MASCOTTE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 136)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

INTERIM RESULTS

The Board of Directors (the "Board") of Mascotte Holdings Limited (the "Company") announces the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2009 together with the comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2009 – unaudited

		Six months ended 30 September	
		2009	2008
		(Unaudited)	(Unaudited and restated)
	Note	***HK$'000***	*HK$'000*
Turnover	*3*	**128,703**	124,856
Cost of sales		**(58,884)**	(79,272)
Gross profit		**69,819**	45,584
Other income		**309**	730
Selling and distribution costs		**(4,150)**	(4,222)
Administrative expenses		**(23,678)**	(22,463)
Amortisation of intangible assets		**(684)**	–
Gain on disposal of property, plant and equipment		**–**	2,852
Reversal of impairment allowance for loan and interest receivable		**80,000**	–
Net unrealised holding gain (loss) on financial assets at fair value through profit or loss		**40,807**	(89,330)
Finance costs		**(5)**	(11)
Profit (Loss) before taxation	*4*	**162,418**	(66,860)
Income tax expense	*5*	**(326)**	(1,108)
Profit (Loss) for the period		**162,092**	(67,968)
Other comprehensive income		**–**	–
Total comprehensive income (loss) for the period		**162,092**	(67,968)
Total comprehensive income (loss) attributable to:			
Equity holders of the Company		**162,186**	(67,676)
Minority interests		**(94)**	(292)
		162,092	(67,968)
Earning (Loss) per share			
Basic and diluted	*7*	**HK$0.42**	HK$(0.29)

CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 September 2009 – unaudited

	Note	30 September 2009 (Unaudited) HK$'000	31 March 2009 (Audited) HK$'000
Non-current assets			
Intangible assets	8	**129,353**	–
Investment properties		**18,639**	18,639
Available-for-sale financial assets	9	**45,000**	20,000
Property, plant and equipment		**4,922**	5,948
Prepaid lease payments		**5,036**	5,368
Loan and interest receivables	12	**10,000**	–
		212,950	49,955
Current assets			
Financial assets at fair value through profit or loss	10	**272,568**	152,576
Inventories		**3,458**	5,586
Prepaid lease payments		**665**	665
Trade and bills receivables	11	**32,686**	24,358
Loan and interest receivables	12	**93,333**	105,920
Other receivables and prepayments		**18,949**	20,782
Bank balances and cash		**83,186**	33,228
		504,845	343,115
Current liabilities			
Trade payables	13	**14,656**	7,548
Other payables and accrued charges		**40,340**	14,962
Income tax payable		**10,986**	10,839
		65,982	33,349
Net current assets		**438,863**	309,766
NET ASSETS		**651,813**	359,721
Capital and reserves			
Share capital	14	**54,592**	28,592
Reserves		**593,870**	327,684
Equity attributable to equity holders of the Company		**648,462**	356,276
Minority interests		**3,351**	3,445
TOTAL EQUITY		**651,813**	359,721

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2009 – unaudited

1. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements for the six months ended 30 September 2009 have been prepared in accordance with applicable disclosures requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

These unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2009.

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies applied in preparing these unaudited interim condensed consolidated financial statements are consistent with those applied in preparing the Group's audited financial statements for the year ended 31 March 2009, except for the adoption of new/revised Hong Kong Financial Reporting Standards ("HKFRS") and HKASs as below.

HKAS 1 (Revised): Presentation of Financial Statements

This standard introduces changes in the presentation and disclosures of financial statements (including changes to the titles of the main statements). The revised standard separates owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line.

In addition, this revised standard introduces the statement of comprehensive income: it presents all items of income and expenses recognised in profit and loss, together with all other items of recognised income and expenses, either in one single statement, or in two linked statements. The Group has elected to present the comprehensive income in one single statement. The interim condensed consolidated financial statements have been prepared under the revised disclosure requirements and the adoption had no impact on the results or financial position of the Group.

HKFRS 8: Operating segments

This standard replaces HKAS 14: Segment Reporting. It requires segment information to be reported based on internal information used by the Group's chief operating decision maker to evaluate the performance of operating segments and allocate resources to those segments and replaces the requirement to determine primary (business) and secondary (geographical) reporting segments previously identified under HKAS 14. Adoption of this standard did not have any effect on the result and the financial position of the Group. The Group determined that the operating segments were the same as the business segments previously identified under HKAS 14.

