MOISELLE

MOISELLE INTERNATIONAL HOLDINGS LIMITED

慕詩國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 130)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2010

ANNUAL RESULTS

The board of directors (the "Board") of Moiselle International Holdings Limited (the "Company") announces that the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2010 with comparative figures for the previous corresponding year are as follows:

CONSOLIDATED INCOME STATEMENT

	Note	**2010** *HK$'000*	2009 *HK$'000*
Turnover	3	**439,599**	423,088
Cost of sales		**(85,549)**	(100,098)
Gross profit		**354,050**	322,990
Other revenue	4	**1,986**	2,237
Other net (loss)/income	4	**(800)**	3,230
Selling and distribution costs		**(239,260)**	(236,606)
Administrative and other operating expenses		**(57,970)**	(63,949)
Profit from operations		**58,006**	27,902
Finance costs		**(3)**	(141)
Net valuation gains/(losses) on			
– land and buildings		**949**	(181)
– investment properties		**4,400**	(200)
Share of losses of a jointly controlled entity		**(90)**	–
Profit before taxation	5	**63,262**	27,380
Income tax	6	**(9,593)**	(7,323)
Profit for the year		**53,669**	20,057
Attributable to:			
Equity shareholders of the Company		**53,669**	20,057
Earnings per share	7		
Basic		**HK$0.19**	HK$0.07
Diluted		**N/A**	HK$0.07

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2010	2009
	HK$'000	*HK$'000*
Profit for the year	**53,669**	20,057
Other comprehensive income for the year (after tax and reclassification adjustments)		
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong	**514**	592
Surplus/(deficit) on revaluation of land and buildings held for own use	**48,090**	(20,394)
	48,604	(19,802)
Total comprehensive income for the year	**102,273**	255
Attributable to:		
Equity shareholders of the Company	**102,273**	255

CONSOLIDATED BALANCE SHEET

	Note	2010 HK$'000	2010 HK$'000	2009 HK$'000	2009 HK$'000
Non-current assets					
Fixed assets					
– Investment properties			**20,220**		15,820
– Other fixed assets			**247,752**		199,036
			267,972		214,856
Interest in a jointly controlled entity			**326**		–
Other assets			**12,929**		14,226
Deferred tax assets			**5,258**		3,002
			286,485		232,084
Current assets					
Inventories		**55,597**		73,349	
Trade and other receivables	9	**49,480**		47,185	
Tax recoverable		**2**		–	
Cash and cash equivalents		**170,140**		100,432	
		275,219		220,966	
Current liabilities					
Trade and other payables	10	**53,197**		49,507	
Tax payable		**6,393**		4,194	
		59,590		53,701	
Net current assets			**215,629**		167,265
Total assets less current liabilities			**502,114**		399,349
Non-current liabilities					
Deferred tax liabilities			**27,168**		15,395
NET ASSETS			**474,946**		383,954
Capital and reserves					
Share capital			**2,821**		2,821
Reserves			**472,125**		381,133
TOTAL EQUITY			**474,946**		383,954

Notes:

1. Basis of preparation

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

2. Changes in accounting policies

The HKICPA has issued one new HKFRS, a number of amendments to HKFRSs and new Interpretations that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

– HKFRS 2, *Share-based payment*
– HKFRS 8, *Operating segments*
– HKAS 1 (revised 2007), *Presentation of financial statements*
– HKAS 23, *Borrowing costs*
– HKAS 27, *Consolidated and separate financial statements*
– Improvements to HKFRSs (2008)

The amendments to HKFRS 2, HKAS 23 and HKAS 27 have had no impact on the Group's financial statements as the amendments were consistent with policies already adopted by the Group. The impact of the remainder of these developments is as follows:

– HKFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. This contrasts with the presentation of segment information in prior years which was based on a disaggregation of the Group's financial statements into segments based on related products and services and on geographical areas. The adoption of HKFRS 8 has not resulted in significant changes in the presentation of the Group's segment information as segment information has been previously presented on a basis consistent with the internal information reported to the Group's chief operating decision maker.

– As a result of the adoption of HKAS 1 (revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated statement of comprehensive income. Corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any of the periods presented.

