1 January 2009 to 28 October 2009	Year ended 31 December 2008
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment	**10,335**	13,859
Amortisation of intangible assets	**–**	1,000
Amortisation of prepaid lease payments	**478**	567
Loss on disposal of property, plant and equipment	**28**	255
Staff costs		
Salaries and allowances	**24,982**	41,296
Retirement benefits scheme contributions	**1,036**	1,416
	26,018	42,712

During the year, the Disposal Group contributed HK$19 million (2008: HK$31 million) to the Group's net operating cash flows, paid HK$12 million (2008: HK$9 million) in respect of investing activities and paid HK$2 million (2008: HK$32 million) in respect of financing activities.

10. LOSS PER SHARE

From continuing and discontinued operations

The calculation of basic loss per share attributable to the owners of the Company is based on the following data:

	2009	2008
	HK$'000	*HK$'000*
Loss for the purpose of basic loss per share (Loss for the year attributable to owners of the Company)	**(22,210)**	(32,676)

	2009	2008
	HK$'000	*HK$'000*
Weighted average number of ordinary shares for the purpose of basic loss per share	**3,585,820**	3,585,820

The calculation of basic loss per share attributable to the owners of the Company for both years have been adjusted as a result of the Company's Share Consolidation and share subdivision as appropriate.

10. LOSS PER SHARE – continued

From continuing operations

The calculation of the basic loss per share from continuing operations attributable to the owners of the Company is based on the following data:

	2009	2008
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company	**(22,210)**	(32,676)
Less: Loss for the year from discontinued operations	**(18,006)**	(28,462)
Loss for the purpose of basic loss per share from continuing operations	**(4,204)**	(4,214)

The denominators used are the same as those detailed above for basic loss per share.

From discontinued operations

Basic loss per share from the discontinued operations is HK(0.50) cent per share (2008: HK(0.79) cent per share), based on the loss for the year from the discontinued operations of HK$18,006,000 (2008: HK$28,462,000) and the denominators detailed above for basic loss per share.

11. TRADE RECEIVABLES

The Group allows credit periods of 90 days to most of its trade customers.

The aging analysis of trade receivables, net of allowance for bad and doubtful debts, presented based on the invoice date at the end of the reporting period is stated as follows:

	2009	2008
	HK$'000	*HK$'000*
Within 90 days	**7,527**	26,764
91 to 180 days	**12**	2,717
181 to 360 days	**–**	2,550
Over 360 days	**–**	877
	7,539	32,908

The Group has policy of providing allowance for bad and doubtful debts which is based on the evaluation of collectibility and age of accounts and on management's judgement including credit worthiness and past collection history of each client.

12. TRADE PAYABLES

The following is an aging analysis of the trade payables presented based on the invoice date at the end of the reporting period:

	2009	2008
	HK$'000	*HK$'000*
Within 90 days	**4,157**	16,450
91 to 180 days	**–**	967
181 to 360 days	**–**	1,158
Over 360 days	**–**	5,279
	4,157	23,854

CHAIRMAN'S STATEMENT

During the year of 2009, Theme International Holdings Limited (the "Company", and together with its subsidiaries, the "Group") has undergone corporate restructuring and disposed Theme International Holdings (BVI) Limited ("Theme (BVI)") and its subsidiaries (the "Disposal"), which engaged in the business of manufacturing, retailing and trading of garments and uniform principally in the People's Republic of China, Singapore, Hong Kong and Macau. After completion of the Disposal on 28 October 2009, the principal activity of the Group is retailing garments through the operation of retail outlets and department store counters in Taiwan.

Since the financial crisis in the second half of 2008, the global economy is yet to recover and continued to have an impact on the financial results of the Group. The revenue from the continuing operations of the Group for the year of 2009 was approximately HK$89.6 million, representing a decrease of 5.8% when compared with HK$95.1 million for the year of 2008. However, with the implementation of cost control measures on selling and distribution expenses, the loss arising from continuing operations stood at approximately HK$4.2 million for both of 2008 and 2009.