Other than the above, amendments and interpretations issued by HKICPA which are or have become effective did not have any material impact on the accounting policies of the Group.

The Group has not early adopted the new/revised HKFRS issued by the HKICPA that are not yet effective for the current period. The Group has already commenced an assessment of what the impact of these new/revised HKFRS is expected to be in the period of initial application but is not yet in a position to state whether they would have any significant impact on its results of operations and financial position.

The Group has adopted the following new accounting policy during the current period:

Intangible assets

Intangible assets that are acquired by the Group are stated in the balance sheet at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses.

Amortisation of intangible assets with finite useful lives is charged to the income statement on a straight-line basis over the assets' estimated useful lives which are determined by the period over which it is expected to bring economic benefits to the Group. The intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful live of 47.5 years.

The Group reviews the estimated useful life and amortisation method for these intangible assets annually and makes adjustment when necessary.

3. SEGMENT INFORMATION

The directors have been identified as the chief operating decision makers to evaluate the performance of operating segments and to allocate resources to those segments based on the Group's internal reporting in respect of these segments. The directors consider loan financing, investments, manufacture and sales of goods and property investment are the Group's major operating segments. Segment results represent the profit earned or loss incurred by each segment without allocation of finance costs and taxation. The following analysis is the measure reported to chief operating decision maker for the purposes of resources allocation and assessment of segment performance.

Operating segments

	Six months ended 30 September 2009				
	Loan financing (Unaudited) *HK$'000*	**Investments (Unaudited)** *HK$'000*	**Manufacture and sales of goods (Unaudited)** *HK$'000*	**Property investment (Unaudited)** *HK$'000*	**Consolidated (Unaudited)** *HK$'000*
Turnover					
To external customers	**2,132**	**49,080**	**76,744**	**747**	**128,703**
Segment results	**82,129**	**89,884**	**2,002**	**747**	**174,762**
Unallocated other income					**309**
Unallocated corporate expenses					**(12,648)**
Finance costs					**(5)**
Profit before taxation					**162,418**
Income tax expense					**(326)**
Profit for the period					**162,092**

	Consolidated balance sheet at 30 September 2009				
	Loan financing (Unaudited) *HK$'000*	**Investments (Unaudited)** *HK$'000*	**Manufacture and sales of goods (Unaudited)** *HK$'000*	**Property investment (Unaudited)** *HK$'000*	**Consolidated (Unaudited)** *HK$'000*
Assets					
Segment assets	**103,333**	**317,568**	**52,561**	**18,739**	**492,201**
Unallocated corporate assets					**225,594**
Consolidated total assets					**717,795**
Liabilities					
Segment liabilities	**16,000**	**–**	**30,139**	**–**	**46,139**
Unallocated corporate liabilities					**19,843**
Consolidated total liabilities					**65,982**

	Six months ended 30 September 2008				
	Loan financing (Unaudited and restated) *HK$'000*	Investments (Unaudited and restated) *HK$'000*	Manufacture and sales of goods (Unaudited) *HK$'000*	Property investment (Unaudited) *HK$'000*	Consolidated (Unaudited and restated) *HK$'000*
Turnover					
To external customers	41,412	(26,730)	106,939	3,235	124,856
Segment results	41,403	(120,452)	10,035	1,984	(67,030)
Unallocated other income					3,345
Unallocated corporate expenses					(3,164)
Finance costs					(11)
Loss before taxation					(66,860)
Income tax expense					(1,108)
Loss for the period					(67,968)

	Consolidated balance sheet at 31 March 2009				
	Loan financing (Audited) *HK$'000*	Investments (Audited) *HK$'000*	Manufacture and sales of goods (Audited) *HK$'000*	Property investment (Audited) *HK$'000*	Consolidated (Audited) *HK$'000*
Assets					
Segment assets	105,920	186,821	47,708	18,739	359,188
Unallocated corporate assets					33,882
Consolidated total assets					393,070
Liabilities					
Segment liabilities	–	–	20,612	–	20,612
Unallocated corporate liabilities					12,737
Consolidated total liabilities					33,349

Geographical information

The Group's sales of goods are principally carried out in Europe, United States of America, Hong Kong and other regions in the PRC. Property investment is carried out in other regions in the PRC. Investments trading and loan financing are carried out in Hong Kong.

