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 2010

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 2010 together with the comparative figures for the corresponding period in the previous year as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2010

		Six months ended 30 June	
	Notes	**2010 (Unaudited) HK$'000**	2009 (Unaudited) HK$'000
REVENUE	2	**58,107**	45,438
Cost of sales		**(20,296)**	(18,581)
GROSS PROFIT		**37,811**	26,857
Other income		**812**	371
Distribution costs		**(23,400)**	(22,586)
Administrative expenses		**(23,503)**	(21,573)
Finance costs	4	**(174)**	(37)
LOSS BEFORE INCOME TAX EXPENSE	5	**(8,454)**	(16,968)
Income tax expense	6	**—**	—
LOSS AND TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS OF THE COMPANY FOR THE PERIOD		**(8,454)**	(16,968)
LOSS PER SHARE	8		
— Basic and diluted		**HK(3.29) cents**	HK (6.82) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2010

	Notes	**30 June 2010 (Unaudited) HK$'000**	31 December 2009 (Audited) HK$'000
Non-current assets			
Property, plant and equipment	9	**4,566**	4,638
Investment property		**7,100**	7,100
Rental deposits		**6,760**	6,933
		18,426	18,671
Current assets			
Inventories		**25,569**	23,924
Trade receivables, deposits and prepayments	10	**6,428**	2,658
Rental deposits		**1,645**	1,576
Tax recoverable		**61**	61
Other loan receivable	11	**28,200**	28,200
Cash and cash equivalents		**32,842**	2,994
		94,745	59,413
Current liabilities			
Trade payables, other payables and accruals	12	**13,741**	16,031
Amount due to shareholder(s)	13	**14,300**	16,300
Other loan, unsecured		**4,500**	4,500
Bank borrowings, secured	14	**1,396**	2,212
Obligation under finance lease		**—**	49
		33,937	39,092
Net current assets		**60,808**	20,321
Total assets less current liabilities		**79,234**	38,992

	Notes	**30 June 2010 (Unaudited) HK$'000**	31 December 2009 (Audited) HK$'000
Non-current liabilities			
Convertible debentures	15	**5,272**	—
Provision for long service payments		**2,136**	2,136
		7,408	2,136
Total net assets		**71,826**	36,856
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	16	**33,374**	24,884
Reserves		**38,452**	11,972
Total equity		**71,826**	36,856

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2010

	Share capital HK$'000	**Share premium** HK$'000	**Call option reserve** HK$'000	**Share option reserve** HK$'000	**Convertible debenture equity reserve** HK$'000	**Translation reserve** HK$'000	**Property revaluation reserve** HK$'000	**Accumulated losses** HK$'000	**Total** HK$'000
As at 1 January 2009	24,884	70,453	11,337	1,521	—	215	1,238	(49,678)	59,970
Loss for the period and total comprehensive income for the period	—	—	—	—	—	—	—	(16,968)	(16,968)
Expiry of call option	—	—	(11,337)	—	—	—	—	11,337	—
At 30 June 2009 (unaudited)	24,884	70,453	—	1,521	—	215	1,238	(55,309)	43,002
As at 1 January 2010	24,884	70,453	—	2,839	—	215	1,238	(62,773)	36,856
Loss for the period and total comprehensive income for the period	—	—	—	—	—	—	—	(8,454)	(8,454)
Share option lapsed	—	—	—	(475)	—	—	—	475	—
Issue of share under Open Offer	6,642	25,345	—	—	—	—	—	—	31,987
Issue of convertible debentures	—	—	—	—	2,232	—	—	—	2,232
Conversion of convertible debentures	1,848	8,832	—	—	(1,475)	—	—	—	9,205
At 30 June 2010 (unaudited)	33,374	104,630	—	2,364	757	215	1,238	(70,752)	71,826

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2010

	For the six months ended 30 June	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
NET CASH USED IN OPERATING ACTIVITIES	**(14,804)**	(11,673)
NET CASH USED IN INVESTING ACTIVITIES	**(1,126)**	(113)
NET CASH GENERATED FROM FINANCING ACTIVITIES	**45,778**	12,772
NET INCREASE IN CASH AND CASH EQUIVALENTS	**29,848**	986
Cash and cash equivalents at beginning of period	**2,994**	4,931
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**32,842**	5,917

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2010

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 year ended 31 December 2009.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2009.

