

The Group's financial risk management is the responsibility of its treasury function based in Hong Kong which implements the policies and guidelines established from time to time by the Board of Directors. Surplus cash is held mainly in United States Dollars, Hong Kong Dollars and Renminbi with the majority placed on short-term time deposits with international financial institutions.

As at 30th September, 2006, the Group's current ratio, being current assets divided by current liabilities, was 1.7 times compared to 2.5 times as at 31st March, 2006. The Group has maintained a net surplus cash position throughout the period under review and thus its gearing ratio, being total bank borrowings net of cash balances as a percentage of consolidated capital and reserves is Nil (as at 31st March, 2006 : Nil).

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 (2005 : 13.8 cents per share), the same as last year. The interim dividend, which will be paid on Thursday, 18th January, 2007, will absorb a total of about HK\$42,823,000 (2005: HK\$42,823,000) and will be paid to shareholders whose names appear in the Register of Members of the Company on Friday, 5th January, 2007.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Thursday, 4th January, 2007 to Friday, 5th January, 2007, 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 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 3rd January, 2007.

SHARE PURCHASE, SALE AND REDEMPTION

During the six month period ended 30th September, 2006, 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, 2006, 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”) as set out in Appendix 10 of the Listing Rules were as follows :-

Dickson Concepts (International) Limited

Name of Director	Capacity	Ordinary shares of HK\$0.30 each				Total	Percentage(ii)
		Personal Interests	Family Interests	Corporate Interests	Other Interests		
Dickson Poon	Beneficial owner and trust founder	14,040	—	—	149,395,699(i)	149,409,739	48.15
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 through two trusts.

(ii) 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, 2006, 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, 2006, no share options had been granted to the Directors under the share option scheme which was adopted on 26th August, 2003.

SUBSTANTIAL SHAREHOLDERS AND OTHERS

As at 30th September, 2006, 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	149,409,739(i)	48.15	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
Matthews International Capital Management, LLC	28,040,900	9.04	Investment manager
Invesco Hong Kong Limited	15,592,075	5.02	Investment manager

Note :-

- (i) These shares refer to the family interest attributable to Dr. Dickson Poon, the spouse of Ms. Pearl Yu.
- (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 Directors’ Interests section of this report.
- (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 an interest or short position in the shares or underlying shares of the Company as at 30th September, 2006 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, 2006, 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

The Company is committed to maintaining high standards of corporate governance. The Company recognises that corporate governance practices are fundamental to the smooth, effective and transparent operation of a company and its ability to attract investment, protect the rights of shareholders and enhance shareholder value.

The Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules throughout the period under review. Detailed information on the Company's corporate governance practices was set out in the corporate governance report included in the Company's annual report for the year ended 31st March, 2006.

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, 2006 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 and
Chief Executive Officer*)

Chan Tsang Wing, Nelson

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, 7th December, 2006