TIME INFRASTRUCTURE HOLDINGS LIMITED
太益控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 686)

ANNOUNCEMENT OF THE INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

INTERIM RESULTS

The board of directors (the "Board" or the "Directors") of Time Infrastructure Holdings Limited (the "Company") announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2009 together with the comparative figures for the corresponding period in the previous year as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2009

		Six months ended 30 June	
		2009	2008
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
REVEUNE	*2*	**45,438**	68,458
Cost of sales		**(18,581)**	(30,705)
GROSS PROFIT		**26,857**	37,753
Other income		**371**	1,095
Distribution costs		**(22,586)**	(24,825)
Administrative expenses		**(21,573)**	(28,712)
LOSS FROM OPERATIONS	*4*	**(16,931)**	(14,689)
Finance costs		**(37)**	(170)
LOSS BEFORE TAX		**(16,968)**	(14,859)
Tax expense	*5*	**—**	—
LOSS FOR THE PERIOD		**(16,968)**	(14,859)
DIVIDEND	*6*	**Nil**	Nil
LOSS PER SHARE	*7*		
— Basic		**HK(6.82) cents**	HK(6.79) cents
— Diluted		**N/A**	N/A

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2009

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Loss for the period	**(16,968)**	(14,859)
Other comprehensive income:		
Exchange differences on translating foreign operations	—	152
Gain on revaluation of property	—	661
Other comprehensive income for the period, net of tax	—	813
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	**(16,968)**	(14,046)

CONDENSED CONSOLIDATED BALANCE SHEET

At 30 June 2009

	Notes	30 June 2009 (Unaudited) HK$'000	31 December 2008 (Audited) HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*8*	**3,979**	5,217
Investment property		**5,300**	5,300
Rental deposits		**6,812**	7,332
Payment for acquisition of toll road entities	*9*	**28,206**	28,206
		44,297	46,055
Current assets			
Inventories		**16,127**	23,299
Trade receivables, deposits and prepayments	*10*	**1,420**	953
Rental deposits		**1,491**	1,463
Tax recoverable		**78**	61
Cash and cash equivalents		**5,917**	4,931
		25,033	30,707
Current liabilities			
Trade payables, other payables and accruals	*11*	**8,343**	11,579
Amount due to a director	*12*	**14,300**	—
Bank borrowings, secured	*13*	**643**	2,097
Obligation under finance lease		**123**	148
		23,409	13,824
Net current assets		**1,624**	16,883
Total assets less current liabilities		**45,921**	62,938
Non-current liabilities			
Obligation under finance lease		**—**	49
Provision for long service payments		**2,919**	2,919
		2,919	2,968
Net assets		**43,002**	59,970
EQUITY			
Share capital	*14*	**24,884**	24,884
Reserves		**18,118**	35,086
Total equity		**43,002**	59,970

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2009

	Attributable to equity holders of the parent (unaudited)							
	Share capital	**Share Premium**	**Call option reserve**	**Share option reserve**	**Translation reserve**	**Property revalution reserve**	**Profits/ (Accumulated losses)**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 1 January 2008	21,884	49,507	11,337	3,643	165	847	(10,759)	76,624
Loss for the period	—	—	—	—	—	—	(14,859)	(14,859)
Other comprehensive income	—	—	—	—	152	661	—	813
Total comprehensive expense for the period	—	—	—	—	152	661	(14,859)	(14,046)
Share option lapsed	—	—	—	(1,298)	—	—	1,298	—
At 30 June 2008 (unaudited)	21,884	49,507	11,337	2,345	317	1,508	(24,320)	62,578
As at 1 January 2009	24,884	70,453	11,337	1,521	215	1,238	(49,678)	59,970
Loss for the period	—	—	—	—	—	—	(16,968)	(16,968)
Other comprehensive income	—	—	—	—	—	—	—	—
Total comprehensive expense for the period	—	—	—	—	—	—	(16,968)	(16,968)
Expiry of call option *(note 16)*	—	—	(11,337)	—	—	—	11,337	—
At 30 June 2009 (unaudited)	24,884	70,453	—	1,521	215	1,238	(55,309)	43,002