The "improvements to HKFRSs (2008)" comprise a number of minor and non-urgent amendments to a range of HKFRSs which the HKICPA has issued as an omnibus batch of amendments. Of these, the following amendment has resulted in changes to the Group's accounting policies:

– As a result of amendments to HKAS 40, *Investment property*, investment property which is under construction will be carried at fair value at the earlier of when the fair value first becomes reliably measurable and the date of completion of the property. Any gain or loss will be recognised in profit or loss, consistent with the policy adopted for all other investment properties carried at fair value. Previously such property was carried at cost until the construction was completed, at which time it was fair valued with any gain or loss being recognised in profit or loss. As the Group does not currently have any investment property under construction, this change in policy has no impact on net assets or profit or loss for any of the periods presented.

The Group did not early adopt the new amendments, new standards and interpretations that are not yet effective for the current accounting period.

3. Turnover

Turnover represents the invoiced value of goods sold, excluding value added tax and net of trade discounts.

4. Other revenue and other net (loss)/income

	2010	2009
	HK$'000	*HK$'000*
Other revenue		
Interest income from bank deposits	**440**	887
Gross rental from investment properties	**574**	574
Service fee income	**420**	420
Sundry income	**552**	356
	1,986	2,237
Other net (loss)/income		
Net realised and unrealised losses on equity securities	**–**	(14)
Net (loss)/gain on disposal of fixed assets	**(578)**	37
Net exchange (loss)/gain	**(222)**	3,207
	(800)	3,230

5. Profit before taxation is arrived at after charging:

	2010	2009
	HK$'000	*HK$'000*
Interest on bank advances and other borrowings	**3**	141
Depreciation	**21,153**	23,233

6. Income tax

	2010	2009
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
Provision for the year	**442**	83
Under-provision in respect of prior years	**15**	74
	457	157
Current tax – PRC		
Provision for the year	**10,048**	7,046
Deferred tax		
Origination and reversal of temporary differences	**(906)**	128
Effect of changes in tax rate on deferred tax balances	**(6)**	(8)
	(912)	120
	9,593	7,323

The provision for Hong Kong Profits Tax for 2010 is calculated at 16.5% (2009: 16.5%) of the estimated assessable profits for the year. Taxation for the PRC and overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

In accordance with the relevant PRC corporate income tax laws, regulations and implementation guidance notes, the statutory income tax rate applicable to the Group's subsidiaries in Shenzhen changes from 15% to 25% progressively within five years from 1 January 2008 (2008: 18%; 2009: 20%; 2010: 22%; 2011: 24%; 2012: 25%). In addition, a subsidiary located in Shenzhen is entitled to enjoy a tax relief of 100% reduction in the income tax rate for two years from 1 January 2007 and thereafter a 50% reduction in the income tax rate for the following three years.

The Group is subject to withholding tax at a rate of 10% (unless reduced by treaty) on distribution of profits generated after 31 December 2007 from the Group's foreign-invested enterprises in the PRC. As all of the Group's foreign-invested enterprises are directly and wholly owned by Hong Kong incorporated subsidiaries, a reduced rate of 5% is applicable in the calculation of this withholding tax. Deferred tax liabilities of HK$4,968,000 (2009: HK$3,127,000) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits since these earnings are not intended to be distributed in the foreseeable future.

7. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of approximately HK$53,669,000 (2009: HK$20,057,000) and the number of 282,030,000 (2009: 282,030,000) ordinary shares in issue during the year.

The diluted earnings per share for the year ended 31 March 2010 is not presented as the Company does not have dilutive potential ordinary shares in existence during the year.

The calculation of diluted earnings per share for the year ended 31 March 2009 is based on the profit attributable to ordinary equity shareholders of the Company of approximately HK$20,057,000 and the number of 282,155,957 ordinary shares after adjusting for the effects of all dilutive potential ordinary shares, calculated as follows:

Weighted average number of ordinary shares (diluted)

	2009 *Number of shares*
Number of ordinary shares at 31 March	282,030,000
Effect of deemed issue of ordinary shares under the Company's share option scheme for nil consideration	125,957
Number of ordinary shares (diluted) at 31 March	282,155,957

8. Dividends

The Board recommended the payment of a final dividend of 10 Hong Kong cents (2009: 2 Hong Kong cents) per ordinary share in respect of the year, payable on or before 3 September 2010 in cash to shareholders whose names appear on the register of members of the Company at the close of business on 27 August 2010.

