DICKSON

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

(Stock Code : 0113)

GROUP RESULTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2006

* Turnover of HK$2,643.1 million, an increase of 6.8 per cent. compared with last year.

* Gross margin increased from 52.1 per cent. to 55.8 per cent..

* Profit attributable to shareholders of HK$208.4 million represents an increase of 2.6 per cent. over previous year.

* Board recommending final dividend of 27.5 cents per share. Total dividend payout for the year represents an increase of 5.6 per cent. over last year on a like-for-like basis.

The Board of Directors of Dickson Concepts (International) Limited ("the Company") announces that the Group's audited consolidated results for the financial year ended 31st March, 2006 together with last year's corresponding comparative figures are as follows :-

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31st March, 2006

		Financial year ended 31st March,	
		2006	2005
	NOTE	**HK$'000**	HK$'000
			Restated
Turnover	2	**2,643,073**	2,474,590
Cost of sales		**(1,168,494)**	(1,186,405)
Gross profit		**1,474,579**	1,288,185
Other income		**33,133**	39,198
Selling and distribution expenses		**(1,013,860)**	(880,165)
Administrative expenses		**(180,046)**	(176,663)
Other operating expenses		**(81,718)**	(50,820)
Operating profit		**232,088**	219,735
Finance costs		**(1,499)**	(1,687)
Share of profits less losses of associated companies		**8,522**	14,510
Profit before taxation	3	**239,111**	232,558
Taxation	4	**(30,395)**	(28,940)
Profit for the year		**208,716**	203,618
Attributable to :			
Equity shareholders of the Company		**208,388**	203,117
Minority interests		**328**	501
Profit for the year		**208,716**	203,618
Dividends payable to equity shareholders of the Company attributable to the year :			
– Interim dividend declared and paid during the year	5(a)	**13.8 cents**	11.8 cents
– Final dividend proposed after the balance sheet date	5(b)	**27.5 cents**	27.3 cents
– Special dividend proposed after the balance sheet date	5(c)	**–**	41.8 cents
		41.3 cents	80.9 cents
Earnings per share (basic and diluted)	6	**67.2 cents**	65.5 cents

CONSOLIDATED BALANCE SHEET

At 31st March, 2006

	NOTE	**2006 HK$'000**	2005 HK$'000 Restated
Non-current assets			
Fixed assets	7	**288,920**	192,273
Goodwill		**13,900**	13,900
Associated companies		**99,576**	112,636
Deferred tax assets		**13,724**	14,327
		416,120	333,136
Current assets			
Stocks		**678,156**	522,006
Debtors, deposits and prepayments	8	**294,333**	246,458
Bills receivable		**1,001**	1,976
Tax recoverable		**5**	192
Cash and cash equivalents		**571,896**	898,774
		1,545,391	1,669,406
Current liabilities			
Bank loans		**65,424**	56,575
Bills payable		**24,511**	25,369
Creditors and accruals	9	**513,147**	507,681
Taxation		**15,793**	16,443
		618,875	606,068
Net current assets		**926,516**	1,063,338
Total assets less current liabilities		**1,342,636**	1,396,474
Non-current liabilities			
Deferred tax liabilities		**1,855**	1,651
Net assets		**1,340,781**	1,394,823
Capital and reserves			
Share capital	10	**93,093**	84,630
Reserves		**1,233,989**	1,295,186
Total equity attributable to shareholders of the Company		**1,327,082**	1,379,816
Minority interests		**13,699**	15,007
Total equity		**1,340,781**	1,394,823

NOTES

1. PRINCIPAL ACCOUNTING POLICIES

(a) Basis of preparation of the accounts

These accounts have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These accounts also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The HKICPA has issued a number of new and revised HKFRSs that are effective or available for early adoption for accounting periods beginning on or after 1st January, 2005. Information on the changes in accounting policies resulting from initial application of these new and revised HKFRSs for the current and prior accounting periods reflected in these accounts is provided in Note 1(b).

