THE SINCERE COMPANY, LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 0244)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2010

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 2010 together with the comparative figures for the previous year are as follows:

CONSOLIDATED INCOME STATEMENT
Year ended 28 February 2010

	Notes	2010 HK$'000	2009 HK$'000
REVENUE	2	**381,010**	289,494
Cost of sales		**(132,103)**	(156,139)
Other income and gains, net		**13,051**	6,187
Net unrealised gain/(loss) on securities and future contracts trading		**45,127**	(94,941)
Selling and distribution costs		**(135,865)**	(147,415)
General and administrative expenses		**(119,997)**	(127,026)
Other operating expenses, net		**(4,225)**	(5,370)
Finance costs	3	**(2,534)**	(5,173)
Share of profits less losses of associates		**(10,840)**	(38,560)
PROFIT/(LOSS) BEFORE TAX	4	**33,624**	(278,943)
Income tax expense	5	**(421)**	(29)
PROFIT/(LOSS) FOR THE YEAR		**33,203**	(278,972)
ATTRIBUTABLE TO:			
Ordinary equity holders of the Company		**33,166**	(276,186)
Minority interests		**37**	(2,786)
		33,203	(278,972)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	7		
Basic		**HK$0.07**	HK$(0.57)
Diluted		**N/A**	N/A

Details of the dividend proposed for the year are disclosed in note 6 to the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 28 February 2010

	2010	2009
	HK$'000	*HK$'000*
PROFIT/(LOSS) FOR THE YEAR	**33,203**	(278,972)
OTHER COMPREHENSIVE INCOME/(LOSS):		
Exchange differences arising on translation of foreign operations	**4,609**	(8,765)
Realisation of exchange fluctuation reserve upon deregistration/dissolution of subsidiaries	**11**	14,526
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	**37,823**	(273,211)
ATTRIBUTABLE TO:		
Ordinary equity holders of the Company	**38,705**	(276,120)
Minority interests	**(882)**	2,909
	37,823	(273,211)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

28 February 2010

	Notes	2010 HK$'000	2009 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**66,712**	54,346
Investment properties		**102,535**	2,138
Prepaid land premium		**722**	–
Interests in associates		**49,133**	64,779
Financial instruments		**46,017**	43,896
Rental deposits		**6,015**	6,054
Pension scheme assets		**3,604**	5,055
Total non-current assets		**274,738**	176,268
CURRENT ASSETS			
Properties under development		**120,705**	–
Inventories		**54,852**	48,227
Debtors	8	**2,621**	1,372
Prepayments, deposits and other receivables		**32,467**	23,854
Financial assets at fair value through profit or loss		**250,701**	198,263
Financial instruments		**3,900**	–
Derivative financial instruments		**5,081**	11,619
Pledged bank balances		**2,892**	7,683
Pledged deposits with banks		**17,055**	19,684
Cash and bank balances		**54,856**	65,196
		545,130	375,898
Assets of a disposal group classified as held for sale	9	**–**	232,717
Total current assets		**545,130**	608,615
CURRENT LIABILITIES			
Creditors	10	**92,292**	80,467
Deposits, accrued expenses and other payables		**55,116**	40,408
Derivative financial instruments		**–**	8,464
Interest-bearing borrowings and overdrafts		**24,128**	40,120
Tax payable		**359**	16
		171,895	169,475
Liabilities directly associated with the assets of a disposal group classified as held for sale	9	**–**	5,977
Total current liabilities		**171,895**	175,452
NET CURRENT ASSETS		**373,235**	433,163
TOTAL ASSETS LESS CURRENT LIABILITIES		**647,973**	609,431

	Notes	**2010**	2009
	Notes	***HK$'000***	*HK$'000*
EQUITY			
Equity attributable to ordinary equity holders of the Company			
Issued share capital		**287,154**	287,154
Share premium account		**26**	26
Reserves		**375,943**	337,238
		663,123	624,418
MINORITY INTERESTS		**(15,150)**	(14,987)
TOTAL EQUITY		**647,973**	609,431

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 held for sale was 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.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 28 February 2010. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date such control ceases. Income, expenses and unrealised gains and losses resulting from intercompany transactions and intercompany balances within the Group are eliminated on consolidation in full.

Minority interests represent the interests of outside shareholders not held by the Group in the results and net assets of the Company's subsidiaries. Acquisitions of minority interests are accounted for using the parent entity extension method whereby the difference between the consideration and the book value of the share of the net assets acquired is recognised as goodwill.

CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's 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*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Vesting Conditions and Cancellations*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
HKFRS 8	*Operating Segments*
HKAS 1 (Revised)	*Presentation of Financial Statements*

HKAS 18 Amendment*	Amendment to Appendix to HKAS 18 *Revenue – Determining whether an entity is acting as a principal or as an agent*
HKAS 23 (Revised)	*Borrowing Costs*
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*
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*
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 (adopted from 1 July 2009)*
Improvements to HKFRSs (October 2008)	Amendments to a number of HKFRSs

* Included in *Improvements to HKFRSs 2009* (as issued in May 2009).

Other than as further explained below regarding the impact of HKAS 1 (Revised), HKFRS 7 Amendments, HKFRS 8 and HK(IFRIC)-Int 13, the adoption of these new and revised HKFRSs 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.

HKAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present two statements.

The HKFRS 7 Amendments require additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by sources of inputs using a three-level fair value hierarchy, by class, for all financial instruments recognised at fair value. In addition, a reconciliation between the beginning and ending balances is now required for level 3 fair value measurements, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management.

HKFRS 8, which replaces HKAS 14 *Segment Reporting*, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. Due to the adoption of HKFRS 8 during the current year, certain comparative amounts have been revised to conform with the current year's presentation.

HK(IFRIC)-Int 13 requires customer loyalty award credits to be accounted for as a separate component of the sales transaction in which they are granted. The consideration received in the sales transaction is allocated between the loyalty award credits and the other components of the sale. The amount allocated to the loyalty award credits is determined by reference to their fair value and is deferred until the awards are redeemed or the liability is otherwise extinguished. As the Group currently has a customer loyalty award scheme, the interpretation is applicable to the Group. The impact of this change in accounting policy is not material to the Group.

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 (Revised)	*First-time Adoption of Hong Kong Financial Reporting Standards* [1]
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters* [2]
HKFRS 1 Amendment	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters* [4]
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Group Cash-settled Share-based Payment Transactions* [2]
HKFRS 3 (Revised)	*Business Combinations* [1]
HKFRS 9	*Financial Instruments* [6]
HKAS 24 (Revised)	*Related Party Disclosures* [5]
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements* [1]
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation – Classification of Rights Issues* [3]
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items* [1]
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *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* [4]
Amendments to HKFRS 5 included in *Improvements to HKFRSs* issued in October 2008	Amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Plan to Sell the Controlling Interest in a Subsidiary* [1]
HK Interpretation 4 (Revised in December 2009)	*Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases* [2]

Apart from the above, the HKICPA has issued *Improvements to HKFRSs 2009 and 2010* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to HKFRS 2, HKAS 38, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 16 are effective for annual periods beginning on or after 1 July 2009 while the amendments to HKFRS 5, HKFRS 8, HKAS 1, HKAS 7, HKAS 17, HKAS 36 and HKAS 39 are effective for annual periods beginning on or after 1 January 2010 although there are separate transitional provisions for each standard or interpretation. The amendments to HKFRS 3 and transition requirements for amendments arising as a result of HKAS 27 are effective for annual periods beginning on or after 1 July 2010 while the amendments to HKFRS 1, HKFRS 7, HKAS 1, HKAS 34 and HK(IFRIC)-Int 13 are effective for annual periods beginning on or after 1 January 2011.

1 Effective for annual periods beginning on or after 1 July 2009
2 Effective for annual periods beginning on or after 1 January 2010
3 Effective for annual periods beginning on or after 1 February 2010
4 Effective for annual periods beginning on or after 1 July 2010
5 Effective for annual periods beginning on or after 1 January 2011
6 Effective for annual periods beginning on or after 1 January 2013

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application and is not in a position to conclude the impact of these new and revised HKFRSs on the Group's results of operations and financial position.

2. SEGMENT INFORMATION

(a) Operating segments

The following tables present revenue, loss and certain asset, liability and expenditure information for the Group's operating segments for the years ended 28 February 2010 and 2009.