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2009

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cash used from operations	**(11,619)**	(1,329)
Interest paid	**(37)**	(17)
Income taxes paid	**(17)**	(143)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	**(11,673)**	(1,489)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	**(113)**	(4,218)
NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES	**12,772**	4,513
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**986**	(1,194)
Cash and cash equivalents at beginning of period	**4,931**	4,057
Effects of foreign exchange rate changes, net	**—**	152
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**5,917**	3,015

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2009

1. Basis of preparation

These unaudited consolidated condensed interim financial statements are prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The condensed interim financial statements have been prepared under the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair values.

These condensed interim financial statements should be read in conjunction with the annual financial statements for the nine months ended 31 December 2008.

A substantial shareholder has undertaken to provide financial assistance as is necessary to maintain the Company as a going concern (note 13). On the strength of this assurance, the financial statements have been prepared on the going concern basis.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the nine months ended 31 December 2008.

The Hong Kong Institute of Certified Public Accountants has issued a number of new and revised Hong Kong Financial Reporting Standards. For those which are effective for accounting periods beginning on 1 January 2009, the adoption has no significant impact on the Group's results and financial position; and for those which are not yet effective, the Group is in the process of assessing their impact on the Group's results and financial position.

2. Revenue

Revenue, which is also the Group's turnover, represents the invoiced value of goods supplied/services provided to customers.

3. Segment information

Business segments

No segment analysis for business segment is presented as the Group principally operates in one business segment, which is the retail of fashion apparel.

Geographical segments

No geographical segment has been presented as the Group's operations were substantially carried out in Hong Kong during the period.

4. Loss from operations

	Six months ended 30 June 2009 (Unaudited) *HK$'000*	2008 (Unaudited) *HK$'000*
Loss before taxation is arrived at after charging/(crediting):		
Directors' remuneration	**3,245**	2,030
Employee benefit expenses (excluding directors' remuneration):		
Salaries and allowances	**17,475**	20,145
Retirement benefit scheme contributions	**1,337**	1,337
Provision for long service payments	**—**	2,186
Total employee benefit expenses	**18,812**	23,668
Auditors' remuneration	**343**	690
Depreciation of property, plant and equipment	**1,330**	1,541
Write down of inventories	**—**	4,769
Reversal of write down of inventories	**(4,037)**	(3,026)
Cost of inventories	**18,581**	30,705
Foreign exchange (gains)/losses, net	**(52)**	732
(Gain)/loss on disposal of property, plant and equipment	**—**	282
Minimum lease payments under operating leases on land and buildings	**14,978**	17,179

Note: Cost of inventories includes HK$3,655,000 (2008: HK$3,660,000) relating to staff costs, depreciation and rental expenses, which amounts are also included in the respective total amounts disclosed separately above.

5. Tax expense

No provision for taxation (2008: Nil) has been made since the Group did not generate any assessable profits during the period.

6. Dividend

The Directors have resolved that no interim dividend be declared in respect of the six months ended 30 June 2009 (2008: Nil).

7. Loss per share

The calculation of basic loss per share is based on the unaudited loss for the six months ended 30 June 2009 of HK$16,968,000 (2008: HK$14,859,000) and the weighted average of 248,840,000 (2008: 218,840,000) ordinary shares in issue during the period.

No diluted loss per share is presented because the exercise price of the Company's outstanding share options was higher than the average market price for shares at 30 June 2009 and 30 June 2008.

8. Property, plant and equipment

During the period, the Group spent approximately 80,000 in Plant and Machinery, and HK$34,000 in furniture and fixtures.

