DICKSON

DICKSON CONCEPTS (INTERNATIONAL) LIMITED
廸生創建(國際)有限公司*
(incorporated in Bermuda with limited liability)

(Stock Code: 0113)

# INTERIM RESULTS 2006-2007

∗ Turnover for the six months ended 30th September, 2006 was HK$1.3 billion, an increase of 10.5 per cent. compared with last year.

∗ As a result of adopting conservative accounting policies and charging all operating expenses related to the Group's significant investment in its store opening programme for the full period under review, profit attributable to shareholders was reduced to HK$72.4 million, a decrease of 15.6 per cent. compared with last year.

∗ Interim dividend of 13.8 cents per share declared by the Board, the same as last year.

∗ Group's retail network will substantially exceed 500 shops throughout Asia by the end of the current financial year.

The Board of Directors of Dickson Concepts (International) Limited ("the Company") announces that the Group's unaudited consolidated results for the six month period ended 30th September, 2006 together with the comparative figures are as follows :-

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the period ended 30th September, 2006

| | NOTE | **Six months ended 30th September, 2006 (unaudited) HK$'000** | 2005 (unaudited) HK$'000 Restated |
|---|---|---|---|
| Turnover | 2 | **1,326,044** | 1,199,874 |
| Cost of sales | | **(591,694)** | (540,520) |
| Gross profit | | **734,350** | 659,354 |
| Other income | | **10,137** | 14,549 |
| Selling and distribution expenses | | **(533,727)** | (462,513) |
| Administrative expenses | | **(95,299)** | (82,831) |
| Other operating expenses | | **(35,246)** | (32,437) |
| Operating profit | | **80,215** | 96,122 |
| Finance costs | | **(1,283)** | (595) |
| Share of profits less losses of associated companies | | **4,755** | 3,032 |
| Profit before taxation | 3 | **83,687** | 98,559 |
| Taxation | 4 | **(11,194)** | (12,714) |
| Profit after taxation | | **72,493** | 85,845 |
| Attributable to : | | | |
| Equity shareholders of the Company | | **72,382** | 85,721 |
| Minority interests | | **111** | 124 |
| Profit after taxation | | **72,493** | 85,845 |
| Earnings per share (basic and diluted) | 5 | **23.3 cents** | 27.6 cents |
| Dividend per share - Interim dividend declared after the balance sheet date | 6 | **13.8 cents** | 13.8 cents |

## CONSOLIDATED BALANCE SHEET

At 30th September, 2006

| | NOTE | **30/9/2006 (unaudited) HK$'000** | 31/3/2006 (audited) HK$'000 |
|---|---|---|---|
| Non-current assets | | | |
| Fixed assets | | **294,598** | 288,920 |
| Intangible asset | 7 | **318,372** | — |
| Goodwill | | **13,900** | 13,900 |
| Associated companies | | **109,846** | 99,576 |
| Deferred tax assets | | **19,049** | 13,724 |
| | | **755,765** | 416,120 |
| Current assets | | | |
| Stocks | | **835,221** | 678,156 |
| Debtors, deposits and prepayments | 8 | **400,352** | 294,333 |
| Bills receivable | | **2,780** | 1,001 |
| Tax recoverable | | **43** | 5 |
| Cash and cash equivalents | | **161,576** | 571,896 |
| | | **1,399,972** | 1,545,391 |
| Current liabilities | | | |
| Bank loans and overdrafts | | **131,959** | 65,424 |
| Bills payable | | **45,562** | 24,511 |
| Creditors and accruals | 9 | **638,490** | 513,147 |
| Taxation | | **16,156** | 15,793 |
| | | **832,167** | 618,875 |
| Net current assets | | **567,805** | 926,516 |
| Total assets less current liabilities | | **1,323,570** | 1,342,636 |
| Non-current liabilities | | | |
| Deferred tax liabilities | | **1,883** | 1,855 |
| Net assets | | **1,321,687** | 1,340,781 |
| Capital and reserves | | | |
| Share capital | 10 | **93,093** | 93,093 |
| Reserves | | **1,222,817** | 1,233,989 |
| Total equity attributable to shareholders of the Company | | **1,315,910** | 1,327,082 |
| Minority interests | | **5,777** | 13,699 |
| Total equity | | **1,321,687** | 1,340,781 |

# NOTES ON THE INTERIM ACCOUNTS

## 1. PRINCIPAL ACCOUNTING POLICIES

### Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities ("the Listing Rules") on The Stock Exchange of Hong Kong Limited ("the Stock Exchange"), including compliance with Hong Kong Accounting Standard ("HKAS") 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The interim financial report has been prepared in accordance with the same principal accounting policies adopted in the 2006 annual accounts except for the accounting policy on intangible asset which has been adopted during the six months ended 30th September, 2006 (Note 7).