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 2010, 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.

Certain comparative figures have been reclassified to confirm with the current period's presentations.

2. Revenue

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

3. Segment information

Reportable segments

The Group operates, through its subsidiaries, in fashion retailing business in Hong Kong. The Group has subsidiaries, which principally engaged in manufacturing of fashion apparel for the Group, located in PRC with inter-segment revenue of approximately HK$5,550,000 (2009: HK$2,529,000), and segment assets of approximately HK$7,719,000 (2009: HK$6,125,000) and segment liabilities of approximately HK$1,666,000 (2009: HK$618,000), respectively. Except for the "Other loan receivable" of HK$28,200,000, all other assets and liabilities are attributable to the Group's fashion retailing business.

Information about major customers

The Group's revenue from external customers is principally derived from its fashion retailing business in Hong Kong. The Group's customer base is diversified to numerous individual customers without concentration of reliance.

4. Finance costs

	For the six months ended 30 June	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Interest expenses on bank borrowings wholly repayable within five years	**59**	29
Interest on finance lease	**5**	8
Interest on other loan	**38**	—
Imputed interest on convertible debentures	**72**	—
	174	37

5. Loss before income tax expense

	Six months ended 30 June	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Loss before taxation is arrived at after charging/(crediting):		
Directors' remuneration	**3,043**	3,245
Employee benefit expenses (excluding directors' remuneration):		
Salaries and allowances	**19,870**	17,475
Retirement benefit scheme contributions	**1,357**	1,337
Total employee benefit expenses	**21,227**	18,812
Auditors' remuneration	**452**	343
Depreciation of property, plant and equipment	**1,198**	1,330
Reversal of write down of inventories	**(259)**	(4,037)
Cost of inventories	**20,296**	18,581
Foreign exchange gains	**(562)**	(52)
Minimum lease payments under operating leases on land and buildings	**15,963**	14,978

Note: Cost of inventories includes HK$4,233,000 (2009: HK$3,655,000) relating to staff costs, depreciation and rental expenses, which amounts are also included in the respective total amounts disclosed separately above.

6. Income tax expense

No provision for taxation (2009: Nil) has been made since the Group did not generate any assessable profits during the period.

7. Dividend

The Directors have resolved that no interim dividend be declared in respect of the six months ended 30 June 2010 (2009: Nil).

8. Loss per share

The calculation of basic loss per share is based on the unaudited loss for the six months ended 30 June 2010 of HK$8,454,000 (2009: HK$16,968,000) and the weighted average of 257,276,832 (2009: 248,840,000) ordinary shares in issue during the period.

The amount of diluted loss per share is the same as basic loss per share because there were no dilutive potential ordinary shares outstanding during both the current and prior periods.

9. Property, plant and equipment

During the period, the Group spent approximately HK$206,000 in Plant and Machinery, HK$634,000 in furniture and fixtures and HK$286,000 in leasehold improvements.

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 2010 HK$'000 (Unaudited)	31 December 2009 HK$'000 (Audited)
Trade receivables — not yet due	**468**	826
Deposits and prepayments	**5,960**	1,832
	6,428	2,658

11. Other loan receivable

Loan receivable represents payment for an option to acquire two toll road entities located in the PRC. As a result of the Company's decision not to exercise the option, the amount paid became receivable. The Loan Receivable was interest bearing at 5% per annum and repayable on 18 April 2010.

Subsequent to the end of reporting period, the outstanding principal amount of the Loan which shall be repayable by the Borrower to the Group has been repaid and settled on 22 July 2010. Interest on the Loan has been waived by the Group. (see note 19(i))

12. Trade payables and accruals

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

	30 June 2010 HK$'000 (Unaudited)	31 December 2009 HK$'000 (Audited)
Trade payables		
1–30 days	**1,196**	1,609
31–60 days	**358**	1,636
Over 60 days	**1,809**	1,941
	3,363	5,186
Accruals	**10,378**	10,845
	13,741	16,031

13. Amount due to shareholders

The amount due to shareholder was interest-free, unsecured and no fixed term of repayment.