(a) Dividends payable to equity shareholders of the Company attributable to the year

	2010 ***HK$'000***	2009 *HK$'000*
Interim dividend declared and paid of 2 Hong Kong cents per ordinary share (2009: 2 Hong Kong cents per ordinary share)	**5,640**	5,641
Final dividend proposed after the balance sheet date of 10 Hong Kong cents per ordinary share (2009: 2 Hong Kong cents per ordinary share)	**28,203**	5,641
	33,843	11,282

The final dividend of 10 Hong Kong cents per share proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2010 ***HK$'000***	2009 *HK$'000*
Final dividend in respect of the previous financial year, approved and paid during the year, of 2 Hong Kong cents per share (2009: 7 Hong Kong cents per share)	**5,641**	19,742

9. Trade and other receivables

Included in trade and other receivables are trade debtors (net of allowance for doubtful debts) with the following ageing analysis as of the balance sheet date:

	2010	2009
	HK$'000	*HK$'000*
Outstanding balances aged:		
Within 30 days	**16,001**	16,060
Between 31 to 90 days	**2,351**	2,700
Between 91 to 180 days	**321**	752
Between 181 to 365 days	**382**	1
	19,055	19,513

Trade debtors are due within 30 to 90 days from the date of billing.

10. Trade and other payables

Included in trade and other payables are trade creditors with the following ageing analysis as of the balance sheet date:

	2010	2009
	HK$'000	*HK$'000*
Outstanding balances aged:		
Within 30 days	**3,328**	3,441
Between 31 to 90 days	**2,776**	353
Over 90 days	**393**	488
	6,497	4,282

11. Segment reporting

The Group manages its businesses by geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

– The Hong Kong operation represents the sales of house brands and imported brands in Hong Kong.

– The outside Hong Kong operation represents the manufacture of house brands in Mainland China and sales of house brands and imported brands in Mainland China, Macau and Taiwan.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible assets and current assets with the exception of deferred tax assets and other corporate assets. Segment liabilities include trade creditors, accruals attributable to the manufacturing and sales activities of the individual segments and bank borrowings managed directly by the segments and current liabilities with the exception of deferred tax liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. However, assistance provided by one segment to another, including sharing of assets, is not measured.

The measure used for reportable segment profit or loss is profit/(loss) from operations. Taxation charge/(credit) is not allocated to reportable segments.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2010 and 2009 is set out below:

	Hong Kong		Outside Hong Kong		Total	
	2010	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**224,820**	232,444	**214,779**	190,644	**439,599**	423,088
Inter-segment revenue	**–**	–	**–**	–	**–**	–
Reportable segment revenue	**224,820**	232,444	**214,779**	190,644	**439,599**	423,088
Reportable segment profit	**26,812**	4,679	**30,008**	17,756	**56,820**	22,435
Interest income from bank deposits	**162**	331	**278**	556	**440**	887
Interest expense	**(3)**	(141)	**–**	–	**(3)**	(141)
Depreciation and amortisation for the year	**(8,937)**	(9,891)	**(12,216)**	(13,342)	**(21,153)**	(23,233)
Impairment of						
– trade receivables	**–**	–	**–**	(195)	**–**	(195)
– fixed assets	**(719)**	–	**–**	–	**(719)**	–
Reportable segment assets	**207,837**	189,167	**155,371**	142,197	**363,208**	331,364
(including investment in a jointly controlled entity)	**326**	–	**–**	–	**326**	–
Additions to non-current segment assets during the year	**4,493**	5,036	**7,096**	10,226	**11,589**	15,262
Reportable segment liabilities	**31,849**	30,724	**21,348**	18,783	**53,197**	49,507

(b) Reconciliation of reportable segment profit or loss, assets and liabilities

	2010	2009
	HK$'000	*HK$'000*
Profit		
Reportable segment profit	**56,820**	22,435
Other revenue and net income	**1,186**	5,467
Finance costs	**(3)**	(141)
Net valuation gains/(losses) on land and buildings and investment properties	**5,349**	(381)
Share of losses of a jointly controlled entity	**(90)**	–
Consolidated profit before taxation	**63,262**	27,380
Assets		
Reportable segment assets	**363,208**	331,364
Deferred tax assets	**5,258**	3,002
Unallocated head office and corporate assets	**193,238**	118,684
Consolidated total assets	**561,704**	453,050
Liabilities		
Reportable segment liabilities	**53,197**	49,507
Current tax liabilities	**6,393**	4,194
Deferred tax liabilities	**27,168**	15,395
Consolidated total liabilities	**86,758**	69,096

(c) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's fixed assets, and a jointly controlled entity ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, and the location of operations, in the case of interest in a jointly controlled entity.