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated accounts and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2006 annual accounts. The condensed consolidated interim accounts and notes thereon do not include all of the information required for a full set of accounts prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs", which term collectively includes all applicable individual HKFRSs, HKASs and Interpretations issued by the HKICPA).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Statement of Auditing Standards 700, Engagements to review interim financial reports, issued by the HKICPA. KPMG's independent review report to the Board of Directors is included in the interim report to be sent to shareholders. In addition, this interim financial report has been reviewed by the Company's Audit Committee.

The financial information relating to the financial year ended 31st March, 2006 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory accounts for that financial year but is derived from those accounts. Statutory accounts for the year ended 31st March, 2006 are available from both the Stock Exchange's website and the Company's website. The auditors have expressed an unqualified opinion on those accounts in their report dated 28th June, 2006.

## 2. TURNOVER / SEGMENTAL INFORMATION

Turnover represents the invoiced value of goods sold less discounts and returns, and income from concession and consignment sales.

**Business segment**

The Group has a single business segment which is the sale of luxury goods. Accordingly, the segment information for this sole business segment is equivalent to the consolidated figures.

**Geographical segments**

In presenting information on the basis of geographical segments, segment turnover is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of the assets.

| | For the six months ended 30th September, 2006 | | At 30/9/2006 |
|---|---|---|---|
| | Turnover HK$'000 | Capital expenditure HK$'000 | Total assets HK$'000 |
| Hong Kong | 753,117 | 8,431 | 1,206,201 |
| Taiwan | 281,875 | 9,204 | 431,532 |
| China | 173,691 | 14,739 | 283,504 |
| Other territories (Mainly Asia) | 117,361 | 1,269 | 124,654 |
| | 1,326,044 | 33,643 | 2,045,891 |
| Associated companies | | | 109,846 |
| Total assets | | | 2,155,737 |

| | For the six months ended 30th September, 2005 | | At 31/3/2006 |
|---|---|---|---|
| | Turnover HK$'000 Restated | Capital expenditure HK$'000 | Total assets HK$'000 |
| Hong Kong | 635,867 | 99,320 | 1,043,144 |
| Taiwan | 301,555 | 5,883 | 390,137 |
| China | 127,152 | 6,469 | 302,905 |
| Other territories (Mainly Asia) | 135,300 | 284 | 125,749 |
| | 1,199,874 | 111,956 | 1,861,935 |
| Associated companies | | | 99,576 |
| Total assets | | | 1,961,511 |

## 3. PROFIT BEFORE TAXATION

| | Six months ended 30th September, | |
|---|---|---|
| | **2006** | 2005 |
| | **HK$'000** | HK$'000 |
| Profit before taxation is arrived at after charging :- | | |
| Amortisation of intangible asset | **4,235** | – |
| Depreciation | **41,589** | 34,138 |
| Interest on bank overdrafts and loans repayable within five years | **1,283** | 595 |
| Share of associated companies' taxation | **1,868** | 696 |

## 4. TAXATION

| | Six months ended 30th September, 2006 HK$'000 | 2005 HK$'000 Restated |
|---|---|---|
| Current tax - Hong Kong | | |
| Provision for the period | **170** | — |
| Current tax - Overseas | | |
| Provision for the period | **11,049** | 13,334 |
| Under / (over)-provision in respect of prior years | **920** | (70) |
| | **11,969** | 13,264 |
| Deferred tax | | |
| Origination and reversal of temporary differences | **(945)** | (550) |
| Total income tax expense | **11,194** | 12,714 |

Taxation in the consolidated profit and loss account includes provision for Hong Kong Profits Tax at 17.5 per cent. (2005 : 17.5 per cent.) on the estimated assessable profits for the period. Provision for overseas taxation is calculated based on the relevant legislation and on the estimated assessable profits of the individual company concerned.

## 5. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share in the current period is based on the profit attributable to shareholders of the Company of HK$72,382,000 (2005 : HK$85,721,000) and the weighted average number of 310,311,338 ordinary shares (2005 : 310,311,338 ordinary shares) in issue during the period.

