

INTERIM DIVIDEND

In view of the above results, the Board of Directors has resolved to declare an interim dividend of 13.8 cents per share (2004 : 11.8 cents per share as adjusted) amounting to a total of approximately HK\$42,823,000. The interim dividend will be paid on Wednesday, 18th January, 2006 to shareholders whose names appear in the Register of Members of the Company on Friday, 6th January, 2006.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Thursday, 5th January, 2006 to Friday, 6th January, 2006, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Registrar, Tengis Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong (if on or before 2nd January, 2006) or at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (if after 2nd January, 2006) not later than 4:30 p.m. on Wednesday, 4th January, 2006.

SHARE PURCHASE, SALE AND REDEMPTION

During the six month period ended 30th September, 2005, there was no purchase, sale or redemption by the Company, or any of its subsidiary companies, of the Company's shares.

DIRECTORS' INTERESTS

As at 30th September, 2005, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“the SFO”)) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“the Directors’ Model Code”) were as follows :-

Dickson Concepts (International) Limited

Name of Director	Capacity	Ordinary shares of HK\$0.30 each				Total	Percentage(iii)
		Personal Interests	Family Interests	Corporate Interests	Other Interests		
Dickson Poon	Beneficial owner, interest of spouse and trust founder	14,040	1,000,000(i)	—	149,395,699(ii)	150,409,739	48.47
Edwin Ing	Beneficial owner	26,620	—	—	—	26,620	0.0086
Walter Josef Wuest	Beneficial owner	13,097,618	—	—	—	13,097,618	4.22

Note :-

- (i) These shares are held by Ms. Yu Kwai Chu, Pearl, the spouse of Dr. Dickson Poon.
- (ii) These shares are held through two trusts. Among these shares, there is a short position of 14,800,000 underlying shares arising from an unlisted physically settled option given by one of the trustees of the aforesaid two trusts for the period from 6th November, 2004 to 5th November, 2005.
- (iii) Percentage which the aggregate long position in shares represents to the issued share capital of the Company.

In addition, Dr. Dickson Poon is deemed to be interested in the share capital of all the subsidiary and associated companies of the Company by virtue of his interest in the Company.

Save as referred to above, as at 30th September, 2005, none of the Directors had any interest or short position in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which are recorded in the register required to be kept by the Company under Section 352 of the SFO or which are notified to the Company and the Stock Exchange pursuant to the Directors’ Model Code.

As at 30th September, 2005, no share options had been granted to the Directors of the Company under the share option scheme which was adopted on 26th August, 2003.

SUBSTANTIAL SHAREHOLDERS AND OTHERS

As at 30th September, 2005, the interests and short positions of the persons (other than the Directors) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows :-

Dickson Concepts (International) Limited

Name of shareholder	Ordinary shares of HK\$0.30 each	Percentage(iii)	Capacity
Yu Kwai Chu, Pearl	150,409,739 (i)	48.47	Beneficial owner and interest of spouse
Dickson Investment Holding Corporation (“DIHC”)	149,395,699(ii)	48.14	Trustee
Paicolex Trust Company (BVI) Limited (“Paicolex BVI”)	149,395,699(ii)	48.14	Trustee
Paicolex Trust Management AG (“Paicolex AG”)	149,395,699(ii)	48.14	Trustee

Note :-

- (i) These include a personal interest in 1,000,000 shares and a family interest attributable to Dr. Dickson Poon, the spouse of Ms. Pearl Yu, in 149,409,739 shares (among these shares, there is a short position of 14,800,000 underlying shares arising from an unlisted physically settled option given by DIHC for the period from 6th November, 2004 to 5th November, 2005).
- (ii) These shares refer to the same block of shares. DIHC, Paicolex BVI and Paicolex AG are trustees of two trusts. These shares are also included in the 149,395,699 shares which were disclosed as “Other Interests” of Dr. Dickson Poon in the Director’ Interests section of this report. Among these shares, there is a short position of 14,800,000 underlying shares arising from an unlisted physically settled option given by DIHC for the period from 6th November, 2004 to 5th November, 2005.
- (iii) Percentage which the aggregate long position in shares represents to the issued share capital of the Company.

