

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

30 June 2006

## 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed interim financial statements are prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) and the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The condensed consolidated financial statements have been prepared under the historical cost basis except for certain properties and financial instruments, which are measured at revalued amount or fair values, as appropriate.

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those adopted in preparing the Group’s annual financial statements for the year ended 31 December 2005 except as described below.

In the current period, the Group has applied, for the first time, a number of new standards, amendments and interpretations (new “HKFRSs”) issued by the HKICPA, which are either effective for accounting periods beginning on or after 1 December 2005 or 1 January 2006. The application of these new HKFRSs has had no material effect on how the results for the current and prior accounting periods are prepared and presented. Accordingly, no prior period adjustment has been required.

HKAS 19 (Amendment)	Actuarial gains and losses, group plans and disclosures
HKAS 21 (Amendment)	Net investment in a foreign operation
HKAS 39 (Amendment)	Cash flow hedge accounting of forecast intragroup transactions
HKAS 39 (Amendment)	The fair value option
HKAS 39 & HKFRS 4 (Amendments)	Financial guarantee contracts
HKFRS 6	Exploration for and evaluation of mineral resources
HK(IFRIC) – Int 4	Determining whether an arrangement contains a lease
HK(IFRIC) – Int 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
HK(IFRIC) – Int 6	Liabilities arising from participating in a specific market-waste electrical and electronic equipment

## 2. POTENTIAL IMPACT ARISING ON THE NEW ACCOUNTING STANDARD NOT YET EFFECTIVE

The Group has not early applied the following new standards, amendments and interpretations that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new standards, amendments and interpretations but is not yet in a position to reasonably estimate the impact that may arise on the Group's results and financial position from the application of these new standards, amendments and interpretations.

HKAS 1 (Amendment)	(i)	Capital disclosures
HKFRS 7	(i)	Financial instruments: Disclosures
HK(IFRIC) – Int 7	(ii)	Applying the restatement approach under HKAS 29 “Financial reporting in hyperinflationary economies”
HK(IFRIC) – Int 8	(iii)	Scope of HKFRS 2
HK(IFRIC) – Int 9	(iv)	Reassessment of embedded derivatives

- (i) Effective for annual periods beginning on or after 1 January 2007.
- (ii) Effective for annual periods beginning on or after 1 March 2006.
- (iii) Effective for annual periods beginning on or after 1 May 2006.
- (iv) Effective for annual periods beginning on or after 1 June 2006.

### 3. TURNOVER

Turnover represents the net invoiced value of goods sold after allowances for returns and trade discounts; royalty income and securities trading but excludes intra-group transactions.

The Group comprises of:

Groups	Principal activities
(i) Branded distribution	Manufacturing and trading of audio & video products, licensing business and securities trading
(ii) Electronics manufacturing services	Manufacturing and trading of electronic and computer products

An analysis of the Group's turnover by principal activity for the period is as follows:

	Six months ended	
	30 June 2006 (Unaudited) <i>HK\$ million</i>	30 June 2005 (Unaudited) <i>HK\$ million</i>
Branded distribution	2,751	1,555
Electronics manufacturing services	<u>1,128</u>	<u>1,068</u>
	<u><u>3,879</u></u>	<u><u>2,623</u></u>

### 4. INCOME STATEMENT BY BUSINESS AND GEOGRAPHICAL SEGMENTS

(a) **Income statement by business segments:**

*For the six months ended 30 June 2006:*

	Branded distribution <i>HK\$ million</i>	Electronics manufacturing services <i>HK\$ million</i>	Consolidated (Unaudited) <i>HK\$ million</i>
Turnover	<u>2,751</u>	<u>1,128</u>	<u>3,879</u>
Segment results	<u>141</u>	<u>36</u>	177
Unallocated corporate expenses			<u>(10)</u>
			167
Gain on disposal of property, plant and equipment			7
Gain on partial disposal of subsidiaries			55
Net increase in fair value of investment properties			14
Impairment loss recognised in respect of interests in associates			(58)
Share of profit of associates			5
Interest income			10
Interest expenses			(42)
Tax charge			<u>(1)</u>
Profit for the period			<u><u>157</u></u>