14. Secured bank borrowings

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

15. Convertible Debentures

	CD1 HK$'000	CD2 HK$'000	Total HK$'000
Face value of the convertible debentures issued	10,000	7,000	17,000
Equity component	(1,396)	(883)	(2,279)
Transaction cost	(294)	—	(294)
Liability component on initial recognition	8,310	6,117	14,427
Interest Expenses	23	31	54
Conversion	(8,333)	(876)	(9,209)
Liability component as at 30 June 2010	—	5,272	5,272

On 16 April 2010, the Company entered into a subscription agreement with the subscriber to subscribe, in condition, the amount of convertible debentures as specified by the Company in written draw-down notice(s) to the subscriber. Written notices to be served by the Company are in the nomination of HK$1,000,000 each and the aggregate principal amount of the Convertible Debentures will not exceed HK$25,000,000, bear interest at 3% and due on 7 November 2011.

(i) On 22 April 2010 and 9 June 2010, the Company issued convertible debentures in the principal amount of HK$10,000,000 (CD1) and HK$7,000,000 (CD2), which are convertible into fully paid shares, with par value of HK$0.1 each of the Company. The conversion rights attaching convertible debentures to the extent in an aggregate amount of HK$11 million have been exercised during the period (note 16(a)).

The convertible debentures, are convertible into shares of the Company at a conversion price of HK$0.595 per share at any time after date of issuance of the debenture up to 7 November 2011. The debentures are redeemable at any time at 105% of the principal amount, subject to the terms governing the convertible debentures. Unless previously redeemed, converted or purchased and cancelled, the debentures will be redeemed on the maturity date on 7 November 2011 at the principal amount together with interest accrued thereon.

The fair value of the liability component at the date of the issue of the debentures, included in the long-term borrowings, was calculated using a market interest rate for an equivalent non-convertible debentures. The residual amount, representing the value of the equity conversion component, is included in the convertible debenture equity reserve.

Interest expense of CD1 and CD2 on the convertible debentures was calculated using the effective interest method by applying the effective interest rate of 15.26% and 13.03% respectively to the liability component.

(ii) Subsequent to the reporting date, another 10,084,033 new ordinary shares were issued to the debenture holders upon the conversions of CD2. As a result, there was a further increase in share capital and share premium of approximately HK$1,008,000 and HK$5,068,000 respectively. These conversions have not yet been reflected in the financial statements for the period ended 30 June 2010.

16. Share capital

	Number of shares '000	Amount HK$'000 (Unaudited)
Ordinary shares of HK$ 0.10 each		
Authorised:		
At 1 January 2010 and 30 June 2010	1,000,000	100,000
Issued and fully paid:		
At 1 January 2010	248,840	24,884
Share issued (note a)	18,487	1,848
Open Offer (note b)	66,412	6,642
At 30 June 2010	333,739	33,374

(a) During the period, the Group issued in principal amount of HK$17 million convertible debentures (note 15). The conversion rights attaching to the convertible debentures have been exercised to the extent of HK$11 million, at a conversion price of HK$0.595. An aggregate number of 18,487,393 shares has been issued.

(b) On 24 June 2010, the Company issued and allotted 66,411,680 shares pursuant to the open offer made by the Company on 11 May 2010 ("Open Offer"). Pursuant to the open offer, one offer share at subscription price of HK$0.50 were offered at every four shares held by the qualifying shareholders of 2 June 2010.

These new shares rank pari passu with the existing shares in issue in all aspects.

17. 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 2010 HK$'000 (Unaudited)	At 31 December 2009 HK$'000 (Audited)
Within one year	**26,965**	22,516
In the second to fifth years, inclusive	**28,821**	20,132
	55,786	42,648

18. Contingent liabilities

At 30 June 2010, the Group had no significant contingent liabilities (31 December 2009: Nil).