	Department store operations		Property rental and development		Securities trading		Others		Eliminations		Consolidated	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009
	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	**328,343**	359,243	**9,475**	9,098	**24,191**	(100,845)	**19,001**	21,998	**–**	–	**381,010**	289,494
Intersegment sales	**–**	–	**24,973**	24,899	**–**	–	**8,089**	12,770	**(33,062)**	(37,669)	**–**	–
Other revenue	**417**	417	**1,458**	5,797	**7**	–	**166**	151	**–**	–	**2,048**	6,365
Total	**328,760**	359,660	**35,906**	39,794	**24,198**	(100,845)	**27,256**	34,919	**(33,062)**	(37,669)	**383,058**	295,859
Segment results	**(8,702)**	(10,650)	**(1,784)**	(8,925)	**61,934**	(203,741)	**(15,453)**	(11,716)	**–**	–	**35,995**	(235,032)
Interest, dividend income and unallocated revenue											**11,003**	(178)
Finance costs											**(2,534)**	(5,173)
Share of profits less losses of associates											**(10,840)**	(38,560)
Profit/(loss) before tax											**33,624**	(278,943)
Income tax expense											**(421)**	(29)
Profit/(loss) for the year											**33,203**	(278,972)
Segment assets	**99,463**	91,211	**303,869**	297,389	**267,223**	214,243	**58,904**	62,783	**(33,527)**	(38,085)	**695,932**	627,541
Unallocated assets											**74,803**	92,563
Interests in associates	**–**	–	**21,790**	36,336	**–**	–	**27,343**	28,443	**–**	–	**49,133**	64,779
Total assets											**819,868**	784,883
Segment liabilities	**147,600**	129,412	**22,780**	25,660	**1,127**	9,282	**9,787**	9,063	**(33,527)**	(38,085)	**147,767**	135,332
Unallocated liabilities											**24,128**	40,120
Total liabilities											**171,895**	175,452
Other segment information:												
Depreciation	**4,778**	4,571	**4,047**	1,101	**107**	190	**516**	862	**–**	–	**9,448**	6,724
Amortisation of prepaid land premium	**–**	–	**54**	–	**–**	–	**–**	–	**–**	–	**54**	–
Capital expenditure	**1,081**	905	**102**	746	**–**	428	**1,395**	347	**–**	–	**2,578**	2,426
Loss/(gain) on disposal/write-off of items of property, plant and equipment	**–**	(96)	**65**	131	**–**	–	**–**	165	**–**	–	**65**	200
Gain on disposal of investment properties	**–**	–	**(1,489)**	(2,851)	**–**	–	**–**	–	**–**	–	**(1,489)**	(2,851)
Gain on disposal of properties held for sale	**–**	–	**–**	(1,551)	**–**	–	**–**	–	**–**	–	**–**	(1,551)
Impairment/(write-back of impairment) for inventories	**(607)**	463	**–**	–	**–**	–	**–**	–	**–**	–	**(607)**	463
Impairment on interests in associates	**–**	–	**–**	1,300	**–**	–	**–**	–	**–**	–	**–**	1,300
Fair value loss/(gain) on investment properties in Mainland China	**–**	–	**(1,534)**	3,873	**–**	–	**–**	–	**–**	–	**(1,534)**	3,873
Impairment on financial instruments	**–**	–	**–**	–	**–**	–	**6,800**	–	**–**	–	**6,800**	–
Write-back of impairment on properties under development	**–**	–	**(1,106)**	–	**–**	–	**–**	–	**–**	–	**(1,106)**	–

(b) Geographical information

The following table presents revenue and certain non-current assets for the Group's geographical information.

	Hong Kong		Mainland China		United Kingdom ("UK")		Others		Eliminations		Consolidated	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009
	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	**354,169**	297,388	**16,348**	8,951	**331**	–	**10,162**	(16,845)	**–**	–	**381,010**	289,494
Non-current assets	**54,507**	59,857	**121,477**	2,681	**–**	–	**–**	–	**–**	–	**175,984**	62,538

The non-current asset information above is based on the location of assets and includes property, plant and equipment, investment properties, prepaid land premium and rental deposits.

(c) Information about a major customer

For the years ended 28 February 2010 and 2009, as no customer of the Group has individually accounted for over 10% of the Group's total revenue, no information about major customers is presented under HKFRS 8.