4. INCOME STATEMENT BY BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

(a) Income statement by business segments: (continued)

For the six months ended 30 June 2005:

	Branded distribution <i>HK\$ million</i>	Electronics manufacturing services <i>HK\$ million</i>	Consolidated (Unaudited) <i>HK\$ million</i>
Turnover	<u>1,555</u>	<u>1,068</u>	<u>2,623</u>
Segment results	<u>167</u>	<u>38</u>	205
Unallocated corporate expenses			<u>(7)</u>
			198
Gain on disposal of property, plant and equipment			2
Interest income			12
Interest expenses			(20)
Tax credit			<u>1</u>
Profit for the period			<u>193</u>

(b) The geographical segments of the Group's turnover is as follows:

	Six months ended	
	30 June 2006 (Unaudited) <i>HK\$ million</i>	30 June 2005 (Unaudited) <i>HK\$ million</i>
Asia	1,288	1,621
North America	2,181	749
Europe	<u>410</u>	<u>253</u>
	<u>3,879</u>	<u>2,623</u>

**5. PROFIT BEFORE TAX**

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended	
	30 June 2006 (Unaudited) <i>HK\$ million</i>	30 June 2005 (Unaudited) <i>HK\$ million</i>
Depreciation of property, plant and equipment:		
Owned assets	41	52
Leased assets	–	1
Operating lease rentals:		
Land and buildings	23	9
Interest on:		
Bank overdrafts and loans wholly repayable within five years	39	17
Bank loans wholly repayable beyond five years	3	3
Auditors' remuneration	6	3
Amortisation of other assets	14	14
Amortisation of prepaid lease payments	3	–
Staff costs:		
Salaries and other benefits	112	89
Retirement benefit costs	2	2
Cost of inventories	3,252	2,059
Research and development expenditure	2	10
Impairment loss recognised in respect of interests in associates	58	–
Gain on partial disposal of subsidiaries	(55)	–
Net increase in fair value of investment properties	(14)	–
Gain on disposal of property, plant and equipment	(7)	(2)
Net foreign exchange gain	(3)	(29)
Surplus on change in fair value of investments held for trading	(5)	(19)
Surplus on change in fair value of derivative instruments	(27)	–
Recognition of discount on increased investment in subsidiaries	(11)	(1)
Share of tax of associates included in share of profit of associates	(6)	–
Interest income	(10)	(12)
	(10)	(12)

## 6. TAX (CHARGE)/CREDIT

Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been provided at the applicable rates of tax in the countries in which the subsidiaries operate, based on existing legislation, interpretations and practices in respect thereof.

	Six months ended	
	30 June 2006 (Unaudited) <i>HK\$ million</i>	30 June 2005 (Unaudited) <i>HK\$ million</i>
Current period provision:		
Hong Kong	(1)	(1)
Over provision in prior period		
Hong Kong	-	1
Deferred tax		
Hong Kong	-	1
	<u>(1)</u>	<u>1</u>

## 7. DIVIDENDS

	Six months ended	
	30 June 2006 (Unaudited) <i>HK\$ million</i>	30 June 2005 (Unaudited) <i>HK\$ million</i>
2005 final dividend of HK12 cents (2004: HK19 cents) per share on 460.2 million shares	<u>55</u>	<u>87</u>
	<u>55</u>	<u>87</u>
Interim dividend in respect of 2006 of HK12 cents per share (2005: HK12 cents) on 460.2 million shares was approved by the Board after the balance sheet date, and not recognised as a liability as at 30 June	<u>55</u>	<u>55</u>

## 8. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following data:

	Six months ended	
	30 June 2006 (Unaudited) <i>HK\$ million</i>	30 June 2005 (Unaudited) <i>HK\$ million</i>
Earnings for the purposes of basic earnings per share	163	190
Effect of dilutive potential ordinary shares:		
Interest on Convertible Debenture	5	–
Earnings for the purposes of diluted earnings per share	168	190
	30 June 2006	30 June 2005
	Number of ordinary shares <i>million</i>	Number of ordinary shares <i>million</i>
Weighted average number of ordinary shares for the purposes of basic earnings per share	460.2	460.2
Effect of dilutive potential ordinary shares:		
Convertible Debenture	28.3	–
Weighted average number of ordinary shares for the purposes of diluted earnings per share	488.5	460.2