The following table provides an analysis of the Group's turnover by geographical market, irrespective of the origin of the goods/services:

	Six months ended 30 September	
	2009 **(Unaudited)** ***HK$'000***	2008 (Unaudited and restated) *HK$'000*
Europe	**37,422**	56,198
United States of America	**12,871**	20,702
Hong Kong	**55,034**	20,005
Other regions in the PRC	**10,070**	4,347
Others	**13,306**	23,604
	128,703	124,856

4. PROFIT (LOSS) BEFORE TAXATION

Profit (Loss) before taxation has been arrived at after charging (crediting):

	Six months ended 30 September	
	2009 **(Unaudited)** ***HK$'000***	2008 (Unaudited) *HK$'000*
Depreciation of property, plant and equipment	**1,141**	580
Gain on disposal of property, plant and equipment	**–**	(2,852)
Release of prepaid lease payments	**333**	333

5. INCOME TAX EXPENSE

	Six months ended 30 September	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Hong Kong Profits Tax	**280**	900
Other regions in the PRC	**46**	208
	326	1,108

Taxation arising in other regions in the PRC is calculated at the rates prevailing in the relevant jurisdictions.

6. INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2009 (2008: Nil).

7. EARNING (LOSS) PER SHARE

The calculation of basic earning/loss per share attributable to equity holders of the Company is based on the following data:

	Six months ended 30 September	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit (Loss) for the purpose of basic earning/loss per share	**162,186**	(67,676)

	2009	2008
		(restated)
	No. of shares	*No. of shares*
Weighted average number of ordinary shares for the purpose of basic earning/loss per share	**384,831,119**	231,056,603

The weighted average number of ordinary shares adopted in the calculation of the basic loss per share for the period ended 30 September 2008 has been adjusted to reflect the impact of the capital reorganisation effected in March 2009.

Since there were no potential dilutive ordinary shares in issue during the six months period ended 30 September 2009 and 2008, basic and diluted earnings/loss per share are the same for both periods.

8. INTANGIBLE ASSETS

The intangible assets represent the rights to (i) obtain the 50% of forestry land use rights and forestry trees entitlement of three forestry sites in Simao District, Puer City, Yunnan Province, the PRC and (ii) share 50% of distributable profits of these forests.

The forestry land use rights and forestry trees entitlement of these three forestry trees sites are 50 years from 24 January 2007 to 23 January 2057.

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	As at 30 September 2009 (Unaudited)	As at 31 March 2009 (Audited)
	HK$'000	*HK$'000*
Unlisted investments, at cost	**45,000**	20,000

No impairment loss has been provided in respect of the above financial assets.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 September 2009 (Unaudited)	As at 31 March 2009 (Audited)
	HK$'000	*HK$'000*
Investments held for trading		
– Equity securities, listed in Hong Kong	**242,128**	126,463
Investments designated as at fair value upon initial recognition		
– Unlisted convertible notes	**30,440**	26,113
	272,568	152,576

11. TRADE AND BILLS RECEIVABLES

	As at 30 September 2009 (Unaudited)	As at 31 March 2009 (Audited)
	HK$'000	*HK$'000*
Trade and bills receivables	**40,673**	32,345
Less: Allowances for doubtful debts	**(7,987)**	(7,987)
	32,686	24,358

Ageing analysis of trade and bills receivables:

Within 60 days	**25,103**	12,725
61-150 days	**7,565**	11,615
More than 150 days	**18**	18
	32,686	24,358

Trading terms with customers are largely on credit, except for new customers where payment in advance is normally required. Invoices are normally payable within 30 days of issuance, except for certain well-established customers, where the terms are extended to 60-150 days.