3. FINANCE COSTS

	Group	
	2010	2009
	HK$'000	*HK$'000*
Interest on bank loans and overdrafts wholly repayable within five years	**2,414**	4,832
Others	**120**	341
	2,534	5,173

4. PROFIT/(LOSS) BEFORE TAX

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

	2010 HK$'000	2009 HK$'000
Depreciation	**9,448**	6,724
Amortisation of prepaid land premium	**54**	–
Employee benefit expenses, excluding directors' remuneration:		
Wages and salaries	**55,707**	66,371
Pension contributions, including pension costs for defined benefit schemes of HK$2,158,000 (2009: HK$2,925,000)	**2,944**	3,612
	58,651	69,983
Fair value loss/(gain) on investment properties in Mainland China *	**(1,534)**	3,873
Write-back of impairment on properties under development *	**(1,106)**	–
Impairment/(write-back of impairment) for inventories **	**(607)**	463
Impairment on financial instruments *	**6,800**	–
Impairment on interests in associates *	**–**	1,300
Net realised loss/(gain) on securities and future contracts trading	**(24,191)**	100,845
Operating lease rental payments in respect of land and buildings:		
Minimum lease payments	**113,338**	113,229
Contingent rent	**550**	675
Gain on disposal of investment properties ***	**(1,489)**	(2,851)
Gain on disposal of properties held for sale ***	**–**	(1,551)
Loss on disposal/write-off of items of property, plant and equipment *	**65**	200
Foreign exchange losses, net ***	**1,048**	6,384
Property rental, net of outgoings	**(9,475)**	(9,098)
Dividends from listed investments ***	**(3,376)**	(7,522)
Dividends from an unlisted available-for-sale investment ***	**(3,697)**	–
Interest income ***	**(4,989)**	(10,339)
Loss on deregistration/dissolution of subsidiaries, net ***	**11**	11,655

Dividend income of HK$3,000,000 (2009: HK$2,367,000) 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. INCOME TAX

No provision for Hong Kong profits tax has been made during the year (2009: 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.

	Group	
	2010	2009
	HK$'000	*HK$'000*
Group:		
Current – Hong Kong	**–**	–
Current – Elsewhere		
Charge for the year	**421**	29
Total tax charge for the year	**421**	29

6. DIVIDEND

	2010	2009
	HK$'000	*HK$'000*
Proposed final dividend – HK0.8 cent (2009: Nil) per ordinary share	**4,594**	–

The proposed final dividend for the year are subject to the approval of the Company's shareholders at the forthcoming Annual General Meeting. These financial statements do not reflect the dividend payable.

7. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings/(loss) per share is based on the net profit attributable to ordinary equity holders of the Company for the year of HK$33,166,000 (2009: net loss of HK$276,186,000) and the 486,233,000 ordinary shares (2009: 486,233,000) in issue throughout the year, as adjusted to reflect the number of shares held by an associate through reciprocal shareholding.

No adjustments have been made to the basic earnings/(loss) per share for the current and prior years, respectively, as there were no dilutive potential ordinary shares in existence during these years.

8. 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 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 end of the reporting period, based on the payment due date, is as follows:

	Group	
	2010	2009
	HK$'000	*HK$'000*
Within 3 months not past due	**2,186**	1,110
Within 3 months past due	**77**	–
Over 3 months past due	**358**	262
Total debtors	**2,621**	1,372
Impairment	**–**	–
Total	**2,621**	1,372

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.

9. A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

During the year ended 28 February 2010, the disposal of 100% issued and fully paid ordinary shares of Lark Spur Worldwide Limited (the "Disposal Group"), which is planned to be the investment holding company of Dalian Sincere Building Co., Ltd ("Dalian Sincere"), a wholly-owned subsidiary of the Company established in the PRC with the principal business activities in property development for investment and rental purposes in Mainland China, was ceased by the expiry of time. Accordingly, the Group ceased to present the assets and liabilities of the Disposal Group as assets and liabilities of a disposal group classified as held for sale under current assets and current liabilities, respectively.

In addition, upon the cessation of the disposal plan mentioned above, the Group commenced a redevelopment plan to redevelop and dispose of certain floors of the properties held by Dalian Sincere. Accordingly, the Group classified those floors as properties under development during the year.

10. CREDITORS

An aged analysis of the trade creditors at the end of the reporting period was as follows:

	Group		Company	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Current – 3 months	**88,344**	57,313	**87,582**	54,650
4 – 6 months	**2,452**	21,700	**1,019**	18,580
7 – 12 months	**760**	478	**–**	192
Over 1 year	**736**	976	**53**	785
	92,292	80,467	**88,654**	74,207

DIVIDENDS

The Board has resolved to recommend to shareholders the payment of a final dividend of HK0.8 cent (2009: Nil) per share for the year ended 28 February 2010. Subject to the approval of the shareholders at the forthcoming Annual General Meeting to be held on 6 August 2010, the final dividend will be payable on 13 August 2010 to shareholders whose names appear on the register of members of the Company on 6 August 2010.