At 30 June 2010, the Company had guarantee provided to a bank against facilities utilised by a subsidiary as follow:

	The Company	
	At 30 June 2010 HK$'000 (Unaudited)	At 31 December 2009 HK$'000 (Audited)
Bank loans (secured)	**1,396**	2,212

19. Event after the reporting period

(i) On 20 July 2010, the Company was informed by Universal Summit Investment Limited (the "Borrower") that a full immediate repayment of HK$28,200,000 can be made on condition that the Group could agree to waive all interest payment on the Loan. Although the Company could seek for possible legal proceedings against the Borrower for both principal amount and interest on the Loan, extra legal cost incurred for the recovery and the relevant legal proceedings could be time consuming for the Company. Having considered the collectability, collection cost and time required for the Loan to be fully repaid by the Borrower, the Directors agreed to waive all interest on the Loan in return for an immediate repayment. The outstanding principal amount of the Loan which shall be repayable by the Borrower to the Group has been repaid and settled on 22 July 2010. Interest on the Loan has been waived by the Group.

(ii) On 13 July 2010, the Group has entered an acquisition agreement with independent third parties (as the vendors) pursuant to which the Group will acquire from the vendors the solar energy business in the PRC at the aggregate consideration of HK$1,000 million subject to certain conditions including approval by the Company's shareholders in a general meeting. The consideration of HK$1,000 million shall be satisfied as to (i) HK$100 million in cash; (ii) HK$50 million by way of allotment and issuance of 92,936,803 ordinary shares of the Company; and (iii) HK$850 million by way of issuance of convertible note, or as adjusted. Further details of the acquisition are set out in an announcement issued by the Company on 19 July 2010.

BUSINESS REVIEW AND PROSPECT

Results for the six months ended 30 June 2010

As a continuation of the global economic recovery from financial tsunami, the domestic sector in Hong Kong sustained a fairly strong momentum in the first quarter of 2010. Retail sales were seen to have picked up notably, reflecting a return of consumer confidence. Consumer spending grew amid improving labour market conditions, lowering of unemployment rate and increasing visitor arrivals. However, series of tightening measures around the world threatened the pace of recovery, the outbreak of Europe's debt crisis in the second quarter further impaired global economic growth. The Group's turnover for the six months ended 30 June 2010 increased by 27.9% to HK$58.1 million (2009: HK$45.4 million). The Group's gross profit for the period under review also increased by 40.8% to HK$37.8 million (2009: HK$26.9 million) while the gross profit margin improved slightly from 59.1% to 65.1%.

During the period under review, the total number of retail outlets of "Gay Giano" and "Cour Carre" located at prime shopping areas in Hong Kong remained at 15. In order to maintain the retail network of the Group, one new retail store at China Hong Kong City, Tsimshatsui was opened in April 2010 following the closure of a retail shop at New World Centre, Tsimshatsui.

Both the distribution costs and administrative expenses were recorded at HK$23.4 million (2009: HK$22.6 million) and HK$23.5 million (2009: HK$21.6 million) respectively. Operating leases rental in respect of retail outlets of HK$12.9 million (2009: HK$12.7 million) accounted for 55.1% (2009: 56.2%) of the total distribution costs. 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$8.5 million as compared to HK$17 million for the corresponding previous period.

Due to slow recovery in turnover, continuous keen competition of fashion apparel retail market and high operating costs in Hong Kong, additional emphasis will be placed on improving product development, enhancing operational efficiency and implementing effective inventory management with an objective to strengthen branding and optimize retail operations.

On 26 September 2008, the Group entered into an option agreement ("Option Agreement") with independent third parties as the grantors for the purpose of granting an option by the grantors to the grantee to acquire 75% equity interests in two PRC companies which were engaged in the development and operation of highways in the PRC at a total consideration of RMB190 million, of which, a sum of RMB25 million has been paid by the Group to the grantors as refundable deposit and part payment of the said total consideration ("Refundable Deposit"). The Board decided not to proceed with the Option Agreement before expiry of the option period on 31 July 2009 as the Group noticed that the progress of the construction of the highways had been deferred. On 11 September 2009, the Company further announced that Yield Long Limited ("Yield Long"), a wholly owned subsidiary of the Company, as the lender and one of the grantors (the "Borrower") entered into a loan agreement for the amount of HK$28,200,000 ("Loan"), a sum equivalent to the Refundable Deposit, with an interest of 5% per annum. The Loan became due and outstanding on 18 April 2010.