(b) Recently issued accounting standards

The following sets out information on the significant changes in accounting policies for the current and prior accounting periods reflected in these accounts.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(i) Amortisation of positive goodwill (HKFRS 3, Business combinations and HKAS 36, Impairment of assets)

In prior years, positive goodwill which arose on or after 1st April, 2001 was amortised on a straight line basis over its useful life and was subject to impairment testing when there were indications of impairment.

With effect from 1st April, 2005, in order to comply with HKFRS 3 and HKAS 36, the Group has changed its accounting policies relating to goodwill. Under the new policy, the Group no longer amortises positive goodwill but tests it at least annually for impairment.

The new policy in respect of the amortisation of positive goodwill has been applied prospectively in accordance with the transitional arrangements under HKFRS 3. As a result, comparative amounts have not been restated, the cumulative amount of amortisation as at 1st April, 2005 has been offset against the cost of the goodwill and no amortisation charge for goodwill has been recognised in the profit and loss account for the year ended 31st March, 2006. This has increased the Group's profit after tax for the year ended 31st March, 2006 by HK$748,000.

(ii) Changes in presentation (HKAS 1, Presentation of financial statements)

Presentation of share of associated companies' taxation (HKAS 1, Presentation of financial statements)

In prior years, 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. With effect from 1st April, 2005, in accordance with the implementation guidance in HKAS 1, the Group has changed the presentation and includes the share of taxation of associated companies accounted for using the equity method in the respective shares of profit or loss reported in the consolidated profit and loss account before arriving at the Group's profit or loss before tax. These changes in presentation have been applied retrospectively with comparatives restated.

Minority interests (HKAS 1, Presentation of financial statements and HKAS 27, Consolidated and separate financial statements)

In prior years, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and as deduction from net assets. Minority interests in the results of the Group for the year were also separately presented in the consolidated profit and loss account as a deduction before arriving at the profit attributable to shareholders (the equity shareholders of the Company).

With effect from 1st April, 2005, in order to comply with HKAS 1 and HKAS 27, the Group has changed its accounting policy relating to presentation of minority interests. Under the new policy, minority interests are presented as part of equity, separately from interests attributable to the equity shareholders of the Company. These changes in presentation have been applied retrospectively with comparatives restated.

(iii) Definition of related parties (HKAS 24, Related party disclosures)

As a result of the adoption of HKAS 24, Related party disclosures, the definition of related parties has been expanded to clarify that related parties include entities that are under the significant influence of a related party that is an individual (i.e. key management personnel, significant shareholders and/or their close family members) and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group. The clarification of the definition of related parties has not resulted in any material changes to the previously reported disclosures of related party transactions nor has it had any material effect on the disclosures made in the current period, as compared to those that would have been reported had Statement of Standard Accounting Practice 20, Related party disclosure, still been in effect.

2. TURNOVER / SEGMENTAL INFORMATION

Turnover represents the invoiced value of goods sold less discounts and returns, and income from concession and consignment sales. In prior years, turnover and cost of sales included sales less discounts and returns and associated cost of sales of concession and consigned goods. The Group has followed best industry practice on the interpretation of HKAS 18 "Revenue" (effective for accounting periods beginning on or after 1st January, 2005) with respect to presentation of concession and consignment sales from this financial year. Accordingly, the value of concession and consignment sales and the associated cost of sales have been excluded from Group turnover and cost of sales respectively, and income from concession and consignment sales has been included within Group turnover in the current financial year. As a result, the turnover and cost of sales for the year have both been reduced by HK$342,687,000 (2005 : HK$328,414,000). Comparative figures have been restated 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.

Business segment

The Group has only one single business segment which is the sales 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.