9. Payment for acquisition of toll road entities

	The Group	
	30 June 2009 (unaudited)	31 December 2008 (audited)
	HK$'000	*HK$'000*
Cash payment	**28,206**	28,206

On 26 September 2008, the Group entered into an option agreement ("Option Agreement") with independent third parties (as grantors), pursuant to which, the Group was granted an option ("Option") to acquire 75% equity interests in two PRC companies that are principally engaging in toll road business. Under the Option Agreement, the Group has the rights at its absolute discretion, but is not obliged, to exercise the Option on or before 31 July 2009, after all of the conditions set out in the Option Agreement have been fulfilled (or waived by the Company, as the case may be). The total consideration for the proposed acquisition ("Proposed Acquisition") upon exercise of the Option by the Company is RMB190,000,000 ("Total Consideration") and shall be satisfied as to RMB25,000,000 by cash and as to RMB165,000,000 by convertible bonds to be issued by the Company to one of the grantors to the Option Agreement upon completion of the Proposed Acquisition. A total of HK$28,206,000 (equivalent to RMB25,000,000) has been paid by the Group as deposit ("Refundable Deposit") and as partial payment of the Total Consideration.

The Company had not exercised the Option before the expiry of the option period on 31 July 2009. Subject to shareholder's approval in a general meeting, the Refundable Deposit will be repaid by an interest bearing loan according to the loan agreement on 11 September 2009 (Note 18).

10. Trade receivables, deposits and prepayments

Sales to retail customers are settled in cash or using major credit cards while the Group allows an average credit periods of 30 to 60 days for royalty income receivables. The following is an aged analysis of trade receivables at the reporting date:

	30 June 2009 (Unaudited)	31 December 2008 (Audited)
	HK$'000	*HK$'000*
Trade receivables — not yet due	**118**	118
Deposits and prepayments	**1,302**	835
	1,420	953

11. Trade payables and accruals

The following is an aged analysis of trade payables and accruals at the balance sheet date:

	30 June 2009 (Unaudited) ***HK$'000***	31 December 2008 (Audited) *HK$'000*
Trade payables		
1 — 30 days	**546**	841
31 — 60 days	**196**	483
Over 60 days	**74**	233
	816	1,557
Accruals	**7,527**	10,022
	8,343	11,579

12. Amount due to a director

The amount due to a director was interest-free, unsecured and repayable on demand.

13. Secured bank borrowings

Secured bank borrowings represends secured trust receipt loans payable on demand or within one year. The bank loans carry interest at HIBOR over 2% per annum.

14. Share capital

	Number of shares *'000*	**Amount** *HK$'000*
Ordinary shares of HK$0.10 each		
Authorised:		
At 1 January 2009 and 30 June 2009	1,000,000	100,000
Issued and fully paid:		
At 1 January 2009 and 30 June 2009	248,840	24,884

15. Call options

On 25 September 2007, the Company issued to independent placees 40,026,000 call options at an option issue price of HK$0.1 for each option. The option period is 18 months commencing from the date of granting of the options.

On 25 March 2009, all the 40,026,000 call options expired and not exercised, HK$11,337,000 has been transferred from call option reserve to accumulated losses.

16. Operating lease commitments

At balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases falling due as follows:

	At 30 June 2009 (Unaudited) *HK$'000*	At 31 December 2008 (Audited) *HK$'000*
Within one year	**21,357**	23,464
In the second to fifth years, inclusive	**10,540**	13,940
	31,897	37,404

17. Contingent liabilities

At 30 June 2009, the Group had no significant contingent liabilities (31 December 2008: Nil).

At 30 June 2009, the Company had guarantee provided to a bank against facilities utilised by a subsidiary as follow:

	The Company	
	At 30 June 2009 (Unaudited) *HK$'000*	At 31 December 2008 (Audited) *HK$'000*
Bank loans (secured)	**643**	2,097

18. Post balance sheet date events

On 11 September 2009, the Group has entered into the Loan Agreement with the Borrower, pursuant to which the Group has agree subject to certain conditions including approved by the Company's shareholders in a general meeting, to lend the Loan of HK$28,200,000 to the Borrower at a rate of 5% per annum for a period of 6 months. The Loan shall be used exclusively for repayment of the Refundable Deposit, which is due and payable to the Group under the Option Agreement upon the expiration of the Option Period on 31 July 2009. Further details of the transaction are set out in an announcement issued by the company on 11 September 2009.