12. LOAN AND INTEREST RECEIVABLES

	Note	As at 30 September 2009 (Unaudited) HK$'000	As at 31 March 2009 (Audited) HK$'000
Loan receivable from Key Rise International Limited	*(a)(i)*	**80,000**	–
Fixed-rate loan receivables		**15,000**	162,000
Variable-rate loan receivables		**30,500**	125,500
		125,500	287,500
Interest receivables		**333**	920
		125,833	288,420
Less: impairment allowance	*(a)*	**(22,500)**	(182,500)
		103,333	105,920
Less: balance due within one year included in current assets		**(93,333)**	(105,920)
Non-current portion		**10,000**	–
Effective interest rate:			
Fixed-rate loan receivables		**12% to 20% per annum**	12% to 18% per annum
Variable-rate loan receivables		**Hong Kong HSBC Prime rate to Hong Kong HSBC Prime rate plus 6%**	Hong Kong HSBC Prime rate minus 1% to Hong Kong HSBC Prime rate plus 6%

(a) Impairment allowance

The Group determines the allowance for impaired debts based on the evaluation of collectability and ageing analysis of accounts and on management's judgement, including assessment of change of credit quality, collaterals and the past collection history of each borrower.

Movement in allowance for impaired debts is as follows:

	Note	As at 30 September 2009 (Unaudited) *HK$'000*	As at 31 March 2009 (Audited) *HK$'000*
Balance at beginning of the period/year		**182,500**	–
Increase during the period/year			
Key Rise International Limited ("Key Rise")		**–**	160,000
Tack Fat Group International Limited		**–**	22,500
Decrease during the period/year in respect of allowance made on Key Rise			
– Recoverable following the arrangement of debt assignment	*(i)*	**(80,000)**	–
– Written off following the arrangement of debt assignment	*(i)*	**(80,000)**	–
Balance at end of the period/year		**22,500**	182,500

(i) Arrangement of debt assignment

On 3 August 2009, the Company and Wellsmart Limited ("Wellsmart") entered into a deed of assignment (the "Deed") and pursuant to which the Company agreed to sell and Wellsmart agreed to purchase the right to recover the total outstanding principal sum due from Key Rise and the interest accrued thereof as of the date of the Deed (i.e. approximately HK$207,000,000), with a consideration of HK$80,000,000. The consideration is payable by Wellsmart in 5 equal installments with last installment due on 5 January 2010.

The management considers that the impairment allowance made on the amount due from Key Rise should be reversed up to the extent of the amount recoverable from Wellsmart, i.e. HK$80,000,000, through the arrangement of debt assignment. The remaining unsettled amount of HK$80,000,000 due from Key Rise should be considered as uncollectible and written off accordingly.

An ordinary resolution to approve the Deed was duly passed by the shareholders of the Company at the special general meeting held on 5 October 2009.

(ii) Subsequent to balance sheet date, the management has recorded the consideration receivable from Wellsmart of HK$80,000,000 after the approval of the Deed by the shareholders. The consideration is payable by Wellsmart in 5 equal installments with last installment due on 5 January 2010. The receipt in advance of HK$16,000,000, which was received from Wellsmart upon signing the Deed, would be net off against the consideration receivable from Wellsmart.

13. TRADE PAYABLES

Ageing analysis of trade payables:

	As at 30 September 2009 (Unaudited) *HK$'000*	As at 31 March 2009 (Audited) *HK$'000*
Within 60 days or on demand	**14,038**	7,478
61-150 days	**546**	–
More than 150 days	**72**	70
	14,656	7,548

14. SHARE CAPITAL

Movement during the period/year in the share capital of the Company were as follows:

	At 30 September 2009 (Unaudited)		At 31 March 2009 (Audited)	
	Number of shares	**Nominal value** *HK$'000*	Number of shares	Nominal value *HK$'000*
Authorised:				
Ordinary shares of HK$0.1 each	**10,000,000,000**	**1,000,000**	10,000,000,000	1,000,000
Issued and fully paid:				
At beginning of period/year	**285,924,015**	**28,592**	1,906,160,100	190,616
Issue of shares on rights issue	**–**	**–**	953,080,050	95,308
Capital reorganisation	**–**	**–**	(2,573,316,135)	(257,332)
Issue of shares pursuant to on conversion of convertible bonds	**260,000,000**	**26,000**	–	–
At balance sheet date	**545,924,015**	**54,592**	285,924,015	28,592

15. COMPARATIVE FIGURES

Certain comparative figures in condensed consolidated statement of comprehensive income, turnover, operating segments and other income have been reclassified to conform with the current period's presentation.