On 16 April 2010, the Company entered into a subscription agreement with a company which is beneficially owned by a minority shareholder of the Company (as the subscriber), pursuant to which, the subscriber shall subscribe for the Convertible Debentures for a maximum amount of HK$25,000,000 upon serving of written draw-down notice(s) by the Company in order to provide the Group with flexibility in strengthening its working capital. On 22 April 2010 and 9 June 2010, Convertible Debentures in a principal amount of HK$10,000,000 and HK$7,000,000 respectively were issued by the Company to the subscriber pursuant to the terms and conditions of the subscription agreement. On 28 April 2010, 6 May 2010 and 15 June 2010, Convertible Debentures of an aggregate amount of HK$11,000,000 were converted into 18,487,393 ordinary shares of the Company.

On 24 June 2010, 66,411,680 ordinary shares of the Company were issued as a result of an open offer on the basis of one offer share for every four existing shares at the subscription price of HK$0.50 per offer share. The net proceeds of approximately HK$32 million were applied for general working capital of the Company and/or investments in the Group's principal activities and/or repayment of outstanding loans of the Group.

Liquidity and financial resources

As at 30 June 2010, net current assets and current ratio of the Group were approximately HK$60.8 million and 2.8 respectively. The current assets mainly comprised inventories of approximately HK$25.6 million, other loan receivable of approximately HK$28.2 million, deposits and prepayments of approximately HK$6.0 million, accounts receivable of approximately HK$0.5 million and bank balances and cash of approximately HK$32.8 million. The Group had total assets of approximately HK$113.1 million, current liabilities of approximately HK$33.9 million, non-current liabilities of approximately HK$7.4 million and shareholders' equity of approximately HK$71.8 million.

Gearing ratio

The overall gearing ratio for the period was maintained at to 22.5% with total borrowings of approximately HK$25.5 million and total assets of approximately HK$113.1 million as at 30 June 2010. Overall gearing ratio is defined as total borrowings over total assets.

The Group recorded a net cash outflow from operating activities of approximately HK$14.8 million, net cash used in investing activities of approximately HK$1.1 million and net cash generated from financing activities of approximately HK$45.8 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. During the period under review, two fund raising activities had been conducted by the Company. Proceeds raised from the issue of convertible debentures and the Open Offer were used as general working capital, investments in the Group's principal activities and repayment of outstanding loans of the Group. As at 30 June 2010, outstanding short-term borrowings stood at approximately HK$1.4 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 1 January 2010, the Company's total number of issued shares was 248,840,000.

On 22 April 2010 and 9 June 2010, Convertible Debentures in the principal amount of HK$10,000,000 and HK$7,000,000 respectively were issued by the Company to the subscriber, pursuant to the terms and conditions of the subscription agreement of 16 April 2010. On 28 April 2010, 6 May 2010 and 15 June 2010, Convertible Debentures of an aggregate amount of HK$11,000,000 were converted into 18,487,393 ordinary shares of the Company.

On 24 June 2010, 66,411,680 ordinary shares of the Company were issued as a result of an open offer on the basis of one offer share for every four existing shares at the subscription price of HK$0.50 per offer share.

As at 30 June 2010, the Company's total number of issued shares was increased to 333,739,073.

Capital expenditure and commitments

Capital expenditures amounted to approximately HK$1.1 million for the period ended 30 June 2010. These expenditures were mainly used for the improvement of the Group's retail network. The Group had no capital commitment as at 30 June 2010.

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 2010. 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 2010, the Group pledged its investment property in Hong Kong with a carrying value of approximately HK$7.1 million (31 December 2009: HK$7.1 million). As at 30 June 2010, the Group had no significant contingent liability (31 December 2009: Nil).