9. PROPERTY, PLANT AND EQUIPMENT

	30 June 2006 (Unaudited) <i>HK\$ million</i>	31 December 2005 (Audited) <i>HK\$ million</i>
Net book value at beginning of year	691	723
Foreign currency adjustment	5	6
Additions	179	62
Acquisition of subsidiaries	43	-
Disposals	(145)	(6)
Depreciation provided during the period	(41)	(94)
	<u>732</u>	<u>691</u>
Net book value at balance sheet date	<u>732</u>	<u>691</u>

10. INTERESTS IN ASSOCIATES

	30 June 2006 (Unaudited) <i>HK\$ million</i>	31 December 2005 (Audited) <i>HK\$ million</i>
Cost of investment less impairment in associates	800	407
Share of post-acquisition profit/(loss)	3	(1)
	<u>803</u>	<u>406</u>
Fair value of listed investments	<u>821</u>	<u>237</u>



**10. INTERESTS IN ASSOCIATES** (continued)

Particulars of the Group's principal associates are as follows:

Name	Notes	Place of incorporation/ registration and operations	Percentage of equity attributable to the Group		Principal activities
			30 June 2006	31 December 2005	
Advanced Microsensors, Inc.	(a)	United States of America	45%	41%	Development and manufacturing of magnetic materials
Sansui Electric Co., Ltd.*	(b)	Japan	30%	49%	Sale of audio, visual and other electronics products
Ross Group Plc*	(c)	United Kingdom	41%	71%	Design and manufacture of engineering projects, and the sale and distribution of electronic products

\* Listed on the first section of the Tokyo Stock Exchange.

\* Listed on the London Stock Exchange.

*Notes:*

- (a) No share of the net assets and results of Advanced Microsensors, Inc. is recorded as the investee is considered an associate of the Group by virtue of the Group's investment in convertible preference shares, which when converted, would constitute 45% of the equity interest of the investee.
- (b) As at December 2005, the Group's total investment in Sansui Electric Co., Ltd ("SEC") represented 49.51% holding of the ordinary shares of SEC. The Company recorded the shareholdings of 48.78% in SEC as investments held for trading in current assets with a carrying value of HK\$1,398 million and 0.73% as investments available-for-sale in non-current assets amounting to HK\$21 million.

The Group had disposed of 19.52% shareholdings in SEC during the period. In June 2006, the directors had reviewed the remaining 30% shareholdings in SEC. The Group is required to maintain certain shareholdings in SEC shares for long term purpose in order to meet the obligations under the existing exchangeable bonds issued in February 2006 and the Group is also considering to issue additional exchangeable bonds under similar terms in the near future. Besides, the Group has increasingly participated in the financial and operating decisions of SEC. Accordingly, the investment in SEC is now accounted for as an associate.

## 10. INTERESTS IN ASSOCIATES (continued)

Notes: (continued)

- (c) In June 2006, the Group disposed of 30% interest in Ross Group Plc ("Ross") to an independent third party. As a result of this transaction, the Group's interest in Ross reduced from 71% to 41%. Accordingly, Ross was reclassified from a subsidiary to an associate.
- (d) On 5 December 2005, the Group acquired 37% equity interest in Emerson Radio Corp. ("ERC"), a company listed on the American Stock Exchange of the United States of America, from an independent third party. The investment in ERC was accounted for as an associate at 31 December 2005. The Group has since then continuously increased its shareholding in ERC through purchase of stock on the exchange. The Group has also increasingly exercised its control over ERC's operating and financial policies. On 30 March 2006, a director of the Company was appointed as Chairman and Chief Executive Officer of ERC. Accordingly, the directors consider ERC as a subsidiary of the Group since that date. As at 30 June 2006, the Group's effective equity interest in ERC was 46%.