(a) New operating segment of loan financing

In prior period, loan interest income was presented in the condensed consolidated statement of comprehensive income within other income and presented as unallocated other income under operating segments.

In current period, the Group changed its presentation of turnover and other income in the condensed consolidated statement of comprehensive income and the result of loan financing and unallocated income under operating segments. In the opinion of the directors, loan financing became one of the major lines of operating segments and was presented as a separate operating segment so as to provide more relevant information in respect of the Group's operations.

(b) Sales proceeds and related cost of sales of investments held for trading

In prior period, sale proceeds and related cost of sales of investments held for trading were presented in the condensed consolidated statement of comprehensive income within turnover and cost of investments held for trading respectively.

In current period, the Group changed its presentation of turnover and cost of sales, as in the opinion of the directors, it is more appropriate to present the gain/loss on investments held for trading disposed of during the period on a net basis so as to provide more relevant information in respect of the Group's operations and to conform with market practices.

The effects of this change in presentation have been accounted for retrospectively with comparative figures reclassified accordingly.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

As anticipated in the Company's positive profit alert announcement of 9 October 2009, the Group's result for the first half of the year has turned around from the loss for the corresponding period last year. A profit of approximately HK$162.1 million was recorded for the six months ended 30 September 2009, as compared to the loss of approximately HK$68.0 million in the previous year. The turnaround is primarily due to:

(a) the realised and unrealised gains on investments in listed securities as a result of the stock market rebound in recent months; and

(b) partial reversal of impairment allowance for loan receivable.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2009 (2008: Nil).

BUSINESS REVIEW AND PROSPECTS

Investments

The Group's securities trading activities registered realised and unrealised gains totalling approximately HK$90.0 million for the period (2008: losses of approximately HK$120.5 million) as a direct consequence of the recovery of the Hong Kong stock market.

Manufacture and Sale of Photographic, Electrical and Multimedia Accessories

During this financial period, this segment turnover was decreased from HK$106.9 million to HK$76.7 million, representing a decrease of 28.2% as compared with last corresponding period. As the increase in material and labour cost, and the appreciation of the Renminbi, the gross margin of this segment was eroded by around 2.6% as compared to last corresponding period.

Europe continued to be this segment's largest market, accounting for approximately 48.7% of the total turnover of this period (2008: 52.6%). Total export sales to Europe decreased to HK$37.4 million (2008: HK$56.2 million), representing a decrease of 33.4% as compared to that of the last corresponding period. The management has good knowledge and confidence in this market and will adhere to its established strategy to further penetrate into this very huge market.

In term of product category, the sale of photographic products was decreased to HK$33.4 million, representing a decrease of 46% over the last corresponding period.

Loan Financing

As explained in note 12 to the condensed consolidated financial statements above, a partial reversal of the impairment allowance recorded in the previous financial year in respect of the loan due from Key Rise International Limited ("Key Rise") has been made in the period under review to the extent of HK$80 million, being the consideration receivable from the assignment of the loan in question to Wellsmart Limited. This contributed to a substantial portion of the gain of approximately HK$82.1 million for this sector during the period, while the gain of approximately HK$41.4 million of last period was primarily due to interest income derived from the loan to Key Rise.

Property Investment

During the year property rental income amounted to HK$0.7 million, as compared to HK$3.2 million last year. Such decrease is mainly caused by the disposal of the investment property in Guangzhou via the disposal of Jet Star Industries Limited in the second half of last year, following which the Group's property portfolio has become relatively minor in scale.

Prospects

The turbulence brought about by the financial tsunami last year has appeared to have stabilised and most major stock markets around the world have recovered to their pre-tsunami levels in recent months. While these are encouraging signs that a recovery has commenced, the process is not expected to be speedy. There remain plenty uncertainties in the global economic environment and, for Hong Kong in particular, we must be alert of the risk associated with the potential of a sudden withdrawal of international funds from our financial system which could have destabilising effects on our economy. Against this background the Group would exercise extreme caution and adopt a prudent approach in conducting our business.

As previously reported, in July 2009 the Group completed its first move in natural resources investment through the acquisition of certain interests in forestry lands in Yunnan, China. We will continue with our diversification strategy and to identify suitable investment opportunities to broaden the Group's long term sustainable income base.