Investment in properties

As at 30 June 2010, the Group leased 15 retail outlets from independent third parties with a total floor area of 23,989 sq.ft.. The Group also leases certain units at Siu Lek Yuen, Shatin, New Territories, Hong Kong as warehouse and office space.

The Group leases certain properties in Shenzhen, PRC for its production facilities and dormitories. In April 2010, the Group also leases properties in Shantou, PRC, planned for its second production facilities. The facilities at Shantou have not commenced production at 30 June 2010.

Future plan for material investments

On 13 July 2010, the Group has entered an acquisition agreement with independent third parties (as the vendors) pursuant to which the Group will acquire from the vendors the solar energy business in the PRC at the aggregate consideration of HK$1,000 million. The consideration of HK$1,000 million shall be satisfied as to (i) HK$100 million in cash; (ii) HK$50 million by way of allotment and issuance of 92,936,803 ordinary shares of the Company; and (iii) HK$850 million by way of issuance of convertible note, or as adjusted.

The cash portion of the consideration will be financed by the net proceeds from the placing of 280,000,000 Placing Shares at HK$0.50 each. Completion of the acquisition and placing is subject to shareholders' approval and the fulfillment of the conditions precedent set out in the acquisition and placing agreements.

Segment information

Reportable segments
The Group operates, through its subsidiaries, in fashion retailing business in Hong Kong. The Group has subsidiaries, which principally engaged in manufacturing of fashion apparel for the Group, located in PRC with inter-segment revenue of approximately HK$5,550,000 (2009: HK$2,529,000), and segment assets of approximately HK$7,719,000 (2009: HK$6,125,000) and segment liabilities of approximately HK$1,666,000 (2009: HK$618,000), respectively. Except for the "Other loan receivable" of HK$28,200,000, all other assets and liabilities are attributable to the Group's fashion retailing business.

Information about major customers
The Group's revenue from external customers is principally derived from its fashion retailing business in Hong Kong. The Group's customer base is diversified to numerous individual customers without concentration of reliance.

Employees and remuneration policies

As at 30 June 2010, the Group had approximately 182 full-time employees in Hong Kong and 258 full-time employees in the PRC. The total number of full-time employees of the Group was approximately 440. The Group has a share option scheme for the benefits 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. On 22 July 2010, the amount of HK$28.2 million has been repaid (note 19 (i)).

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

The Group will continue its fashion apparel retail business in Hong Kong. Our existing sales network enables us to capture the business opportunities as market sentiment returns. 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 fashion apparel retail business depends, in part, on the ability to shape, stimulate and anticipate consumer demand by producing fashionable and functional 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 and to better control the related costs whilst improving sourcing efficiency. Effort to invest continues in both brand and business — including retail outlets, product development, people and infrastructure. Different marketing and promotional campaigns will be initiated to enhance our Group's brand image and increase consumer awareness of the names of the Group's two brands.

Apart from continuing the fashion apparel retail business, the Group aims at diversifying into other areas to broaden its source of income. In the light of the unsuccessful acquisition of the toll road business in the PRC, the Group continues to look for new business with significant growth potential. On 13 July 2010, the Group has entered an acquisition agreement with independent third parties (as the vendors) pursuant to which the Group will acquire from the vendors the solar energy business in the PRC at the aggregate consideration of HK$1,000 million. The target business group is one of the few PRC-based solar silicon cell manufacturers in the PRC with annual production capacity reaching 200 megawatts in 2010. Subject to certain conditions including approval by the Company Shareholders, it is expected that the Group will benefit from the rapid growth of the solar energy related business with the PRC government supportive attitude, thus enhance the Group's income stream.

The Group remains confident that it possesses the brand, strategy and management team to continue to prosper in the years ahead and aims to maximize the returns to its 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 2010, 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 24 June 2010 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 2010.

AUDIT COMMITTEE

The Company has an audit committee which was established in accordance with the requirements as set out in Appendix 14 of the Listing Rules, for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls.

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 2010 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, 27 August 2010

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.

* *For identification purpose only*