## 11. INVESTMENTS AVAILABLE-FOR-SALE

	30 June 2006 (Unaudited) <i>HK\$ million</i>	31 December 2005 (Audited) <i>HK\$ million</i>
Listed investments, at market value		
Outside Hong Kong	3	21
Unlisted investments, at cost less impairment	138	87
	<u>141</u>	<u>108</u>

## 12. BRANDS AND TRADEMARKS

	30 June 2006 (Unaudited) <i>HK\$ million</i>	31 December 2005 (Audited) <i>HK\$ million</i>
At beginning of year	1,311	1,315
Foreign currency adjustment	2	(4)
Acquisition of subsidiaries	467	-
At balance sheet date	<u>1,780</u>	<u>1,311</u>

**13. GOODWILL**

	30 June 2006 (Unaudited) <i>HK\$ million</i>	31 December 2005 (Audited) <i>HK\$ million</i>
At beginning of year	269	268
Acquisition of subsidiaries	67	1
Partial disposal of subsidiaries	(44)	–
	292	269
At balance sheet date	292	269

**14. INVENTORIES**

	30 June 2006 (Unaudited) <i>HK\$ million</i>	31 December 2005 (Audited) <i>HK\$ million</i>
Raw materials	268	260
Work in progress	53	49
Finished goods	760	346
	1,081	655
	1,081	655

**15. ACCOUNTS, BILLS AND OTHER RECEIVABLES**

The Group allows an average credit period of 30 to 90 days to its trade customers. The aged analysis of trade and other receivables (net of allowance for doubtful debts) is as follows:

	30 June 2006 (Unaudited) <i>HK\$ million</i>	31 December 2005 (Audited) <i>HK\$ million</i>
0 – 3 months	1,731	511
3 – 6 months	9	31
Over 6 months	101	106
	1,841	648
	1,841	648

## 16. INVESTMENTS HELD FOR TRADING

	30 June 2006 (Unaudited) <i>HK\$ million</i>	31 December 2005 (Audited) <i>HK\$ million</i>
Listed investments, at market value		
Hong Kong	31	20
Outside Hong Kong	–	1,398
Unlisted investments, at fair value	–	1
	<u>31</u>	<u>1,419</u>

## 17. DERIVATIVE INSTRUMENTS

	30 June 2006 (Unaudited)		31 December 2005 (Audited)	
	Assets <i>HK\$ million</i>	Liabilities <i>HK\$ million</i>	Assets <i>HK\$ million</i>	Liabilities <i>HK\$ million</i>
Held for trading or not qualifying as hedges:				
Derivatives embedded in				
non-derivative host contract	–	(1)	–	(23)
Derivative instrument element of				
Exchangeable Bonds	–	(155)	–	–
Forward foreign exchange contracts	3	–	–	(12)
Interest rate swaps	8	–	11	–
Classified as current assets/(liabilities)	<u>11</u>	<u>(156)</u>	<u>11</u>	<u>(35)</u>

## 18. ACCOUNTS AND BILLS PAYABLES

The aged analysis of accounts and bills payables is as follows:

	30 June 2006 (Unaudited) <i>HK\$ million</i>	31 December 2005 (Audited) <i>HK\$ million</i>
0 – 3 months	899	399
3 – 6 months	32	12
Over 6 months	183	48
	<u>1,114</u>	<u>459</u>

## 19. CONVERTIBLE DEBENTURE

On 5 December 2005, the Company issued a principal amount of US\$26 million (equivalent to HK\$202 million) Convertible Debenture ("Convertible Debenture") at par value as part of the purchase consideration of ERC. The Debentureholder is entitled to require the Company to convert the whole or any part(s) of the principal amount outstanding under the Convertible Debenture into ordinary shares in the capital of the Company at any time between the date of issue of the Convertible Debenture and the settlement date on 5 December 2008 at a conversion price of HK\$7.16 per ordinary share of the Company, provided that such part to be converted shall not be less than Hong Kong dollar equivalent to US\$5 million and shall be in a multiple of US\$1 million. If the Convertible Debenture has not been converted, it will be redeemed on 5 December 2008 at par, provided that the Company shall have the right, at any time by a 30-day prior written notice to debentureholder, to early redeem the whole or part of the outstanding principal amount of this Convertible Debenture. No interest for the period from the issue date to the day prior to the first anniversary of the issue date and 3% per annum for the period from the first anniversary of the issue date on 5 December 2005 until the maturity date on 5 December 2008.

