

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the six months ended 30 September 2006

	Note	Unaudited 30/9/2006 HK\$ Million	Unaudited 30/9/2005 HK\$ Million
<b>Continuing operations</b>			
Turnover	2 & 3	1,870	2,978
Other net (loss)/income	4	(37)	289
		<u>1,833</u>	<u>3,267</u>
Direct costs and operating expenses		(1,110)	(1,908)
Selling and marketing expenses		(67)	(99)
Administrative expenses		(79)	(38)
		<u>577</u>	<u>1,222</u>
Operating profit	2 & 3	577	1,222
Increase in fair value of investment properties		83	1,481
		<u>660</u>	<u>2,703</u>
Borrowing costs	5	(130)	(94)
Share of profits less losses of associates	2	3,156	4,556
		<u>3,686</u>	<u>7,165</u>
Profit before taxation		3,686	7,165
Income tax	6	(83)	(308)
		<u>3,603</u>	<u>6,857</u>
Profit for the period from continuing operations		3,603	6,857
<b>Discontinued operation</b>			
Profit for the period from a discontinued operation	7	56	7
Gain on disposal of subsidiaries		585	–
		<u>641</u>	<u>7</u>
Total profit from a discontinued operation		641	7
		<u>4,244</u>	<u>6,864</u>
Profit for the period		4,244	6,864
Profit attributable to:			
Shareholders		3,735	6,303
Minority interests		509	561
		<u>4,244</u>	<u>6,864</u>
Interim dividend declared after the balance sheet date	8	51	51
Earnings per share	9		
Continuing operations		HK\$1.66	HK\$3.10
Discontinued operation		HK\$0.18	–
		<u>HK\$1.84</u>	<u>HK\$3.10</u>
Interim dividend per share	8	2.5 cents	2.5 cents

# CONSOLIDATED BALANCE SHEET

At 30 September 2006

	Note	Unaudited 30/9/2006 HK\$ Million	Audited 31/3/2006 HK\$ Million (restated)
<b>Non-current assets</b>			
Fixed assets			
Investment properties		8,659	8,560
Other property, plant and equipment		17	105
		<u>8,676</u>	<u>8,665</u>
Goodwill and other intangible assets		–	306
Associates		35,205	32,012
Available-for-sale investments		2,491	2,187
Deferred debtors		181	231
		<u>46,553</u>	<u>43,401</u>
<b>Current assets</b>			
Properties under development for sale		7,275	6,627
Properties held for sale		1,564	2,542
Trade and other receivables	10	607	1,090
Bank balances and deposits		5,842	4,518
		<u>15,288</u>	<u>14,777</u>
<b>Current liabilities</b>			
Trade and other payables	11	(1,202)	(1,148)
Bank loans and overdrafts		(2,537)	(1,976)
Deposits from sale of properties		(1,516)	(1,041)
Current tax		(183)	(146)
		<u>(5,438)</u>	<u>(4,311)</u>
<b>Net current assets</b>		<u>9,850</u>	<u>10,466</u>
<b>Total assets less current liabilities</b>		<u>56,403</u>	<u>53,867</u>
<b>Non-current liabilities</b>			
Long-term loans		(3,413)	(5,229)
Deferred tax		(791)	(827)
Deferred items		(443)	(443)
		<u>(4,647)</u>	<u>(6,499)</u>
<b>Net assets</b>		<u>51,756</u>	<u>47,368</u>
<b>Capital and reserves</b>			
Share capital		1,016	1,016
Reserves		43,861	40,000
<b>Shareholders' equity</b>		<u>44,877</u>	<u>41,016</u>
<b>Minority interests</b>		<u>6,879</u>	<u>6,352</u>
<b>Total equity</b>	12	<u>51,756</u>	<u>47,368</u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2006