## 6. DIVIDENDS

| | Six months ended 30th September, 2006 HK$'000 | 2005 HK$'000 |
|---|---|---|
| (a) Interim dividend declared after the interim period end : 13.8 cents (2005 : 13.8 cents) per share | **42,823** | 42,823 |
| (b) Final dividend in respect of the previous financial year, approved and paid during the interim period, of 27.5 cents (for the year ended 31st March, 2005 : 27.3 cents) per share | **85,336** | 84,630 |
| (c) Special dividend in respect of the previous financial year, approved and paid during the interim period : Nil (for the year ended 31st March, 2005 : 41.8 cents per share) | — | 129,767 |

## 7. INTANGIBLE ASSET

| | HK$'000 |
|---|---|
| Cost :- | |
| At 1st April, 2006 | — |
| Acquisition during the period | 322,607 |
| At 30th September, 2006 | 322,607 |
| Accumulated amortisation :- | |
| At 1st April, 2006 | — |
| Amortisation for the period | 4,235 |
| At 30th September, 2006 | 4,235 |
| Carrying amount :- | |
| At 30th September, 2006 | 318,372 |
| At 31st March, 2006 | — |

On 25th August, 2006, the Group acquired the entire issued capital of Tommy Hilfiger Asia-Pacific Limited together with its branch and subsidiary companies. The intangible asset represents the exclusive distribution rights for Tommy Hilfiger apparel and other approved merchandise in Hong Kong, Taiwan, Singapore, Malaysia, Macau and certain cities in China. This intangible asset is measured at cost less accumulated amortisation and impairment losses. Amortisation of intangible asset is charged to the consolidated profit and loss account on a straight-line basis over its useful life of 7.6 years.

The amortisation charge for the period is included in "Administrative expenses" in the consolidated profit and loss account.

## 8. DEBTORS, DEPOSITS AND PREPAYMENTS

Included in debtors, deposits and prepayments are trade debtors of HK$112,038,000 (at 31st March, 2006 : HK$82,811,000) and their age analysis is as follows :-

| | **30/9/2006** | 31/3/2006 |
|---|---|---|
| | **HK$'000** | HK$'000 |
| Current | **103,342** | 73,200 |
| 1 to 30 days overdue | **6,858** | 4,390 |
| 31 to 60 days overdue | **1,019** | 2,831 |
| Over 60 days overdue | **819** | 2,390 |
| | **112,038** | 82,811 |

The Group has a credit policy with terms ranged from 30 days to 90 days.

## 9. CREDITORS AND ACCRUALS

Included in creditors and accruals are trade creditors of HK$143,992,000 (at 31st March, 2006 : HK$115,897,000) and their age analysis is as follows :-

| | **30/9/2006** | 31/3/2006 |
|---|---|---|
| | **HK$'000** | HK$'000 |
| Current | **122,854** | 103,807 |
| 1 to 30 days overdue | **13,238** | 9,003 |
| 31 to 60 days overdue | **4,679** | 2,003 |
| Over 60 days overdue | **3,221** | 1,084 |
| | **143,992** | 115,897 |

## 10. SHARE CAPITAL

| | 30/9/2006 | | 31/3/2006 | |
|---|---|---|---|---|
| | **Number of shares Thousands** | **Nominal value HK$'000** | Number of shares Thousands | Nominal value HK$'000 |
| Authorised :- | | | | |
| Ordinary shares of HK$0.30 each | **404,000** | **121,200** | 400,000 | 120,000 |
| Issued and fully paid :- | | | | |
| Ordinary shares of HK$0.30 each | | | | |
| Balance brought forward | **310,311** | **93,093** | 282,101 | 84,630 |
| Bonus issue | — | — | 28,210 | 8,463 |
| Balance carried forward | **310,311** | **93,093** | 310,311 | 93,093 |

*Note : -*

By an ordinary resolution passed at the annual general meeting held on 24th August, 2006, the Company's authorised share capital was increased to HK$121,200,000 by the creation of 4,000,000 additional ordinary shares of HK$0.30 each, ranking pari passu in all respects with the then existing issued shares of the Company. On 25th August, 2005, 28,210,121 ordinary shares of HK$0.30 each were issued by way of a one for ten bonus issue in respect of which an amount of HK$8,463,000 was applied from retained profits.