The Convertible Debenture was split between the liability and derivative instrument. The fair value of the liability component of the Convertible Debenture determined based on the present value of the estimated future cash outflows discounted at the prevailing market rate for an equivalent non-convertible loan at the balance sheet date.

	30 June 2006 (Unaudited) <i>HK\$ million</i>	31 December 2005 (Audited) <i>HK\$ million</i>
Liability component at 1 January	179	–
Issue of Convertible Debenture	–	179
Change in fair value	7	–
	<hr/>	<hr/>
Liability component at balance sheet date	<u>186</u>	<u>179</u>

## 20. EXCHANGEABLE BONDS

On 22 February 2006, Hi-Tech Precision Products Ltd (“Hi-Tech”), a wholly-owned subsidiary of the Group, issued a principal amount of US\$50 million (equivalent to HK\$387 million) Zero Coupon Guaranteed Exchangeable Bonds (“Exchangeable Bonds”) at par value to independent third parties. The holder of each Exchangeable Bond will have an exchange right to exchange such Exchangeable Bond for SEC shares at the exchange price of 40.36929 Yen per SEC share during the period beginning on and after 23 March 2006 and up to the earlier of (i) 8 February 2011 (but in no event thereafter), or (ii) if such Exchangeable Bonds shall have been called for redemption prior to 8 February 2011, then up to on the third business day immediately prior to the date fixed for redemption thereof. Assuming full exchange of the Exchangeable Bonds at the exchange price, the Exchangeable Bonds will be exchangeable into 146,683,283 SEC shares, representing 10.76% of the common stocks of SEC (subject to adjustment).

The Exchangeable Bonds were split between the liability and derivative instrument. The fair value of the liability component of the Exchangeable Bonds has been determined based on the present value of its future cash outflows discounted at the prevailing market yield of non-convertible loans with similar grading as the Exchangeable Bonds as at the balance sheet date.

	30 June 2006 (Unaudited) <i>HK\$ million</i>	31 December 2005 (Audited) <i>HK\$ million</i>
Liability component at 1 January	–	–
Issue of Exchangeable Bonds	218	–
Change in fair value	14	–
	<u>232</u>	<u>–</u>
Liability component at balance sheet date	<u>232</u>	<u>–</u>

## 21. SHARE CAPITAL

	Number of ordinary shares of HK\$0.10 each <i>million</i>	Amount <i>HK\$ million</i>
Authorised:		
At 1 January 2005, 31 December 2005 and 30 June 2006	<u>1,000</u>	<u>100</u>
Issued and fully paid:		
At 1 January 2005, 31 December 2005 and 30 June 2006	<u>460</u>	<u>46</u>

## 22. SHARE PREMIUM

	30 June 2006 (Unaudited) <i>HK\$ million</i>	31 December 2005 (Audited) <i>HK\$ million</i>
At 1 January and balance sheet date	<u>1,173</u>	<u>1,173</u>

## 23. RESERVES AND MINORITY INTERESTS

	Contributed reserve <i>HK\$ million</i>	Investment revaluation reserve <i>HK\$ million</i>	Capital reserve <i>HK\$ million</i>	Exchange fluctuation reserve <i>HK\$ million</i>	Retained profits <i>HK\$ million</i>	Total <i>HK\$ million</i>	Minority interests <i>HK\$ million</i>
At 1 January 2005	961	13	49	(196)	616	1,443	512
Increased investment in subsidiaries	-	-	-	-	-	-	(29)
Deferred tax charged of equity	-	(6)	-	-	-	(6)	-
Arising on consolidation of overseas subsidiaries	-	-	-	11	-	11	(1)
Profit for the year	-	-	-	-	302	302	-
Dividend paid to minority interests	-	-	-	-	-	-	(24)
Dividends	-	-	-	-	(143)	(143)	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2005 and 1 January 2006	961	7	49	(185)	775	1,607	458
Arising on consolidation of overseas subsidiaries	-	-	-	16	-	16	3
Arising on equity pick-up of overseas associates	-	-	-	(3)	-	(3)	-
Arising on acquisition of subsidiaries	-	-	-	-	-	-	616
Arising on increased investment in subsidiaries	-	-	-	-	-	-	(93)
Investments available-for-sale reclassified as associates	-	(7)	-	-	-	(7)	-
Profit for the period	-	-	-	-	163	163	(6)
Dividend paid to minority interests	-	-	-	-	-	-	(19)
Dividends	-	-	-	-	(55)	(55)	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 30 June 2006	<u>961</u>	<u>-</u>	<u>49<sup>#</sup></u>	<u>(172)</u>	<u>883</u>	<u>1,721</u>	<u>959</u>