The Group will continue to strengthen and strive for improvements in the business of retailing of garments in Taiwan. In order to achieve substantial and sustainable financial growth for the Group and to maximize shareholders' value, the Group will continue to look for more business opportunities to be brought to the Group. The Group will continue to review the business operations and financial positions of the Group for the purpose of formulating business plans and strategies for the future development of the Group. Subject to the result of the review and should suitable investment or business opportunities arise, the Group may consider diversifying the business of the Group with an objective to broaden its income source and to enhance the long-term growth potential of the Group.

I would like to take this opportunity to express my deepest gratitude to all the shareholders, my fellow directors, management team and staff of the Group for their support and contributions to the Group throughout the year.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

As disclosed in the Company's circular to its shareholders dated 5 October 2009 (the "Circular"), the Company (as vendor) entered into a disposal agreement (as amended and supplemented by the supplemental agreement dated 29 September 2009) with Navigation Limited (as purchaser) to dispose all the issued shares in the share capital of Theme (BVI) at a cash consideration of HK$134,698,000 and the shareholder loans owing due and payable by Theme (BVI) to the Company at a consideration of HK$10 for the assignment (the "Disposal").

Theme (BVI) and its subsidiaries (the "Disposal Group") engaged in the business of manufacturing, retailing and trading of garments and uniform principally in the People's Republic of China (the "PRC"), Singapore, Hong Kong and Macau.

The Disposal was approved by the independent shareholders at the special general meeting of the Company held on 28 October 2009. The financial effect of the disposal of Theme (BVI) had been included in the consolidated financial statements for the year ended 31 December 2009.

Following the Disposal, the principal activity of the Group is retailing garments through the operation of retail outlets and department store counters in Taiwan.

Financial Review

	Revenue		Loss for the year		Loss per share	
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*		
Continuing Operations	**89,593**	95,110	**(4,204)**	(4,214)	**HK(0.12) cent**	HK(0.12) cent
Discontinued Operations *(note)*	**149,811**	207,683	**(18,006)**	(28,462)	**HK(0.50) cent**	HK(0.79) cent
Total Operations	**239,404**	302,793	**(22,210)**	(32,676)	**HK(0.62) cent**	HK(0.91) cent

Note: The operations in the PRC, Singapore, Hong Kong and Macau was discontinued on 28 October 2009.

Although the revenue from continuing operations has decreased by approximately 5.8% to approximately HK$89.6 million in 2009, the loss from continuing operations stood at approximately HK$4.2 million for both of 2008 and 2009 as a result of cost control measures on selling and distribution expenses.

The operations in the PRC, Singapore, Hong Kong and Macau ("discontinued operations") had deteriorated significantly in 2009. Resulted from the financial crisis, the revenue from discontinued operations had dropped from HK$207.7 million in 2008 to HK$149.8 million for the period ended 28 October 2009. Increased by the impairment loss on property, plant and equipment of HK$10,460,000 and allowance for an amount due from a jointly controlled entity of HK$12,437,000, the loss from discontinued operations for the period ended 28 October 2009 was approximately HK$47.3 million, representing an increase of 66.3% as compared with HK$28.5 million for the full year of 2008. The Group has disposed of the discontinued operations on 28 October 2009 and recorded a gain on disposal of HK$29.3 million. Taking into account the gain on disposal of the Disposal Group, the net loss of the discontinued operations was approximately HK$18 million for the year of 2009.

The loss per share had slightly improved from HK(0.91) cent in 2008 to HK(0.62) cent in 2009. In respect of the continuing operations, the loss per share was consistently at HK(0.12) cent for both of the years of 2008 and 2009.

Charges on Assets

As at 31 December 2009, none of the Group's assets was charged or subject to any encumbrance.

Contingent Liabilities

As at 31 December 2009, the Group had no material contingent liabilities.

Exposure to Fluctuations in Exchange Rates

As at 31 December 2009, the Group's major assets and liabilities were denominated in the functional currencies of the respective group entities. The Group had no material exposure to foreign exchange fluctuation.

