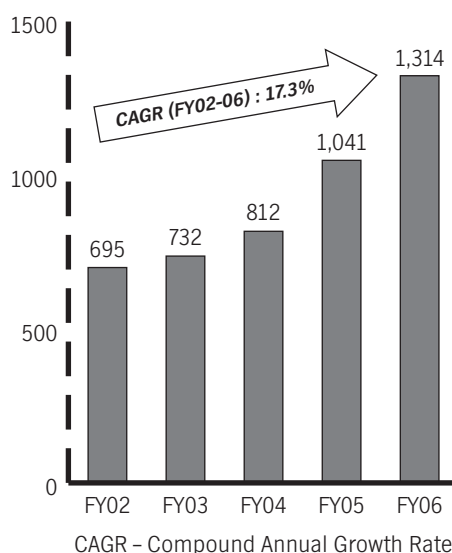


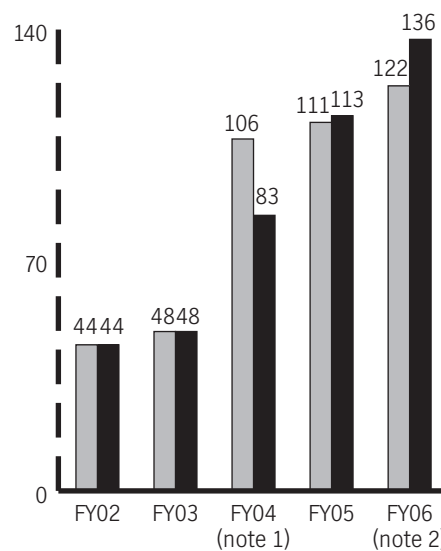
FINANCIAL HIGHLIGHTS

- Sales reached HK\$1,314.4 million, increased by 26.3%
- Gross profit was HK\$774.2 million, increased by 22.0%
Due to expansion in wholesale business and shift in product mix, gross profit margin reduced to 58.9% (2005: 60.9%)
Gross profit margin from retail operation reduced to 61.1% (2005: 62.3%)
- EBITDA was HK\$196.8 million, increased by 10.3%
EBITDA (excluding the share-based compensation) as a percentage of sales was reduced to 15.0% (2005: 17.1%)
- Net profit was HK\$122.3 million, increased by 9.8% and EPS was HK\$0.12
Application of new accounting standard has resulted in a share-based compensation of HK\$13.9 million charged to income statement
Excluding the share-based compensation, net profit would have been HK\$136.2 million, increased by 20.8%, and EPS would have been HK\$0.13
- Sales of apparels from international brands increased by 33.0%, accounted for 44.0% (2005: 41.8%) of sales. Sales of apparels from in-house and licensed brands increased by 18.6%, accounted for 50.7% (2005: 54.0%) of sales
- Net sales footage in Hong Kong (excluding French Connection stores operated by FCUK IT Company, a 50% owned joint venture) increased by 24.6% from 236,000 sq. ft. at 28 February 2005 to 294,000 sq. ft. at 28 February 2006
- Rental expenses as a percentage of sales increased to 21.5% (2005: 20.2%)
- Staff cost (excluding share-based compensation in respect of Pre-IPO share options and share options) as a percentage of sales maintained at 16.5% (2005: 16.4%)
- Other operating overheads (excluding rental expenses, staff costs, share-based compensation and depreciation) as a percentage of sales improved to 6.8% (2005: 7.3%)
- Proposed final dividend was HK4.8 cents per share

TURNOVER TREND FY02-06 (HK\$ MILLION)



NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS (HK\$ MILLION)



Legend:
 Net Profit Attributable to Shareholders
 Net Profit Excluding Certain Items

Certain items referred to:-
 Note 1 - a HK\$13.3 million write-back on provision of inventory and a gain of HK\$9 million on disposal of subsidiaries
 Note 2 - a HK\$13.9 million share-based compensation

| Operating Results (In HK\$'000) | FY06 | FY05 | Change(%) |
|--|-------------|-------------|------------------|
| Sales | 1,314,443 | 1,041,017 | +26.3 |
| Profit Attributable to Shareholders | 122,314 | 111,440 | +9.8 |
| Profit Attributable to Shareholders, Excluding the Share-based Compensation (1) | 136,218 | 112,733 | +20.8 |

| Financial Position (In HK\$'000) | FY06 | FY05 | Change(%) |
|---|-------------|-------------|------------------|
| Net Cash (2) | 425,631 | 397,632 | +7.0 |
| Net Current Assets | 546,706 | 483,983 | +13.0 |
| Shareholders' Equity | 747,266 | 599,111 | +24.7 |

| Per Share Data | FY06 | FY05 | Change(%) |
|---------------------------------|-------------|-------------|------------------|
| EPS-Basic (HK\$) | 0.12 | 0.16 | -25.0 |
| EPS-Diluted (HK\$) | 0.12 | 0.15 | -20.0 |
| Dividend Per Share (HK cents) | 4.8 | 4.3 | N/A |
| Book Value Per Share (HK\$) (3) | 0.72 | 0.60 | +20.0 |

| Key Statistics | FY06 | FY05 | Change |
|---|-------------|-------------|---------------|
| Inventory Turnover (Days) (4) | 84 | 75 | +9 days |
| Capital Expenditure (5) (in HK\$ million) | 110.7 | 68.5 | +42.2 |
| Gross Margin on Retail Operation (%) | 61.1 | 62.3 | -1.2 |
| Net Profit Margin (%) (6) | 10.4 | 10.8 | -0.4 |
| Current Ratio (7) | 5.4 | 3.1 | N/A |
| Return on Equity (%) (8) | 18.2 | 28.2 | N/A |

Notes:

- Application of new accounting standard, HKFRS 2, Share-based Payment, in the year ended 28 February 2006 has resulted in a share-based compensation of HK\$13.9 million (2005: HK\$1.3 million) charged to income statement.
- Cash and bank deposits and pledged bank deposits less bank borrowings/loans and convertible note.
- Book value refers to shareholders' equity.
- Average of the inventory of the beginning of the year and the end of the year divided by cost of sales times number of days of a year.
- Additions of furniture and equipment, purchase of intangible assets and additional investment in a jointly controlled entity during the year.
- Net profit margin is calculated based on adjusted net profit (excluding the HK\$13.9 million (2005: HK\$1.3 million) share-based compensation) divided by sales during the year.
- Current assets divided by current liabilities.
- Net profit for the year divided by average of the shareholders' equity of the beginning of the year and the end of the year.

IT IS

FASHION

shaping the fashion scene in Greater China