\* The balance of capital reserve represents property revaluation reserve.

## 24. CONTINGENT LIABILITIES

	30 June 2006 (Unaudited) <i>HK\$ million</i>	31 December 2005 (Audited) <i>HK\$ million</i>
Bills discounted with recourse	<u>1</u>	<u>–</u>
Guarantee of trade finance banking facilities granted to a former associate	<u>19</u>	<u>23</u>

During 2005, the Hong Kong Inland Revenue Department (“HKIRD”) initiated field audits on certain subsidiaries of the Group for the financial years from 1998 to 2005 for the purpose of ascertaining the Hong Kong tax liabilities of these subsidiaries. The Group has appointed tax advisers in Hong Kong to advise them with respect to the field audits. The HKIRD has granted the Group time to collate information requested by the HKIRD and in the meantime has issued protective assessments to which the Group has filed objections. In addition, additional assessments were issued to certain subsidiaries for which Tax Reserve Certificates in the sum of HK\$45 million have been purchased by the Group. The Group’s tax advisers had advised that at this stage it is premature and impractical to determine whether the field audits will result in any additional tax liabilities for the subsidiaries. In the circumstances, the directors are of the opinion that the Group’s Hong Kong tax provision is sufficient and it is not feasible and they are not able at this time to make any judgement or determination as to whether the field audit will result in any additional tax liability. Accordingly no provision for any liability that may result has been made in the financial statements.



25. COMMITMENTS

	30 June 2006 (Unaudited) <i>HK\$ million</i>	31 December 2005 (Audited) <i>HK\$ million</i>
(a) Capital commitments:		
Contracted for	2	1
Authorised, but not contracted for	40	37
	42	38
	42	38
(b) The future minimum lease payments under non-cancellable operating leases for each of the following periods:		
Land and buildings:		
Not later than one year	26	12
Later than one year and not later than five years	60	4
Later than five years	19	–
	105	16
	105	16
Others:		
Not later than one year	2	–
	2	–
(c) At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments:		
Investment properties:		
Not later than one year	1	1
Later than one year and not later than five years	3	4
	4	5
	4	5

## 26. EXCHANGEABLE BONDS, BANKING AND FINANCE LEASE FACILITIES

Certain exchangeable bonds, banking and finance lease facilities available to the Group were secured by assets for which the aggregate carrying values were as follows:

	30 June 2006 (Unaudited) <i>HK\$ million</i>	31 December 2005 (Audited) <i>HK\$ million</i>
(a) Legal charges over brands and trademarks	581	581
(b) Legal charges over medium-term prepaid lease and buildings in Hong Kong	78	79
(c) Legal charges over investment property	44	40
(d) Legal charges over plant, equipment and other assets	24	–
(e) Pledge of medium-term prepaid lease and buildings outside Hong Kong	105	103
(f) Pledge of marketable securities	553	559
(g) Pledge of bank deposits	33	9
	<u>1,418</u>	<u>1,371</u>

## 27. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements were approved and authorised for issue by the board of directors on 30 August 2006.

## DIVIDENDS

The Board of Directors has resolved to pay an interim dividend of HK12 cents per share (2005: HK12 cents per share) totalling approximately HK\$55 million (2005: HK\$55 million) to shareholders whose names appear on the register of members on 13 October 2006. It is expected that dividends will be dispatched to shareholders on or before 8 November 2006.

## CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from 16 October to 18 October 2006, both days inclusive, during which no transfer of shares will be registered.

To rank for the interim dividend, all transfers should be lodged with the Company's Registrar, Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 13 October 2006.