Liquidity and Financial Resources

As at 31 December 2009, the Group had no bank and/or other borrowings.

The Group's cash and bank deposits amounted to approximately HK$16,887,000. As at 31 December 2009, the Group's current ratio (current assets divided by current liabilities) was 1.35. The Group should have sufficient liquidity to meet its operational need.

Capital Expenditure

The capital expenditure for the year was approximately HK$5.7 million, which was mainly for acquisition of shop furniture & fixtures. As at 31 December 2009, the Group has no material capital expenditure commitments.

Human Resources

As at 31 December 2009, the Group had 8 employees in Hong Kong and 169 employees in Taiwan. Other than the competitive remuneration package offered to the employees, share options may also be granted to the selected employees based on the Group's performance. The Group did not grant any options during the year.

Future Prospects

The Group will continue its principal business of retailing of garments in Taiwan and will strive to improve its performance. Leveraging on the network and experience of the new management of the Company, the Group will continue to look for more business opportunities to be brought to the Group. The Group will continue to review the business operations and financial positions of the Group for the purpose of formulating business plans and strategies for the future development of the Group. Subject to the result of the review and should suitable investment or business opportunities arise, the Group may consider diversifying the business of the Group with an objective to broaden its income source and to enhance the long-term growth potential of the Group.

DIVIDEND

The board of directors does not recommend payment of a dividend for the year ended 31 December 2009 (2008: Nil).

By a resolution passed at the special general meeting of the Company held on 28 October 2009, the Company carried into effect the declaration and distribution of HK$0.1506 per share, totalling approximately HK$135 million based on 896,454,959 shares of HK$0.01 each then in issue, to the qualifying shareholders on 29 October 2009 (the "Special Distribution"). The Special Distribution was paid in cash out of the Company's distributable reserves (including the credits arising from the share premium reduction, its contributed surplus and shareholder's contribution, after having first offsetting all accumulated losses) and partly financed by the net proceeds to be received from the Disposal.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 1 June 2010 to 3 June 2010 (both days inclusive), during which period no transfer of shares in the Company will be effected. In order to qualify for entitlement to attend and vote at the forthcoming annual general meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged with Company's branch share registrars in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 31 May 2010.

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

During the year ended 31 December 2009, the Company had not redeemed any of the Company's listed securities, and neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed securities.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the code provisions set out in Appendix 14 Code on Corporate Governance Practices (the "Code") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 December 2009, except for the code provision on A.2.1 on the separate roles of the chairman and chief executive officer ("CEO") as described below.

Under the code provision A.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the year 2009, from 1 January 2009 to 26 November 2009, the positions of the Chairman of the Board ("Chairman") and CEO are held and performed by Mr. Lam Foo Wah. Upon Mr. Lam Foo Wah's resignation as an executive director, Chairman and CEO on 26 November 2009, Mr. Wong Lik Ping was appointed as Chairman on 26 November 2009. From 26 November 2009 onwards, the Company had no officer with the title of CEO and the role of CEO is handled by the Chairman. Although this constitutes a deviation from the code provision A.2.1 of the Code, the Board considers that the function of the Chairman and CEO in the Company's strategic planning and development process are overlapping and it may not be for the benefit of the Company to have separate individuals occupying these two offices given the conditions of the Group and its stage of development.

AUDIT COMMITTEE AND FINANCIAL INFORMATION

The audit committee of the Company, which comprises three independent non-executive directors of the Company, has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2009.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Company (www.990.com.hk) and the designated issuer website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk).

The 2009 annual report of the Company will be despatched to the shareholders of the Company and available on the above websites in due course.

By Order of the Board
Theme International Holdings Limited
MA CHI SHING
Director

Hong Kong, 14 April 2010

As at the date of this announcement, the Board comprises (i) Mr. Wong Lik Ping, Mr. Ma Chi Shing and Mr. Huang Bin as executive directors; (ii) Mr. Qiao Weibing as non-executive director; and (iii) Mr. Kee Wah Sze, Mr. Chan Pat Lam and Mr. To Yan Ming Edmond as independent non-executive directors.