	Financial year ended 31st March, 2006		
	Turnover	**Capital expenditure**	**Total assets**
	HK$'000	**HK$'000**	**HK$'000**
Hong Kong	**1,415,951**	**118,915**	**1,043,144**
Taiwan	**660,821**	**26,236**	**390,137**
China	**296,848**	**31,793**	**302,905**
Other territories (Mainly Asia)	**269,453**	**410**	**125,749**
	2,643,073	**177,354**	**1,861,935**
Associated companies			**99,576**
Total assets			**1,961,511**

	Financial year ended 31st March, 2005		
	Turnover	Capital expenditure	Total assets
	HK$'000	HK$'000	HK$'000
	Restated		
Hong Kong	1,330,656	43,798	1,173,256
Taiwan	609,982	24,716	379,566
China	234,517	2,067	216,816
Other territories (Mainly Asia)	299,435	576	120,268
	2,474,590	71,157	1,889,906
Associated companies			112,636
Total assets			2,002,542

There is no major disparity in the ratios between turnover and profit in relation to the above geographical locations, hence no analysis is given of the profit contributions from the above geographical locations.

3. PROFIT BEFORE TAXATION

	Financial year ended 31st March,	
	2006	2005
	HK$'000	HK$'000
Profit before taxation is arrived at after charging/(crediting) :-		
Depreciation	**72,985**	57,743
Interest on bank overdrafts and loans repayable within five years	**1,499**	1,687
Interest income	**(17,953)**	(8,383)
Realised gain on other investments	**–**	(265)

4. TAXATION

Taxation in the consolidated profit and loss account represents :-

	Financial year ended 31st March,	
	2006	2005
	HK$'000	HK$'000
		Restated
Current tax - Hong Kong		
Provision for the year	**20**	228
Overprovision in respect of prior years	**(127)**	–
	(107)	228
Current tax - Overseas		
Provision for the year	**30,167**	25,311
Overprovision in respect of prior years	**(189)**	(125)
	29,978	25,186
Deferred tax		
Origination and reversal of temporary differences	**524**	3,526
	30,395	28,940

The provision for Hong Kong Profits Tax for 2006 is calculated at 17.5 per cent. (2005 : 17.5 per cent.) of the estimated assessable profits for the year. Taxation for overseas subsidiary companies is similarly charged at the appropriate current rates of taxation ruling in the relevant countries.

5. DIVIDENDS

	Financial year ended 31st March,	
	2006	2005
	HK$'000	HK$'000
(a) Interim dividend declared and paid of 13.8 cents (2005 : 11.8 cents) per share	**42,823**	36,673
(b) Final dividend proposed after the balance sheet date of 27.5 cents (2005 : 27.3 cents) per share	**85,336**	84,630
(c) Special dividend proposed after the balance sheet date : Nil (2005 : 41.8 cents) per share	**–**	129,767

The comparative figures for interim dividend, final dividend and special dividend per share have been adjusted to take into account the one for ten bonus issue during the year.

6. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share in the current year is based on the profit attributable to shareholders of the Company of HK$208,388,000 (2005 : HK$203,117,000) and the weighted average number of 310,311,338 shares (2005 : 310,311,338 shares after adjusting for the one for ten bonus issue during the year) in issue during the year.

7. FIXED ASSETS

During the year, the Group spent HK$177,354,000 mainly on fitting out of new stores and refurbishment of certain existing stores.

8. DEBTORS, DEPOSITS AND PREPAYMENTS

Included in debtors, deposits and prepayments are trade debtors of HK$82,811,000 (2005 : HK$84,757,000) and their age analysis is as follows :-

	Financial year ended 31st March,	
	2006	2005
	HK$'000	HK$'000
Current	**73,200**	80,212
1 to 30 days overdue	**4,390**	1,353
31 to 60 days overdue	**2,831**	847
Over 60 days overdue	**2,390**	2,345
	82,811	84,757

The Group has a credit policy with terms ranging from 30 days to 60 days.