## 11. CAPITAL COMMITMENTS

Capital commitments outstanding at 30th September, 2006 and not provided for in the accounts were as follows :-

| | **30/9/2006 HK$'000** | 31/3/2006 HK$'000 |
|---|---|---|
| Contracted for | **75,456** | 12,668 |
| Authorised but not contracted for | **324** | — |
| | **75,780** | 12,668 |

## 12. CONTINGENT LIABILITIES

At 30th September, 2006, the Company had the following contingent liabilities in respect of :-

(a) Guarantees of HK$949,924,000 (at 31st March, 2006 : HK$856,876,000) given to banks to secure facilities granted to certain subsidiary companies. The facilities were utilised to the extent of HK$296,670,000 (at 31st March, 2006 : HK$174,171,000) at the balance sheet date.

(b) Guarantees given to licensors to guarantee the performance by certain subsidiary companies of obligations under certain agreements. The amount due under the agreements was HK$18,979,000 (at 31st March, 2006 : HK$7,329,000) at the balance sheet date.

## 13. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the new presentation as adopted in the 2006 annual accounts :-

(a) In the 2005-2006 interim financial report, turnover and cost of sales included sales less discounts and returns and associated cost of sales of concession and consigned goods. The Group now follows best industry practice on the interpretation of HKAS 18 “Revenue” with respect to presentation of concession and consignment sales. Accordingly, the value of concession and consignment sales and the associated cost of sales has been excluded from Group turnover and cost of sales respectively, and income from concession and consignment sales has been included within Group turnover. As a result, the turnover and cost of sales for the period ended 30th September, 2005 have both been reduced by HK$157,049,000 to conform to the new presentation. There has been no impact on the profit and net assets of the Group from the adoption of the new presentation.

(b) In the 2005-2006 interim financial report, the Group’s share of taxation of associated companies accounted for using the equity method was included as part of the Group’s income tax in the consolidated profit and loss account. In accordance with the implementation guidance in HKAS 1, the Group has changed its presentation thereof and has included the share of taxation of associated companies in the share of profits less losses of associated companies reported in the consolidated profit and loss account before arriving at the Group’s profit before taxation. This has resulted in a decrease in “share of profits less losses of associated companies” in the consolidated profit and loss account for the period ended 30th September, 2005 of HK$696,000 and a corresponding decrease in income tax by the same amount, with no impact on profit after taxation of the Group for the period ended 30th September, 2005.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL RESULTS

Turnover for the six months ended 30th September, 2006 was HK$1,326.0 million, an increase of 10.5 per cent. compared with the same period last year.

Gross margins increased slightly from 55.0 per cent. up to 55.4 per cent. despite the difficult trading conditions in Taiwan caused by the political uncertainty there.

This year, the Group has made significant investments in its store opening programme which comprises the 100,000 sq. ft. Seibu store in Chengdu, the 145,000 sq. ft. Seibu store in Shenyang, the 52,000 sq. ft. Seibu store at Kowloon Hotel, Hong Kong and the opening of 48 other new single brand shops throughout Asia.

As a result of adopting conservative accounting policies and charging all operating expenses related to these investments for the full period under review, the Group's profit attributable to shareholders was reduced to HK$72.4 million, a decrease of 15.6 per cent. compared with last year.

Whilst all this pre-opening and operating expenditure will have a short-term adverse impact on the Group's profits, the Group is confident that once these businesses mature, these stores will become the engine for the Group's strong and sustained growth in the medium to longer term.

## BUSINESS REVIEW

With a total of 31 shops opened so far this year, together with 102 Tommy Hilfiger shops, the Group's retail network currently totals 490 shops. This comprises 60 in Hong Kong, 225 in China, 171 in Taiwan and 34 in Singapore, Malaysia and the Philippines.

The acquisition of the Tommy Hilfiger group, which was completed in August 2006, has significantly expanded the Group's retail network. Given its solid and profitable track record, the strong recognition of the brand, its growing customer base and the continued aggressive expansion of its retail network, the Group is confident that the Tommy Hilfiger group will become an increasingly significant contributor to the Group's turnover and profits.

In Hong Kong, the Group continued to reinforce its leading position in luxury retailing in the territory. Whilst Harvey Nichols continues to strengthen its merchandise offering and enhance the shopping experience for its discerning customers, the Group has also been preparing for the opening of the third Hong Kong Seibu store located at Kowloon Hotel. Scheduled to open mid-December 2006, the store will be able to take maximum advantage of the busy Christmas and Chinese New Year trading period, thereby establishing its presence and consumer awareness within a short period.