	Note	Unaudited 30/9/2006 HK\$ Million	Unaudited 30/9/2005 HK\$ Million (restated)
Total equity at 1 April			
As previously reported:			
Shareholders' equity		40,987	31,513
Minority interests		6,351	5,268
Total equity		47,338	36,781
Prior year adjustment for HKAS 19	1	30	15
As restated		47,368	36,796
<b>Company and subsidiaries</b>			
Surplus on revaluation of available-for-sale investments		108	150
Exchange difference on translation of financial statements of foreign entities		184	(197)
<b>Associates</b>			
Surplus/(deficit) on revaluation of available-for-sale investments		175	(2)
Others		(6)	(144)
<b>Net gain/(loss) not recognised in the profit and loss account</b>		461	(193)
<b>Company and subsidiaries</b>			
Profit for the period		4,244	6,864
Reserves transferred to the profit and loss account on disposal of available-for-sale investments		(5)	(111)
<b>Associates</b>			
Reserves transferred to the profit and loss account on disposal of available-for-sale investments		(1)	(15)
<b>Total recognised income for the period</b>		4,699	6,545
Shareholders		4,064	6,068
Minority interests		635	477
		4,699	6,545
Final dividend approved in respect of the previous year	8b	(203)	(173)
Dividend paid to minority interests		(108)	(48)
<b>Total equity at 30 September</b>		51,756	43,120
Attributable to:			
Shareholders		44,877	37,422
Minority interests		6,879	5,698
		51,756	43,120

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 September 2006

	<b>Unaudited 30/9/2006 HK\$ Million</b>	Unaudited 30/9/2005 HK\$ Million
Net cash generated from operating activities	2,339	1,007
Net cash generated from investing activities	593	437
Net cash used in financing activities	(1,669)	(967)
Net repayment of loans	(1,358)	(746)
Others	(311)	(221)
<b>Net increase in cash and cash equivalents</b>	<b>1,263</b>	477
Cash and cash equivalents at 1 April	4,518	3,502
Effect of foreign exchange rate changes	61	(70)
<b>Cash and cash equivalents at 30 September</b>	<b>5,842</b>	3,909
<b>Analysis of the balances of cash and cash equivalents</b>		
Bank balances and deposits	5,842	3,909

## NOTES TO INTERIM FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES AND BASIS OF PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

These unaudited consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants and applicable discloseable provisions of Appendix 16 of Listing Rules of the Stock Exchange.

The preparation of the interim financial statements in conformity with HKAS 34 requires management to make judgments, 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.

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those described in the annual financial statements for the year ended 31 March 2006 except for the change described below.

#### HKAS 19 “Employee benefits”

In prior years, the associate of the Group in calculating its obligation in respect of a defined benefit pension scheme, if any cumulative unrecognised actuarial gain or loss exceeds 10% of the greater of the present value of the defined benefit obligation and the fair value of scheme assets, that portion is recognised in the consolidated profit and loss account over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

With effect from 1 January 2006, the associate adopted retrospectively the alternative recognition policy in the amendment to HKAS 19 under which all actuarial gain or loss of all defined benefit pension schemes can be recognised outside profit or loss. As a result of this change, the Group’s Shareholders’ equity and minority interests as at 1 April 2006 increased by HK\$29 million and HK\$1 million (1/4/2005: HK\$14 million and HK\$1 million) respectively. This change has no significant impact on the Group’s results.