LIQUIDITY AND CAPITAL RESOURCES

During the period under review the Company has issued 260,000,000 shares upon conversion of convertible bonds with a total principal amount of HK$130,000,000.

As at 30 September 2009, the Group recorded a total bank balances and cash of HK$83.2 million (as at 31 March 2009 of HK$33.2 million). Moreover, the Group had current assets of HK$504.8 million (as at 31 March 2009 of HK$343.1 million). The Equity attributable to equity holders of the Company was of HK$648.5 million (as at 31 March 2009 of HK$356.3 million). The Group had no outstanding bank borrowing as at 30 September 2009 and 31 March 2009.

PLEDGE OF ASSETS

At 30 September 2009, margin facilities from a regulated securities broker were granted to the Group which were secured by the Group's financial assets at fair value through profit or loss. At 30 September 2009, the Group has not utilised any of these facilities and the carrying amount of the financial assets at fair value through profit or loss charged to the securities broker is HK$272,568,000 (As at 31 March 2009: HK$152,576,000).

CONTINGENT LIABILITIES

The Group has no material contingent liabilities as at the balance sheet date.

CURRENCY RISK MANAGEMENT

The majority of the Group's assets are held in Hong Kong Dollars with no foreign exchange exposure. The Group's manufacturing business has its largest sale market Europe, which alone accounts for around 48.7% of the Group's sales turnover. In safeguarding the volatile Euro Dollars currency risk, the management has chosen to adopt a more prudent sales policy by mainly accepting US Dollar quoted sale orders, which in turn the management can maintain a stable currency exchange condition for normal trading business development.

POST BALANCE SHEET EVENTS

Other than the approval of deed of assignment at the special general meeting as disclosed in note 12(a)(i) to condensed consolidated financial statements, no other significant events have occurred subsequent to the balance sheet date.

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

There was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities during the six months period ended 30 September 2009.

CODE ON CORPORATE GOVERNANCE

The Company has complied with the code provisions which set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Listing Rules during the six months period ended 30 September 2009 except that Code Provision A.4.1 provides that non-executive directors should be appointed for specific terms, subject to re-election. The independent non-executive directors ("INEDs") of the Company are not appointed for specific terms but they are subject to retirement by rotation and re-election at the annual general meetings of the Company. Pursuant to Bye-law 87(1) of the current Bye-laws of the Company, each director shall be subject to retirement by rotation at least once every three years at the annual general meeting. This means that the terms of appointment of the directors, including INEDs, cannot exceed three years.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in Appendix 10 of the Listing Rules (the "Model Code"). On specific enquiries made, all directors confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by Directors adopted by the Company.

AUDIT COMMITTEE

The audit committee of the Company currently comprises three independent non-executive directors, namely Ms. Hui Wai Man, Shirley, Mr. Chan Sze Hung and Ms. Kristi L Swartz.

The unaudited interim financial statements for the six months period ended 30 September 2009 of the Group have been reviewed by the audit committee.

REMUNERATION COMMITTEE

The remuneration committee of the Company comprises three independent non-executive directors, namely Ms. Hui Wai Man, Shirley, Mr. Chan Sze Hung and Ms. Kristi L Swartz. The Remuneration committee is principally responsible for formulating the Group's policy and structure for all remunerations of the directors and senior management and providing advice and recommendation to the directors of the Company.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT ON THE STOCK EXCHANGE WEBSITE

This interim results announcement is also published on the Stock Exchange's website (http://www.hkex.com.hk) and the Company's website (http://www.irasia.com/listco/hk/mascotte/index.htm). The interim report containing all information required by the Listing Rules will be dispatched to the shareholders of the Company and will be available on websites of the Stock Exchange and the Company in due course.

On Behalf of the Board
Lo Yuen Wa Peter
Acting Chief Executive Officer

Hong Kong, 23 December 2009

As at the date of this announcement, the Executive Directors of the Company are Mr. Peter Temple Whitelam (Chairman), Mr. Lo Yuen Wa Peter (Acting Chief Executive Officer), Mr. Au Yeung Kai Chor, Mr. Lam Suk Ping and Ms. Song Jiajia; and the Independent Non-executive Directors of the Company are Mr. Chan Sze Hung, Ms. Kristi L Swartz and Ms. Hui Wai Man, Shirley.