CLOSURE OF REGISTER OF MEMBERS

The Registers of Members of the Company will be closed from Monday, 2 August 2010 to Friday, 6 August 2010, both days inclusive, for the purpose of determining shareholders' entitlements to the proposed final dividend. In order to qualify for the final dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Registrars in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, 30 July 2010.

RESULTS

The year under review was both challenging and encouraging. Dampened by the explosion of the global financial tsunami in the fourth quarter of 2008, the consumer sentiment remained weak in the first half year under review. The turnover of the department store operation only returned to positive growth in the second half year. With the continued improvement in securities trading, the Group recorded a profit attributable to shareholders of HK$33 million as compared to a loss of HK$279 million from last year.

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 2010 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 2010 have been reviewed by the Audit Committee.

LIQUIDITY AND FINANCIAL RESOURCES

At 28 February 2010, the Group held cash and bank balances of HK$55 million, representing 16% decrease as compared to last year, which proceeds were used to repay bank overdraft resulting a decrease of 40% of the total borrowings to HK$24 million. Hence, the Group's current year gearing has dropped to 4% (2009: 6%). The net interest expense reduced by 51% to HK$3 million (2009: HK$5 million). The bank borrowings were mainly in HK dollar and US dollar with interest rates ranging from approximately 1% to 5%. The current ratio slightly decreased by 0.3 to 3.2 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$39,058,000 (2009: HK$51,081,000) as at the end of the reporting period in respect of a banking facility utilised by their associates.

EMPLOYEES AND REMUNERATION POLICIES

At 28 February 2010, the Group had 516 employees (2009: 532) 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, subsidized medical care and training courses.

BUSINESS REVIEW

In the first half year under review, the retail industry was still struggling in the aftermath of the global financial crisis where consumer sentiment has yet to recover. The management strove hard to implement strategies to yield a decent result by reducing the inventory level, broadening the promotional discount, renegotiating better supplier's terms to increase revenue and tightening the expense control including 5% to 10% salary pay cut with compensation holiday leaves. In the second half year, the economic showed an early sign of rebound, the retail management swiftly implemented aggressive strategies to remove substandard consignment counters and replenish European merchandises with immediate shipment. With the effective strategies and full efforts of all staff members, the management overcame various difficulties and successfully finished the Chinese New Year selling season on a high note.

The advertising business recorded a negative growth due to retail clients curtailed the advertising and promotional expenses. The furniture business yielded a good result with the successful expansion in the PRC market and the establishment of the production line in Dongguan in late 2009. The travel franchise business was restructured with the new regional president on board last year where several potential franchisees in China giving positive responses. The results of the securities trading recorded a substantial rebound; this was supported by the continued growth in the China's economy and with the unemployment rate edging down in Hong Kong. The investment portfolios were performed in line with the market and recorded a satisfactory growth.

PROSPECTS

Looking ahead, coupled with the stabilized Hong Kong economy and the influx of Mainland tourists, there is a clear improvement in the consumer sentiment, the Group remains optimistic on the core retail operations. In order to grasp this growth opportunities and expand market share, the Group will open the fourth department store at Citywalk 2 in Tsuen Wan and this would be the first store in the New Territories district. The management will continue to maximize the gross profit margin, enhancing the dollar per transaction, obtaining better terms from the consignment counters and introducing more brands from Europe, Korea and Japan for a better market reach.

On the advertising operation, the management believes the business will be gradually improving with the retail industry recovery. The travel franchise operation has set up a Shanghai branch in May 2010 that will be able to enhance the brand awareness in Southern China. On the furniture business, following the factory put into production, the company will be able to expand the business volume on the project furniture and to further enhance the product qualities. As for the securities trading operation, most indicators were pointing to a gradual global economic recovery, in particular in the Asian economies, the Group remains positive on the growth of the portfolios.

With the opening of the new store and the above solid strategies to propel the business moving forward, the Group is continuously optimistic to achieve the business growth and to maximize the shareholders return.

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, 24 June 2010