In China, in addition to the 51 Tommy Hilfiger shops in the country, the Group has opened a further 22 shops under brands such as Brooks Brothers, Tod's, S.T. Dupont and Dickson Watch & Jewellery, thereby further strengthening the Group's retail presence throughout China. The 100,000 sq. ft. Seibu store located in Chengdu, Sichuan province, was officially opened on 1st December, 2006 and has received a favourable response from both locals and visitors alike. Preparations for the soft opening in the first quarter of 2007 of the 145,000 sq. ft. Seibu store located in Shenyang, Liaoning province, are at an advanced stage, and the Group is confident that this fourth Seibu store will firmly establish Seibu's reputation as a leading luxury department store group in north eastern China.

In the rest of Asia, the Group's operations in Taiwan remain affected by the political uncertainty and the tightening of credit card limits by local banks. Nevertheless, the Group remains confident about the long term prospects of its operations in Taiwan, and its comprehensive retail network of 171 shops places the Group in an excellent position to improve turnover and profitability once normal trading conditions are restored. In Singapore, Malaysia and the Philippines, its retail network of 34 shops ensures that the Group is well placed to take advantage of any improvement in market conditions in these countries.

Bertolucci, the first luxury watch brand owned by the Group, has undertaken and implemented major development strategies since its acquisition. With the international launch of its latest watch collections and the expansion of its distribution channels, the Group is confident about Bertolucci's future development into a meaningful asset for the Group in the long term.

## FULL YEAR PROSPECTS

With Tommy Hilfiger's network of 102 shops, the opening of 31 shops, and the further 20 shops planned to be opened by the end of the current financial year, the Group's retail network will expand to well over 500 shops. This comprehensive network will provide the Group with a strong recurring income base for the Group's growth.

Whilst the Group's aggressive store opening programme will have an adverse impact on the Group's profits in the short term, as these significant investments fully develop and establish their presence in the market, the Group is confident that it will achieve strong and sustained turnover and profits growth in the years to come.

## EMPLOYMENT AND REMUNERATION POLICIES

As at 30th September, 2006, the Group had 2,852 employees. Total staff costs (including Directors' emoluments) amounted to HK$172.9 million (2005 : HK$159.8 million). Remuneration policies are reviewed regularly by the Board of Directors of the Company and by the Remuneration Committee in respect of Directors and senior management. Remuneration packages are structured to take into account the level and composition of pay and the general market conditions in the respective countries and businesses in which the Group operates. Details of the share option scheme were disclosed in the Company's annual report for the year ended 31st March, 2006. No share options were granted or exercised during the period under review.

## LIQUIDITY AND FINANCIAL RESOURCES

During the period under review, the Group generated net cash from operating activities of HK$119.4 million before working capital changes, investment, capital expenditure and dividend distribution.

Increased working capital requirements attributable to higher stock holdings due to new store openings and additions as well as capital expenditure totalled HK$160.7 million. Payments totalling HK$481.3 million, comprising the HK$396.0 million purchase consideration for the Tommy Hilfiger Asia Pacific licensed business and the final dividend for the previous financial year of HK$85.3 million were also made.

After these payments, the Group's net liquid financial resources stood at HK$29.6 million represented by cash balances of HK$161.5 million and short-term bank borrowings of HK$131.9 million.

The Group maintains substantial uncommitted short-term loan facilities with its relationship banks for day-to-day requirements and funding flexibility. Despite the substantial reduction in the Group's surplus cash holdings as described above, material utilisation of these facilities over and above current levels is not anticipated given the positive cash flow generated by the Group's operations.

## FOREIGN CURRENCY EXPOSURE AND FINANCIAL MANAGEMENT

Merchandise purchased by the Group is mainly denominated in United States Dollars, Euros, Swiss Francs and Pounds Sterling and where appropriate, forward foreign exchange contracts are utilised to purchase the relevant currency to settle amounts due. It is the Group's policy that foreign exchange contracts or foreign currency purchases are strictly limited to approved purchase budget amounts or actual purchase commitments.

Exposure to fluctuations in the exchange rate of regional currencies in respect of the Group's overseas operations is minimised by utilising local currency borrowings, where necessary, to fund working capital and capital expenditure requirements with repayment in cash generated from local sales. The Group's outstanding foreign currency bank borrowings are a result of the application of this policy and comprise short-term bank loans drawn in New Taiwan Dollars and Singapore Dollars by the respective operating subsidiary companies.

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.

## 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.

## 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 announcement, 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

* *For identification purposes only*

Please also refer to the published version of this Announcement in the South China Morning Post (Business Post).