## 2. SEGMENT INFORMATION

### (a) Business segments

	Segment Revenue		Segment Results	
	30/9/2006 HK\$ Million	30/9/2005 HK\$ Million	30/9/2006 HK\$ Million	30/9/2005 HK\$ Million
<b>Continuing operations</b>				
Property investment	232	228	133	143
Property development	1,456	2,627	380	679
Investment and others	218	183	78	410
	<u>1,906</u>	<u>3,038</u>	<u>591</u>	<u>1,232</u>
Inter-segment revenue (Note i)	(36)	(60)	–	–
	<u>1,870</u>	<u>2,978</u>	<u>591</u>	<u>1,232</u>
Unallocated expenses			(14)	(10)
Operating profit			577	1,222
Increase in fair value of investment properties			83	1,481
			<u>660</u>	<u>2,703</u>
Borrowing costs			(130)	(94)
Share of results of associates (Note ii)			3,156	4,556
			<u>3,686</u>	<u>7,165</u>
Income tax			(83)	(308)
Profit for the period from continuing operations			<u>3,603</u>	<u>6,857</u>
<b>Discontinued operation (Note 7)</b>				
Property agency	444	410	70	19
Borrowing costs			(1)	(1)
Share of results of associates (Note ii)			10	–
			<u>79</u>	<u>18</u>
Income tax			(23)	(11)
Profit for the period from a discontinued operation			<u>56</u>	<u>7</u>
Gain on disposal of subsidiaries			585	–
Total profit from a discontinued operation			<u>641</u>	<u>7</u>
Profit for the period			<u>4,244</u>	<u>6,864</u>

Notes:

(i) Inter-segment revenue eliminated on consolidation includes:

	<b>30/9/2006</b> <b>HK\$ Million</b>	30/9/2005 HK\$ Million
Investment and others	<u>36</u>	<u>60</u>

(ii) Share of results of associates

	<b>Segment Results</b>	
	<b>30/9/2006</b> <b>HK\$ Million</b>	30/9/2005 HK\$ Million
<b>Continuing operations</b>		
Property investment	956	863
Property development	26	53
Communications, media and entertainment	71	129
Logistics	435	499
Investment and others	<u>138</u>	<u>62</u>
	<b>1,626</b>	1,606
Increase in fair value of investment properties	<b>2,658</b>	4,318
Borrowing costs	<b>(206)</b>	(90)
Income tax	<b>(679)</b>	(975)
Unallocated expenses and other items	<b>(243)</b>	(303)
	<u><b>3,156</b></u>	<u>4,556</u>
<b>Discontinued operation</b>		
Property agency	<u>10</u>	–
	<u><b>3,166</b></u>	<u>4,556</u>

(b) Geographical segments

	Segment Revenue		Segment Results (Operating Profit)	
	30/9/2006 HK\$ Million	30/9/2005 HK\$ Million	30/9/2006 HK\$ Million	30/9/2005 HK\$ Million
<b>Continuing operations</b>				
Hong Kong	1,649	2,608	477	880
Singapore	196	347	79	319
Others	25	23	21	23
	<u>1,870</u>	<u>2,978</u>	<u>577</u>	<u>1,222</u>
<b>Discontinued operation</b>				
United Kingdom	442	410	70	19
Others	2	—	—	—
	<u>444</u>	<u>410</u>	<u>70</u>	<u>19</u>
	<u>2,314</u>	<u>3,388</u>	<u>647</u>	<u>1,241</u>

3. TURNOVER AND OPERATING PROFIT

(a) Turnover

The principal activities of the Group are property investment, property development, treasury management and investment holding. Analysis of the Group's turnover is as follows:

	30/9/2006 HK\$ Million	30/9/2005 HK\$ Million
<b>Continuing operations</b>		
Property investment	232	228
Property development	1,456	2,627
Investment and others	182	123
	<u>1,870</u>	<u>2,978</u>
<b>Discontinued operation</b>		
Property agency	444	410
	<u>2,314</u>	<u>3,388</u>

(b) **Operating profit**

	30/9/2006 HK\$ Million	30/9/2005 HK\$ Million
Operating profit is arrived at after charging/(crediting):		
<b>Continuing operations</b>		
Staff costs*	122	70
Cost of properties for sale sold	978	1,800
Depreciation	9	9
Dividend income from listed investments	(33)	(11)
<b>Discontinued operation</b>		
Staff costs	155	167

\* In addition to the above staff costs charged directly to the consolidated profit and loss account, staff costs of HK\$17 million (2005: HK\$12 million) were capitalised as part of the costs of properties under development for sale.