9. CREDITORS AND ACCRUALS

Included in creditors and accruals are trade creditors of HK$115,897,000 (2005 : HK$109,428,000) and their age analysis is as follows :-

	Financial year ended 31st March,	
	2006	2005
	HK$'000	HK$'000
Current	**103,807**	98,364
1 to 30 days overdue	**9,003**	6,463
31 to 60 days overdue	**2,003**	3,082
Over 60 days overdue	**1,084**	1,519
	115,897	109,428

10. SHARE CAPITAL

	Financial year ended 31st March,			
	2006		2005	
	Number of shares Thousands	**Nominal value HK$'000**	Number of shares Thousands	Nominal value HK$'000
Authorised :-				
Ordinary shares of HK$0.30 each	**400,000**	**120,000**	363,333	109,000
Issued and fully paid :-				
Ordinary shares of HK$0.30 each				
Balance brought forward	**282,101**	**84,630**	256,456	76,937
Bonus issue	**28,210**	**8,463**	25,645	7,693
Balance carried forward	**310,311**	**93,093**	282,101	84,630

Note :-

By an ordinary resolution passed at the annual general meeting held on 25th August, 2005, the Company's authorised share capital was increased to HK$120,000,000 by the creation of an additional 36,666,667 ordinary shares of HK$0.30 each, ranking pari passu with the then existing 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. On 25th August, 2004, 25,645,565 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$7,693,000 was applied from retained profits.

11. CAPITAL COMMITMENTS

Capital commitments outstanding at 31st March, 2006 not provided for in the accounts were as follows :-

	Financial year ended 31st March,	
	2006	2005
	HK$'000	HK$'000
Contracted for	**12,668**	52,885
Authorised but not contracted for	**–**	–
	12,668	52,885

12. CONTINGENT LIABILITIES

At 31st March, 2006, the Company had the following contingent liabilities in respect of :-

(a) Guarantees of HK$856,876,000 (2005 : HK$847,851,000) given to banks to secure facilities granted to certain subsidiary companies. The facilities were utilised to the extent of HK$174,171,000 (2005 : HK$190,822,000) 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$7,329,000 (2005 : HK$13,490,000) at the balance sheet date.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 31st March, 2006, the Group is pleased to have achieved increases in turnover and profits in line with its stated objective of balanced top line and margins growth.

As the year progressed, trading conditions in Asia deteriorated due to the increased volatility of regional financial markets. Furthermore, in Taiwan, a tightening of credit card limits by local banks and growing political uncertainties temporarily affected sales there. However, the Group expects such sales will normalise in the foreseeable future.

The Group remains confident that its unparalleled retail network of nearly 400 shops, the aggressive expansion of its operations and the continued increase in tourist arrivals around the region will ensure that the Group will achieve strong long-term profits growth.

FINANCIAL RESULTS AND FINAL DIVIDEND

Turnover for the year was HK$2,643.1 million, an increase of 6.8 per cent. compared with last year.

Gross margin increased from 52.1 per cent. to 55.8 per cent..

Profit attributable to shareholders was HK$208.4 million, an increase of 2.6 per cent. over the previous year.

In view of these results, the Board is recommending the payment of a final dividend of 27.5 cents per share.

The final dividend together with the interim dividend of 13.8 cents per share paid in January 2006, amounts to 41.3 cents per share, an increase of 5.6 per cent. over last year on a like-for-like basis.

REVIEW OF OPERATIONS

Asian Retailing

The Group's retail network at 31st March, 2006 totalled 394 shops. This comprised 51 in Hong Kong, 162 in China, 143 in Taiwan and 38 in Singapore, Malaysia and the Philippines.

Hong Kong

The Group's 51 shops in Hong Kong are located in the most prestigious and important shopping areas in Hong Kong. With the opening of Harvey Nichols at The Landmark in September 2005, the Group broadened its coverage of the luxury goods sector and further reinforced its leading position in luxury retailing in the territory.

Hong Kong Seibu has continued to grow from strength to strength. With the success of its store at Langham Place which achieved profitability in its first year of operations, a new Hong Kong Seibu will be opened at Kowloon Hotel, Tsimshatsui, at the end of the year. Occupying over 52,000 sq.ft., this store will offer a comprehensive range of apparel, accessories, cosmetics and beauty products designed to appeal to both local consumers and tourists alike. Moreover, Hong Kong Seibu has been granted an option to take up an additional space of at least 17,000 sq.ft. once that space becomes available in 2009.

Given its prime location and Hong Kong Seibu's proven expertise and success, the Group is confident that this new store will at least breakeven during its first full year of operations and become another important provider of future earnings growth.