Save as aforesaid and as disclosed in the Directors’ Interests section of this report, the Company has not been notified by any person who had interest or short position in the shares or underlying shares of the Company as at 30th September, 2005 which are required to be notified to the Company pursuant to Part XV of the SFO or which are recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

As at 30th September, 2005, no share options had been granted to any of the Directors or employees of the Company or any of its subsidiary companies under the share option scheme which was adopted on 26th August, 2003.

CORPORATE GOVERNANCE

During the six month period ended 30th September, 2005, save as disclosed below, the Company has complied with the code provisions of the Code on Corporate Governance Practices (“the Code”) as set out in Appendix 14 of the Listing Rules. At the Board meeting held on 22nd June, 2005 for consideration of the final results of the Company for the year ended 31st March, 2005, the following code provisions were discussed and complied with as detailed below :-

- (i) Under A.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. On 22nd June, 2005, Mr. Raymond Lee, the Deputy Chairman, was appointed as the Chief Executive Officer (“CEO”) of the Company and a list setting out the respective responsibilities of the Chairman and the CEO was adopted by the Company.
- (ii) Under A.4.1 of the Code, non-executive directors should be appointed for a specific term, subject to re-election. On 22nd June, 2005, the terms of office of the Independent Non-executive Directors, subject to earlier determination or re-election under retirement by rotation in accordance with the Company’s new Bye-laws and/or applicable laws and regulations, were fixed for one year renewable on an annual basis.
- (iii) Under A.4.2 of the Code, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. On 22nd June, 2005, recommendation was made to the shareholders of the Company to amend the Company’s new Bye-laws to, inter alia, delete the exception clause so that every director shall be subject to retirement by rotation at least once every three years. This was adopted at the annual general meeting of the Company held on 25th August, 2005.
- (iv) Under A.5.4 of the Code, the board should establish written guidelines for relevant employees in respect of their dealings in the securities of the issuer on no less exacting terms than the Directors’ Model Code as set out in Appendix 10 of the Listing Rules. On 21st September, 2005, the Company adopted the Model Code for Relevant Employees on Securities Transactions which is on no less exacting terms than the Directors’ Model Code or the code previously adopted by the Company.
- (v) B.1 of the Code relates to the establishment of a remuneration committee and its composition, authority and duties. On 22nd June, 2005, the Company established a remuneration committee with relevant terms of reference.
- (vi) Under C.3.3 of the Code, the terms of reference of the audit committee should include at least those duties as set out in C.3.3 of the Code. On 22nd June, 2005, the Company adopted a new set of terms of reference for the Audit Committee including those duties as set out in C.3.3 of the Code in place of the terms of reference of the Audit Committee adopted on 1st June, 2004.
- (vii) Under D.1.2 of the Code, an issuer should formalise the functions reserved for the board and those delegated to management. On 22nd June, 2005, the Company formalised and adopted a list setting out the functions reserved for the Board and those delegated to management.

DIRECTORS' MODEL CODE

The Company has adopted the Directors' Model Code as set out in Appendix 10 of the Listing Rules as the code for securities transactions by Directors. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard set out in the Directors' Model Code throughout the period under review.

AUDIT COMMITTEE

The Audit Committee has reviewed the unaudited interim financial results of the Group for the six month period ended 30th September, 2005 with the Board of Directors.

As at the date of this report, the Board of Directors of the Company comprises :-

Executive Directors :

Dickson Poon (*Group Executive Chairman*)

Raymond Lee (*Deputy Chairman*)

Chan Tsang Wing, Nelson

Ching Sau Hong, Kevin

Edwin Ing

Ng Chan Lam

Walter Josef Wuest

Independent Non-Executive Directors :

Bhanusak Asvaintra

Nicholas Peter Etches

Christopher Patrick Langley, OBE

By Order of the Board
Or Suk Ying, Stella
Company Secretary

Hong Kong, 12th December, 2005