**4. OTHER NET (LOSS) / INCOME**

	30/9/2006 HK\$ Million	30/9/2005 HK\$ Million
<b>Continuing operations</b>		
Net profit on disposal of available-for-sale investments	7	235
Profit on disposal of investment properties	–	52
Exchange (loss)/gain and others	(44)	2
	<u>(37)</u>	<u>289</u>

**5. BORROWING COSTS**

	30/9/2006 HK\$ Million	30/9/2005 HK\$ Million
<b>Continuing operations</b>		
Interest payable on		
Bank loans, bonds and overdrafts	141	107
Other loans repayable within 5 years	17	–
Other borrowing costs	8	5
	<u>166</u>	<u>112</u>
Less: Amount capitalised	(36)	(18)
	<u>130</u>	<u>94</u>
<b>Discontinued operation</b>		
Interest on bank loans and overdrafts	1	1
	<u>131</u>	<u>95</u>

The Group's effective borrowing interest rate for the six-month period was approximately 4.3% (2005: 2.9%) per annum.

## 6. INCOME TAX

- (a) The provision for Hong Kong profits tax is based on the profit for the period as adjusted for tax purposes at the rate of 17.5% (2005: 17.5%). Overseas taxation is calculated at rates of tax applicable in countries in which the Group is assessed for tax. The taxation charge is made up as follows:

	30/9/2006 HK\$ Million	30/9/2005 HK\$ Million
<b>Continuing operations</b>		
<i>Current tax</i>		
Hong Kong profits tax for the period	66	20
Overseas taxation for the period	18	14
	<u>84</u>	<u>34</u>
<i>Deferred tax</i>		
Change in fair value of investment properties	15	259
Reversal on disposal of investment properties	(4)	(10)
Origination and reversal of temporary differences	3	25
Benefit of previously unrecognised tax losses now recognised	(15)	–
	<u>(1)</u>	<u>274</u>
	<u>83</u>	<u>308</u>
<b>Discontinued operation</b>		
<i>Current tax</i>		
Overseas taxation for the period	22	11
Under provision in prior years	3	–
	<u>25</u>	<u>11</u>
<i>Deferred tax</i>		
Origination and reversal of temporary differences	(2)	–
	<u>23</u>	<u>11</u>
	<u>106</u>	<u>319</u>

- (b) Share of associates' tax for the six months ended 30 September 2006 of HK\$679 million (2005: HK\$975 million) is included in the share of profits less losses of associates.

## 7. DISCONTINUED OPERATION

	<b>30/9/2006</b> <b>HK\$ Million</b>	30/9/2005 HK\$ Million
Profit for the period from a discontinued operation	<b>56</b>	7
Gain on disposal of subsidiaries	<b>585</b>	–
	<b>641</b>	7

On 31 July 2006, Wheelock Properties (Singapore) Limited entered into an agreement to sell its 100% interest in Hamptons Group Limited (“Hamptons”) at a consideration of £82 million (about HK\$1,182 million) payable by cash. The disposal was completed on 24 August 2006. Hamptons’ principal business is estate agency services in the residential property market in the United Kingdom. Details of the disposal were set out in the Company’s announcement and circular dated 1 August 2006 and 22 August 2006 respectively.

The results of Hamptons are presented below:

	<b>30/9/2006</b> <b>HK\$ Million</b>	30/9/2005 HK\$ Million
Turnover	<b>444</b>	410
Direct costs and operating expenses	<b>(161)</b>	(196)
Selling and marketing expenses	<b>(136)</b>	(112)
Administrative expenses	<b>(77)</b>	(83)
Operating profit from a discontinued operation	<b>70</b>	19
Borrowing costs	<b>(1)</b>	(1)
Share of profits less losses of associates	<b>10</b>	–
Profit before taxation	<b>79</b>	18
Income tax	<b>(23)</b>	(11)
Profit for the period from a discontinued operation	<b>56</b>	7