	Revenues from external customers		**Specified non-current assets**	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**224,820**	232,444	**202,536**	154,093
Mainland China	**174,385**	160,528	**63,100**	57,984
Taiwan	**25,720**	17,079	**1,379**	1,026
Macau	**14,674**	13,037	**1,283**	1,753
	214,779	190,644	**65,762**	60,763
	439,599	423,088	**268,298**	214,856

REVIEW OF OPERATIONS

During the year under review, the Group maintained 3 (2009: 3) retail outlets of *REISS*, a UK high street fashion brand and 2 (2009: 1) retail outlets of European brands *COCCINELLE*, an Italian fashion accessories brand. The new retail outlet of *SEQUOIA*, a French accessories brand, was opened at the K11 shopping mall during the year which was operated by the jointly controlled entity of the Group. By establishing retail outlets in the shopping districts with high pedestrian flows, in addition to strategically launched marketing campaigns, the Group successfully expanded the brand mix and increased the brand equity of the brands under the Group. The broadened customer base also contributed to the increase in the brand awareness of both the house brands and the European brands operated by the Group.

During the year under review, the Group maintained the *REISS* store in the mainland China in Sanlitun, Beijing. Besides, it maintained its sales network in the mainland China under the three house brands, *MOISELLE*, *mademoiselle* and *imaroon*, of the Group. There were 60 *MOISELLE* stores (2009: 61) operating in the mainland China as at 31 March 2010. 41 (2009: 43) out of the 60 (2009: 61) stores were operated as consignment stores and 13 (2009: 11) were retail shops. The remaining ones were operated by franchisees. The sales network of the brands *mademoiselle* and *imaroon* was adjusted in the mainland China region during the year. There were 12 (2009: 15) *mademoiselle* stores and 6 (2009: 10) *imaroon* stores operating as at 31 March 2010. The continued adjustment in sales network aimed at capturing the most suitable locations in the competitive market and diverse cities in China. The multi-brand strategies had kept bringing competitive edge and synergy effects on the brand building and increase potential in the China fashion retail market.

The established network in the market in the mainland China region continued to provide future growth opportunities to the Group and to increase the brand exposure in the major and second-tiers cities. Under the implementation of integrated marketing and visual merchandising strategies, activities in both Hong Kong and China regions had delivered and strengthened refreshed brand image and new look design concepts for products of *MOISELLE* during the year.

In Hong Kong, the Group operated 15 *MOISELLE*, 3 *mademoiselle* and 5 *imaroon* (2009: 16 *MOISELLE*, 3 *mademoiselle* and 7 *imaroon*) retail outlets as at 31 March 2010. The three brands were separately managed with each having its own distinctive target customers. The design teams for each brands worked out their own collections and image stories from different creative sources of fashion trends. The Group's retail operations, however, were managed to pursuit for objectives in the most effective and efficient manner.

Two (2009: two) stores of *MOISELLE* were maintained during the year in Macau. With the increased tourists traveling to and expatriates staying in Macau, the demand of prestigious fashion products is expected to grow and the Group will continue to introduce more attractive and valuable fashion apparel and accessories products into the market.

At 31 March 2010, the Group operated in Taiwan market 9 *MOISELLE* stores (2009: 7) and 5 *mademoiselle* stores (2009: 1) in Taipei, Taoyuan, Taichung and Kaohsiung. With the expanded sales network in Taiwan, the Group had managed to penetrate the Group's brands into various districts in Taiwan during the year.

FINANCIAL REVIEW

Overview

The Group's turnover increased by approximately 4% to approximately HK$439,599,000 (2009: HK$423,088,000) during the year ended 31 March 2010 as compared with 2009. As the established sales network in the PRC, Macau and Taiwan had generated improved performance, the revenue of the region outside Hong Kong increased by approximately 13% to approximately HK$214,779,000 (2009: HK$190,644,000) during the year under review. The relatively stable markets outside Hong Kong had increased the segment turnover ratio from approximately 45% of 2009 to approximately 49% for the year ended 31 March 2010.

The revenue earned from Hong Kong segment slightly decreased by approximately 3% to approximately HK$224,820,000 (2009: HK$232,444,000) which was mainly due to the slow down of retail market in Hong Kong after the financial tsunami during the financial year under review.

During the year under review, the Group's gross profit margin was approximately 81%, as compared to approximately 76% of the previous year. The gross profit margin was improved due to the increase in brand image which could demand higher premium on the products sold during the year. Operating expenses for the year ended 31 March 2010 totaled approximately HK$297,230,000, compared to approximately HK$300,555,000 for 2009, slightly decreased by approximately 1%. The overall operational efficiency was increased and the operating margin became 13% (2009: 7%).