BUSINESS REVIEW AND PROSPECT

Results for the six months ended 30 June 2009

Due to the continued impact of financial tsunami of September 2008 and the outbreak of H1N1 epidemic in the first half of year 2009, the Group's turnover for the six months ended 30 June 2009 decreased by 34% to HK$45.4 million (2008: HK$68.4 million). The Group's gross profit for the period under review also decreased by 29% to HK$26.8 million (2008: HK$37.7 million), however, the gross profit margin improved slightly from 55% to 59%.

During the period under review, the total number of retail outlets of Cour Carre located in Hong Kong remained at 15, of which one new retail store was opened in February 2009 whilst one less profitable store was closed in April 2009.

Both the distribution costs and administrative expenses reduced significantly to HK$22.6 million (2008: HK$24.8 million) and HK$21.6 million (2008: HK$28.7 million) respectively. Such decreases were mainly due to a significant reduction in total employee benefit expenses and operating leases rental of HK$4.8 million and HK$2.2 million respectively. Since most of the distribution costs and administrative expenses were fixed in nature, the loss attributable to equity shareholders of the Company amounted to HK$16.9 million as compared to HK$14.8 million for the corresponding previous period.

In view of the economic recession caused by the financial tsunami, management had efficiently decided to reserve more financial resources by reducing inventory level and closing down low margin outlet.

Liquidity and financial resources

As at 30 June 2009, net current assets and current ratio of the Group were approximately HK$1.6 million and 1.1 respectively. The current assets mainly comprised inventories of approximately HK$16 million, deposits and prepayments of approximately HK$1.3 million, accounts receivable of approximately HK$0.1 million and bank balances and cash of approximately HK$5.9 million. The Group had total assets of approximately HK$69.3 million, current liabilities of approximately HK$23.4 million, non-current liabilities of approximately HK$2.9 million and shareholders' equity of approximately HK$43 million.

Gearing Ratio

The overall gearing ratio for the period was maintained at 1.8% with total borrowings of approximately HK$0.8 million and net worth of approximately HK$43 million as at 30 June 2009. Overall gearing ratio is defined as total borrowings over net worth.

The Group recorded a net cash outflow from operating activities of approximately HK$11.6 million, net cash used in investing activities of approximately HK$0.1 million and net cash generated from financing activities of approximately HK$12.8 million for the period.

Treasury policies

The Group generally finances its operations with internally generated cash flows, loan facilities provided by banks and financial institutions in Hong Kong. As at 30 June 2009, outstanding short-term borrowings stood at approximately HK$0.77 million. The interest rates of loans provided by banks and financial institutions were determined by reference to the Hong Kong dollar prime rate. The Group had no interest rate hedging arrangement during the period.

Capital structure

As at 30 June 2009, the Company's total number of issued shares was 248,840,000 (31 December 2008: 248,840,000)

Capital expenditure and commitments

Capital expenditures amounted to approximately HK$0.1 million for the period ended 30 June 2009. These expenditures were mainly used in acquisitions of machinery and equipment. The Group had no capital commitment as at 30 June 2009.

Foreign exchange exposure

Most of the transactions of the Group are conducted in Hong Kong dollars and Euro. Although Euro had kept appreciated during the period, the Group did not resort to any currency hedging facility for the period ended 30 June 2009. Up to the date of this report, the Board had been of the view that the cost of any hedging facility would be higher than the potential risk of the costs incurred from currency fluctuation. However, the management will monitor the Group's foreign exchange exposure and consider hedging significant foreign currency exposure should the need arises.

Pledge of assets and contingent liabilities

As at 30 June 2009, the Group pledged the investment property in Hong Kong with a net book value of HK$5.3 million (31 December 2008: HK$5.3 million). As at 30 June 2009, the Group had no significant contingent liabilities (31 December 2008: Nil).