## 8. DIVIDENDS

### (a) Dividends attributable to the period

	30/9/2006 HK\$ Million	30/9/2005 HK\$ Million
Interim dividend proposed after the balance sheet date of 2.5 cents (2005: 2.5 cents) per share	<u>51</u>	<u>51</u>

The interim dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

### (b) Dividends attributable to the previous financial year, approved and paid during the period

	30/9/2006 HK\$ Million	30/9/2005 HK\$ Million
Final dividend in respect of the previous financial year, approved and paid during the period, of 10.0 cents (2005: 8.5 cents) per share	<u>203</u>	<u>173</u>

## 9. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on profit attributable to the Shareholders for the period of HK\$3,735 million (2005: HK\$6,303 million) and 2,032 million ordinary shares in issue throughout the financial period ended 30 September 2006 and the previous year's corresponding period. The profit for the period is analysed as follows:

	30/9/2006 HK\$ Million	30/9/2005 HK\$ Million
Attributable to:		
Continuing operations	3,374	6,299
Discontinued operation	<u>361</u>	<u>4</u>
	<u>3,735</u>	<u>6,303</u>

## 10. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables (net of impairment losses for bad and doubtful debts) with an ageing analysis as at 30 September 2006 as follows:

	30/9/2006 HK\$ Million	31/3/2006 HK\$ Million
Current	364	567
31 – 60 days	8	8
61 – 90 days	–	7
Over 90 days	23	23
	<hr/>	<hr/>
	395	605
Stakeholders' deposits	121	331
Other receivables	91	154
	<hr/>	<hr/>
	607	1,090
	<hr/>	<hr/>

The Group maintains and closely monitors defined credit policies for its businesses and trade receivables in order to control the credit risk associated with trade receivables.

## 11. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables with an ageing analysis as at 30 September 2006 as follows:

	30/9/2006 HK\$ Million	31/3/2006 HK\$ Million
Amounts payable in the next:		
0 – 30 days	300	230
31 – 60 days	58	70
61 – 90 days	111	126
Over 90 days	294	316
	<hr/>	<hr/>
	763	742
Other payables	439	406
	<hr/>	<hr/>
	1,202	1,148
	<hr/>	<hr/>

## 12. TOTAL EQUITY

	Share capital	Share premium	Capital redemption reserve	Investment revaluation reserves	Other capital reserves	Revenue reserves	Shareholders' equity	Minority interests	Total equity
	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
<b>Company and subsidiaries</b>									
Balance at 1 April 2006	1,016	1,914	19	502	285	16,404	20,140	5,881	26,021
Final dividend approved in respect of the previous year (Note 8b)	-	-	-	-	-	(203)	(203)	-	(203)
Dividend paid to minority interests	-	-	-	-	-	-	-	(108)	(108)
Revaluation surplus	-	-	-	64	-	-	64	44	108
Transferred to the profit and loss account on disposal of available-for-sale investments	-	-	-	(4)	-	-	(4)	(1)	(5)
Exchange differences	-	-	-	-	107	-	107	77	184
Disposal of subsidiaries	-	-	-	-	(30)	30	-	-	-
Profit for the period retained	-	-	-	-	-	1,241	1,241	415	1,656
Balance at 30 September 2006	1,016	1,914	19	562	362	17,472	21,345	6,308	27,653
<b>Associates</b>									
Balance at 1 April 2006									
As previously reported	-	-	-	242	52	20,553	20,847	470	21,317
Prior year adjustment for HKAS 19 (Note 1)	-	-	-	-	-	29	29	1	30
As restated	-	-	-	242	52	20,582	20,876	471	21,347
Revaluation surplus	-	-	-	169	-	-	169	6	175
Transferred to the profit and loss account on disposal of available-for-sale investments	-	-	-	(1)	-	-	(1)	-	(1)
Disposal of subsidiaries	-	-	-	-	-	(6)	(6)	(4)	(10)
Others	-	-	-	-	(6)	-	(6)	-	(6)
Profit for the period retained	-	-	-	-	-	2,500	2,500	98	2,598
Balance at 30 September 2006	-	-	-	410	46	23,076	23,532	571	24,103
<b>Total equity at 30 September 2006</b>	<b>1,016</b>	<b>1,914</b>	<b>19</b>	<b>972</b>	<b>408</b>	<b>40,548</b>	<b>44,877</b>	<b>6,879</b>	<b>51,756</b>
Total equity at 31 March 2006 (restated)	1,016	1,914	19	744	337	36,986	41,016	6,352	47,368