The profit for the year ended 31 March 2010 was approximately HK$53,669,000 (2009: HK$20,057,000), increased by approximately HK$33,612,000, 168%. The increase was mainly the result of the improvement in gross margin and the effective management of operating expenses.

Liquidity and financial resources

During the year, the Group financed its operations with internal generated cash flows. The Group adopts a prudent financial policy such that it can meet the financial obligations when they fall due and maintain a sufficient operating fund for the development of the Group's business. At the end of the year, the Group's aggregate fixed deposits and cash balances amounted to approximately HK$170 million (2009: HK$100 million). As at 31 March 2010, the Group maintained aggregate composite banking facilities of approximately HK$68 million (2009: HK$68 million) with various banks, of which approximately HK$7 million (2009: HK$6 million) were utilised.

The Group continues to enjoy healthy financial position. As at 31 March 2010, the current ratio (current assets divided by current liabilities) was approximately 4.6 times (2009: 4.1 times) and the gearing ratio (aggregate of bank borrowings and finance lease payables divided by shareholders' equity) was zero (2009: zero).

Contingent liabilities

As at 31 March 2010, the Company had contingent liabilities in relation to guarantees given to banks against facilities extended to certain wholly owned subsidiaries amounting to approximately HK$7 million (2009: HK$6 million).

During the year ended 31 March 2010, the Company has also issued a single guarantee to a supplier against obligations or sums payable for goods and services supplied to a wholly owned subsidiary. At 31 March 2010, such obligations amounted to approximately $3 million (2009: $1 million).

OUTLOOK

The Group will continue to formulate focused strategies to increase its competitive edge and improve the market potential of its products. Refreshed images and new styling for *MOISELLE* brand products will be launched and target at both existing and potential customers. The Group also continues to raise the customer service standards so that customers can enjoy the valuable shopping experience in the Group's retail outlets.

The first Singapore store of *MOISELLE* was opened in Marina Bay Sands Shoppes after the year end. It represented the first move outside the greater China market by the Group. In addition, the Group has opened the first *COCCINELLE* store in the mainland China in the MIXC shopping mall, Hangzhou which is the new flagship store of the Group's brands in China after the year end. In the coming year, the Group will continue to open more stores for European brands and cooperate with respective principals to improve product mix and to expand the customer base.

The Group will also take the growth in economy in mainland China as future focus in business development. Despite the economic fluctuations in the short term, the long term development of the China economy is considered contributory to positive returns to the Group's brand investments. The Group is going to expand its sales network in more cities so as to achieve increased market penetration in the country.

The Group will continue to enhance the brand equity under the multiple brand strategy. In addition, the Group will keep on refining the brand images of each brand under the Group. The Group will also allocate resources in developing overseas markets in order to gain more potential customers in future.

EMPLOYEES

As at 31 March 2010, the Group employed 1,108 (2009: 1,241) employees mainly in Hong Kong and the PRC. Salaries of employees are maintained at competitive levels while bonuses are granted on a discretionary basis. Other employee benefits include mandatory provident fund, statutory and medical insurance cover, training programmes, a share option scheme and a share award scheme.

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

There were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the year.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions listed in the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Listing Rules throughout the year ended 31 March 2010. The only exception is that Mr. Chan Yum Kit is the chairman of the Board and also assumes the role of the chief executive officer. The Board considers that the current management structure ensures consistent leadership and optimal efficiency for the operation of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the Company's code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the Company's directors, the directors have complied with the required standards set out in the Model Code throughout the year ended 31 March 2010.

AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises three independent non-executive directors of the Company.

The audit committee of the Company has reviewed with the management the accounting principles and practices adopted by the Group and the consolidated financial statements of the Group for the year ended 31 March 2010.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 25 August 2010 to 27 August 2010 (both days inclusive) and during which period no transfer of shares will be effected.

In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates should be lodged with the Company's branch share registrar and transfer office in Hong Kong, Hong Kong Registrars Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 24 August 2010.

By Order of the Board
Chan Yum Kit
Chairman

Hong Kong, 19 July 2010

As at the date of this announcement, the Company's executive directors are Mr Chan Yum Kit, Ms Tsui How Kiu, Shirley, Mr Chui Hing Yee and Mr Chan Sze Chun, and independent non-executive directors are Ms Yu Yuk Ying, Vivian, Mr Chu Chun Kit, Sidney and Ms Wong Shuk Ying, Helen.