With the continued strong performance of its existing shops in Hong Kong and Harvey Nichols' growing reputation in the luxury market, the Group will continue to take maximum advantage of Hong Kong's economic growth.

China

During the year under review, the Group opened 52 shops in China under the brands such as Polo Ralph Lauren, Polo Jeans Company, Tod's, Brooks Brothers and S.T. Dupont.

With a comprehensive network of 162 shops located throughout first tier to fourth tier cities in 25 provinces, the Group's geographical reach has become increasingly significant. This provides the Group with direct access to invaluable up-to-date expenditure, preference and market information which assists the Group in evaluating its store expansion and investment programme in this increasingly important market.

The 100,000 sq.ft. Seibu store located in the heart of Chengdu's business and commercial centre soft opened in April 2006. Once officially opened in October, this store will become the undisputed leading upmarket store in Chengdu housing leading international brands such as Louis Vuitton, Dior, Loewe, Tod's, Missoni and Tommy Hilfiger, and leading international watch brands such as Rolex, Piaget, Jaeger-LeCoultre and Girard-Perregaux through Dickson Watch & Jewellery, and Chopard.

Planning and preparations are in progress for the opening of Seibu's fourth store in China which will soft open at the end of the year. Located in Shenyang, Liaoning Province, this store of over 145,000 sq.ft. is expected to breakeven in its first full year of operations, and carrying a similar brand mix as the Seibu in Chengdu, will further reinforce Seibu's leading position in China.

The Group is actively seeking to further expand its network of Seibu stores in China, and thereby significantly increase its total retail space, in order to take maximum advantage of increased consumer spending in China.

With the opening of the Seibu stores in Chengdu and Shenyang, together with the further development of its comprehensive retail network, the Group is confident that its China operations will make an increasingly significant contribution in the years to come.

<u>Other Asian Markets</u>

In Taiwan, the Group opened an additional 22 shops. However, towards the end of the year, a tightening of credit card limits by local banks coupled with growing political uncertainty led to increasingly difficult market conditions. Nevertheless, the Group expects this slowdown to be temporary and is confident that its network of 143 shops throughout the island will continue to generate turnover and profits growth when normal trading conditions are restored.

The Group's retail network of 38 shops in Singapore, Malaysia and the Philippines ensure that the Group is well placed to take advantage of any improvement in market conditions in these countries.

<u>Bertolucci</u>

Since the acquisition of Bertolucci last year, the Group has actively implemented development strategies which include taking control of the distribution rights of Bertolucci's most important markets including North America and South East Asia.

The first new watch collection designed in accordance with the brand's newly defined image was successfully introduced at the Baselworld trade fair in April, and will be launched internationally in October of this year.

It is envisaged that as its product lines are further developed and its distribution channels are expanded, Bertolucci's prestige and popularity will be significantly enhanced in the years ahead. The Group remains confident that Bertolucci will become a very meaningful asset to the Group in the future.

FUTURE PROSPECTS

The Group's comprehensive retail network of nearly 400 shops throughout the region continues to provide the Group with a strong recurring income base and enables the Group to achieve satisfactory increases in turnover and profits.

The year under review has seen major development and expansion in the Group's retail network. Significant investment has been made with the opening of Harvey Nichols at The Landmark, the Seibu store in Chengdu and the 81 new shops throughout the region. This has continued into the current financial year with preparations for the opening of Hong Kong Seibu's new store at Kowloon Hotel, the Seibu store in Shenyang and at least 30 other shops throughout the region.

While such investment will lead to a short-term impact on the Group's immediate profits growth, the Group strongly believes that this strategic investment will become the engine for strong and sustained growth in the medium to longer term.

Together with its net cash position of over HK$500 million and its strong balance sheet, the Group is confident that it is perfectly positioned to take advantage of improving economic conditions in Asia and China and to exploit any investment opportunities of exceptional value.