### 13. CONTINGENT LIABILITIES

At 31 March 2006 and 30 September 2006, there was no guarantee given by the Group in respect of banking facilities available to associates.

### 14. COMMITMENTS

- (a) Acquisition of and future development expenditure relating to properties

	30/9/2006 HK\$ Million	31/3/2006 HK\$ Million
Contracted but not provided for	1,545	766

- (b) At 30 September 2006, there was no future minimum lease payments under non-cancellable operating leases (31/3/2006: HK\$213 million).

### 15. RELATED PARTY TRANSACTIONS

Except for the transactions noted below, the Group has not been a party to any material related party transactions during the six-month period ended 30 September 2006:

- (a) Included in interest in associates is a loan of HK\$469 million (31/3/2006: HK\$882 million) contributed by an associate in proportion to its equity interest in the Bellagio property development project. The loan bears interest at rate as determined by the shareholders of the property holding company with reference to prevailing market rates which were between 4.4% and 4.9% (2005: interest free) per annum for the current financial period. Interest expense in respect of the loan from the associate for the six-month period ended 30 September 2006 amounted to HK\$17 million (2005: HK\$ Nil). The loan is unsecured and has no fixed terms of repayment. This transaction did not constitute a connected transaction of the Company under the Listing Rules.
- (b) In respect of the six-month period ended 30 September 2006, the Group earned rental income totalling HK\$5 million (2005: HK\$10 million) from the Lane Crawford group, which is wholly owned by a trust of which the Chairman of the Company is the settlor, in respect of the leasing of the Group's retail premise at Shop C, Wheelock House, certain office units at Lane Crawford House as well as certain godown units. These transactions are considered to be related party transactions and also constitute connected transactions as defined under the Listing Rules.

### 16. COMPARATIVE FIGURES

As a result of the disposal of Hamptons, which was reported as a discontinued operation in the financial statements in accordance with Hong Kong Financial Reporting Standard 5 "Non-current assets held for sale and discontinued operations", certain comparative figures have been adjusted or reclassified to conform with the current period's presentation.

### 17. REVIEW OF UNAUDITED INTERIM FINANCIAL STATEMENTS

The unaudited interim financial statements for the six months ended 30 September 2006 have been reviewed with no disagreement by the Audit Committee of the Company.

## MODEL CODE FOR DIRECTORS' DEALING IN SECURITIES

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in Appendix 10 of the Listing Rules. The Company has made specific enquiry of all Directors and all the Directors have complied with the required standard set out in the Model Code and its code of conduct regarding Directors' securities transactions.

## DIRECTORS' INTERESTS IN SHARES

At 30 September 2006, Directors of the Company had the following beneficial interests, all being long positions, in the share capitals of the Company, of an associate of the Company, namely, The Wharf (Holdings) Limited ("Wharf"), and of a subsidiary of the Company, namely, Wheelock Properties Limited ("WPL"), and the percentages which the relevant shares represented to the issued share capitals of the three companies respectively are also set out below:

	No. of Ordinary Shares (percentage of issued capital)	Nature of Interest
<b>The Company</b>		
P K C Woo	1,204,934,330 (59.3023%)	Personal Interest in 8,847,510 shares, Corporate Interest in 200,865,142 shares and Other Interest in 995,221,678 shares
B M Chang	8,629,575 (0.4247%)	Corporate Interest
G W J Li	1,486,491 (0.0732%)	Personal Interest
S T H Ng	300,000 (0.0148%)	Personal Interest
<b>Wharf</b>		
G W J Li	686,549 (0.0280%)	Personal Interest
S T H Ng	650,057 (0.0266%)	Personal Interest
<b>WPL</b>		
G W J Li	2,900 (0.0001%)	Personal Interest

Notes:

- (1) *The 995,221,678 shares of the Company stated above as “Other Interest” against the name of Mr P K C Woo represented an interest comprised in certain trust properties in which Mr Woo was taken, under certain provisions in Part XV of the Securities and Futures Ordinance (the “SFO”) which are applicable to a director or chief executive of a listed company, to be interested.*
- (2) *The shareholdings classified as “Corporate Interest” in which the Directors concerned were taken to be interested as stated above were interests of corporations at respective general meetings of which the relevant Directors were respectively either entitled to exercise (or taken under Part XV of the SFO to be able to exercise) or control the exercise of one-third or more of the voting power in general meetings of such corporations.*
- (3) *The shareholding interests stated above as “Personal Interest” and “Corporate Interest” against the name of Mr P K C Woo totalling 209,712,652 shares of the Company represented the same block of shares as that of the shareholding interest of Mrs Bessie P Y Woo stated below in the section headed “Substantial Shareholders’ Interests”.*
- (4) *The 995,221,678 shares of the Company as referred to under Note (1) above are entirely duplicated or included in the shareholding interest of HSBC Trustee (Guernsey) Limited stated below under the section headed “Substantial Shareholders’ Interests”.*

Except as disclosed above, as recorded in the register kept by the Company under section 352 of the SFO in respect of information required to be notified to the Company and the Stock Exchange pursuant to the SFO or to the Model Code:

- (i) there were no interests, both long and short positions, held as at 30 September 2006 by any of the Directors or Chief Executive of the Company in shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO); and
- (ii) there existed during the financial period no rights to subscribe for any shares, underlying shares or debentures of the Company which were held by any of the Directors or Chief Executive of the Company or any of their spouses or children under 18 years of age nor had there been any exercises during the financial period of any such rights by any of them.

## **SUBSTANTIAL SHAREHOLDERS’ INTERESTS**

Given below are the names of all parties, other than person(s) who is/are Director(s) of the Company, who/which were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital of the Company as at 30 September 2006, the respective relevant numbers of shares in which they were, and/or were deemed to be, interested as at that date as recorded in the register kept by the Company under section 336 of the SFO (the “Register”), and the percentages which the shares represented to the issued share capital of the Company:

<b>Names</b>	<b>No. of Ordinary Shares (percentage of issued capital)</b>
(i) Mrs Bessie P Y Woo	209,712,652 (10.32%)
(ii) HSBC Trustee (Guernsey) Limited	1,095,300,362 (53.91%)

*Note: Duplication occurred in respect of the shareholding interests under (i) and (ii) above, as set out above in Notes (3) and (4) under the section headed “Directors’ Interests in Shares”.*

All the interests stated above represented long positions and as at 30 September 2006, there were no short positions interests recorded in the Register.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the financial period under review.

## **BOOK CLOSURE**

The Register of Members will be closed from Tuesday, 2 January 2007 to Friday, 5 January 2007, both days inclusive, during which period no transfer of shares of the Company can be registered. In order to qualify for the abovementioned interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Registrars, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, 29 December 2006.

By Order of the Board

**Wilson W S Chan**

*Secretary*

Hong Kong, 28 November 2006

*As at the date of this interim report, the Board of Directors of the Company comprises Mr Peter K C Woo, Mr Gonzaga W J Li, Mr Stephen T H Ng and Mr Paul Y C Tsui, together with four independent Non-executive Directors, namely, Mr Alexander S K Au, Mr B M Chang, Mr Kenneth W S Ting and Mr William Turnbull.*