Investment in properties

Properties leased in Hong Kong: the Group leases 15 retail outlets from independent third parties with a total floor area of 24,062 sq.ft.. The Group also leases certain units at Siu Lek Yuen, Shatin, New Territories as warehouse and office space.

Properties leased in the PRC: the production facilities, office space and dormitories of the Group are located in Shenzhen, PRC.

Future plan for material investments

The Group does not have any plan for material investments in the near future.

Segment information

The Group principally operates in one business segment, which is the retail of fashion apparel in Hong Kong

Employees and remuneration policies

As at 30 June 2009, the Group had approximately 174 full-time employees in Hong Kong and approximately 205 full-time employees in the PRC. The total number of full-time employees of the Group was approximately 379. The Group has a share option scheme for the benefit of its directors, consultants and eligible employees.

Significant Investment

Pursuant to an Option Agreement on 26 September 2008, the Group paid HK$28.2 million (equivalent to RMB25 million) in respect of the Proposed Acquisition of interests in two toll roads in the PRC. The Group has not exercised the Option before the expiry of the option period on 31 July 2009, and such deposit became an amount due to the Group. Subject to shareholders' approval in a general meeting, the deposit will be repaid by an interest bearing loan according to the loan agreement on 11 September 2009.

Material acquisitions and disposals of subsidiaries and associated companies

There was no material acquisition or disposal of subsidiaries and associated companies for the period under review.

Prospect

During the period under review, the Group continued to focus on its core business of fashion apparel retail business in Hong Kong. In common with all our competitors, the global economic downturn since September 2008 had affected the level of consumer spending on fashion apparel items. In light of the increasing income level of the PRC consumers and the continuous expansion in the PRC retail market, the Group will continue to seek strategic partners with solid experience in brand building to develop the "Gay Giano" and "Cour Carre" brands in the PRC market and further business development opportunities as they arise.

Since the Group's business depends, in part, on the ability to shape, stimulate and anticipate consumer demand by producing fashionable products, the Group has a dedicated design team to exploit trending categories, launch new categories so as to be more responsive to fashion and consumer trends and to respond more efficiently to changing circumstances. Also, the Group will continue to evolve its sourcing strategy, refining its selection of suppliers to maintain and enhance product quality whilst improving sourcing efficiency.

Although the external environment is the main determining factor on the Group's financial results, effort to invest continues in both brand and business – including retail outlets, product development, people and infrastructure. Through the continuous development of the existing core fashion apparel retail business and diversification of the Group's business into other promising areas in the PRC, the Group aims at achieving a sustainable growth and return to Company's shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period under review.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions as set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2009, save for deviation from Code Provision E1.2 whereby the Chairman of the Board was unable to attend the Annual General Meeting of the Company held on 12 June 2009 due to other commitments.

DIRECTORS SECURITIES TRANSACTIONS

The Company has adopted a model code as set out in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all directors of the Company, the Company confirmed that all Directors have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2009.

AUDIT COMMITTEE

The audit committee has three members, including the Company's three independent non-executive Directors, namely Mr. Chan Ka Ling Edmond, Mr. Lo Wa Kei Roy and Mr. Ching Kwok Ho Samuel. Mr. Chan Ka Ling Edmond is the chairman of the audit committee. The financial statements of the Group for the period ended 30 June 2009 have been reviewed by the audit committee.

APPRECIATION

The management team would take this opportunity to thank every colleagues of the Group for their contributions during the period.

On behalf of the Board
TIME INFRASTRUCTURE HOLDINGS LIMITED
Wong Pak Lam, Louis
Chairman

Hong Kong, 24 September 2009

As at the date of this announcement, the executive Directors are Mr. Wong Pak Lam, Louis (Chairman), Ms. Lin Xia Yang (Chief Executive Officer), Mr. Wong Kwong Lung, Terence, Mr. Lam Ho Fai, Mr. Gu Zhi Hao and the independent non-executive Directors are Mr. Chan Ka Ling, Edmond, Mr. Lo Wa Kei, Roy and Mr. Ching Kwok Ho, Samuel.