EMPLOYMENT AND REMUNERATION POLICIES

As at 31st March, 2006, the Group had 2,477 employees. Total staff costs (including Directors' emoluments) amounted to HK$406.2 million (2005 : HK$363.3 million). Remuneration policies are reviewed regularly by the Board of Directors of the Company and by the Remuneration Committee regarding 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 are set out in the Company's 2006 Annual Report to be despatched to the shareholders in due course. No share options were granted or exercised during the year.

LIQUIDITY AND FINANCIAL RESOURCES

The principal businesses of the Group recorded continued growth in sales during the year.

Combined with further improvement in margins, the Group's operating profit before investments and working capital changes increased to HK$288.4 million. This inflow was utilised to finance the capital expenditure for new store openings made during the year, including Harvey Nichols Hong Kong and Chengdu Seibu, totalling HK$177.4 million. The balance of the surplus cash flow was utilised to fund the increase in working capital required for the new store operations.

Together with the substantial increase in amount of dividends paid during the year, which included a special dividend of HK$129.8 million, the Group's year end cash balances stood at HK$571.9 million. After deducting bank borrowings of HK$65.4 million, the Group's net surplus cash position as at 31st March, 2006 was HK$506.5 million.

The Group maintains substantial uncommitted short-term loan facilities with its relationship banks for day-to-day requirements and funding flexibility. However, given the surplus cash position and cash flow, material utilisation of these facilities is not anticipated.

Funding of capital expenditure on planned new store openings in the coming financial year will be met out of operational cash flow.

FOREIGN CURRENCY EXPOSURE AND FINANCIAL MANAGEMENT

The Group's purchases are mainly denominated in United States Dollars, Swiss Francs, Euros and Pound Sterling and where considered appropriate, forward exchange contracts are utilised to purchase the relevant currency to settle amounts due. Foreign exchange contracts or currency purchases are strictly limited to approved purchase budget amounts or commitments made.

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. Thus, the Group's outstanding bank borrowings comprised short-term bank loans drawn in New Taiwan Dollars, Singapore Dollars and Japanese Yen by the respective operating subsidiaries.

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 and Hong Kong Dollars with the majority placed on short-term time deposits with international financial institutions, providing access to such funds at short notice in the event any appropriate investment opportunity arises.

As at 31st March, 2006, the Group's current ratio, being current assets divided by current liabilities, was 2.5 times. The Group has maintained a net surplus cash position throughout the year. Thus, its gearing ratio, being total bank borrowings net of cash balances as a percentage of consolidated capital and reserves is nil.

DIVIDENDS

In view of the above results, the Board of Directors is recommending the payment of a final dividend of 27.5 cents per share (2005 : 27.3 cents per share as adjusted), an increase of 0.7 per cent. over last year as adjusted. The final dividend, which will be paid on Friday, 1st September, 2006, will absorb a total of about HK$85,336,000 (2005 : HK$84,630,000) and will be paid to the shareholders whose names appear in the Register of Members of the Company on Thursday, 24th August, 2006. Together with the interim dividend of 13.8 cents per share, the total dividend payout of 41.3 cents per share represents an increase of 5.6 per cent. compared with the previous year as adjusted.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 23rd August, 2006 to Thursday, 24th August, 2006, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final 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 Tuesday, 22nd August, 2006.

SHARE PURCHASE, SALE AND REDEMPTION

At no time during the year was there any 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. During the year, save as disclosed in the Company's latest Interim Report for the six months ended 30th September, 2005, the Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Detailed information on the Company's corporate governance practices is set out in the Corporate Governance Report included in the Company's 2006 Annual Report to be despatched to the shareholders in due course.

AUDIT COMMITTEE

The Audit Committee has reviewed the audited financial results of the Group for the year ended 31st March, 2006 with the Board of Directors.

ANNUAL GENERAL MEETING

The Annual General Meeting of the shareholders of the Company will be held at 4th Floor, East Ocean Centre, 98 Granville Road, Tsimshatsui East, Kowloon, Hong Kong on Thursday, 24th August, 2006 at 11:00 a.m. and the Notice of the Annual General Meeting will be published and despatched to the shareholders in due course.

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
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, 28th June, 2006

* *For identification purposes only*

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