I.T LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 999)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2006

- **Total sales reached HK$673.3 million, increased 18.5%.**
- **Comparable stores sales increased by 4.2%.**
- **Gross profit was HK$384.4 million, increased 13.5%.**
- **EBITDA (excluding share of loss of jointly controlled entities) was HK$74.0 million, increased 2.2%.**
- **Net profit increased 3.4% to HK$31.2 million, mainly due to higher losses from our jointly controlled Greater China businesses, G.S-i.t Limited ("GSIT").**

  If the share of loss from the jointly controlled entities were excluded, net profit would be HK$39.5 million, an increase of 22.9% compared with similar first six months period last year (HK$32.1 million).
- **EPS was HK$0.03.**
- **Net sales footage in Hong Kong (excluding fcuk stores operated by FCUK IT Company ("FCUK"), 50% owned joint venture) increased by 2.6% to 291,290 sq.ft. at 31 August 2006 (as at 31 August 2005: 283,800 sq.ft.). Weighted average sales footage in Hong Kong increased by 16.3% to 291,156 sq.ft. for the six months ended 31 August 2006 (six months ended 31 August 2005: 250,400 sq.ft.).**
- **Rental costs (including rental charge, management fee, rates and government rent) as a percentage of total sales remained stable at 22.7% (2005: 22.9%).**
- **Staff costs (excluding share options) as a percentage of total sales increased slightly to 18.4% (2005: 17.6%).**

The board of directors (the "Board") of I.T Limited (the "Company") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 31 August 2006, prepared on the basis set out in Note 1, together with the comparative figures for the corresponding period, as follows:

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

		Six months ended 31 August	
		2006	2005
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'000*
Sales	*2*	**673,304**	568,067
Cost of sales	*4*	**(288,908)**	(229,363)
Gross profit		**384,396**	338,704
Other gains, net	*3*	**9,362**	9,443
Operating expenses	*4*	**(347,837)**	(306,723)
Operating profit		**45,921**	41,424
Finance costs	*5*	**(327)**	(967)
Share of loss of jointly controlled entities		**(8,289)**	(1,947)
Profit before taxation		**37,305**	38,510
Income tax expense	*6*	**(6,102)**	(8,333)
Profit for the period, attributable to equity holders of the Company		**31,203**	30,177
Dividend		**–**	–
Earnings per share for profit attributable to the equity holders of the Company during the period (expressed in HK$ per share)			
– basic	*7*	**0.030**	0.029
– diluted	*7*	**0.030**	0.029

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

	Note	As at 31 August 2006 (Unaudited) *HK$'000*	As at 28 February 2006 (Audited) *HK$'000*
ASSETS			
Non-current assets			
Furniture and equipment		**91,510**	97,237
Intangible assets		**14,305**	19,169
Investments in and due from jointly controlled entities		**40,129**	51,699
Rental deposits		**39,309**	43,418
Deferred income tax assets		**2,315**	576
Other asset		**1,080**	1,080
		188,648	213,179
Current assets			
Inventories		**180,920**	147,398
Trade receivables	*8*	**6,136**	6,638
Due from jointly controlled entities		**96,179**	44,557
Prepayments, deposits and other receivables		**85,293**	45,702
Derivative financial instruments		**1,520**	–
Pledged bank deposits		**750**	750
Cash and cash equivalents		**321,920**	424,881
		692,718	669,926
LIABILITIES			
Current liabilities			
Borrowings		**(911)**	–
Trade and bills payables	*9*	**(63,074)**	(48,151)
Accruals and other payables		**(64,407)**	(62,739)
Derivative financial instruments		**(453)**	(2,430)
Current income tax liabilities		**(14,381)**	(9,900)
		(143,226)	(123,220)
Net current assets		**549,492**	546,706
Total assets less current liabilities		**738,140**	759,885
Non-current liabilities			
Other payables		**(7,252)**	(10,388)
Deferred income tax liabilities		**(418)**	(2,231)
		(7,670)	(12,619)
Net assets		**730,470**	747,266
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**103,890**	103,890
Reserves		**626,580**	643,376
Total equity		**730,470**	747,266

NOTES:

1. Basis of preparation and accounting policies

This condensed consolidated financial information for the six months ended 31 August 2006 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") No. 34, "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

This interim condensed financial report should be read in conjunction with the Group's annual financial statements for the year ended 28 February 2006.

The accounting policies are consistent with those as described in the Group's annual financial statements for the year ended 28 February 2006, except that the Group has changed certain of its accounting policies following its adoption of the new/revised Hong Kong Financial Reporting Standards ("HKFRSs") and Hong Kong Accounting Standards ("HKASs") which are effective from accounting periods beginning on or after 1 March 2006 and relevant to its operations. The changes to the Group's accounting policies and the effect of adopting the new policies are set out below.

- HKAS 39 and HKFRS 4 (Amendments), "Financial guarantee contracts": These amendments require issued financial guarantees, other than those previously asserted by the entity to be insurance contracts, to be initially recognised at their fair value, and subsequently measured at the higher of (a) the unamortised balance of the related fees received and deferred, and (b) the expenditure required to settle the commitment at the balance sheet date. There is no financial guarantee contract issued at group level. For guarantees provided by the Company for banking facilities granted to subsidiaries, the effect of adoption is not significant to the Company's financial statements and is eliminated on consolidation.
- HKFRS-Int 4, "Determining whether an arrangement contains a lease": HKFRS-Int 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets; and (b) the arrangement conveys a right to use the asset(s). The Group has reviewed its contracts. Some of them are required to be accounted for as leases in accordance with HKAS 17, "Leases". However, these leases are operating leases, and their reclassification has had no impact on the expense recognised in respect of them.

2. Sales and segment information

(a) Analysis of sales by category

	Six months ended 31 August	
	2006	2005
	HK$'000	*HK$'000*
Sales of fashion wears and accessories	**671,386**	566,221
Royalty income	**1,918**	1,846
	673,304	568,067

(b) Segment information

No segment analysis for business segment is presented as the Group operated principally in one business segment, which was the sales of fashion wears and accessories.

No segment analysis for geographical segment is presented as substantially all of the Group's sales, operating results, assets and liabilities were located in Hong Kong.

3. Other gains, net

	Six months ended 31 August	
	2006	2005
	HK$'000	*HK$'000*
Interest income		
– bank deposits	**5,488**	8,616
– loans and receivables	**2,941**	1,407
Derivative financial instruments: forward currency contracts, transactions not qualifying as hedge and ineffective portion of changes in fair values	**933**	(580)
	9,362	9,443

4. Expenses by nature

Expenses included in cost of sales and operating expenses are analysed as follows:

	Six months ended 31 August	
	2006	2005
	HK$'000	*HK$'000*
Charging/ (Crediting)		
Cost of inventories sold	**292,675**	234,024
Write-downs/(Reversal of write-downs) of inventories to net realisable value	**1**	(1,935)
Employment costs, including directors' emoluments	**124,096**	106,359
Operating lease rentals of premises		
– minimum lease payments	**122,815**	104,306
– contingent rents	**4,511**	4,910
Advertising and promotion costs	**9,139**	6,199
Depreciation of furniture and equipment	**23,171**	17,622
Licence fee		
– amortisation of licence right	**4,864**	–
– contingent licence fee	**1,842**	5,027
Net exchange gains	**(3,768)**	(2,726)
(Gain)/Loss on disposal of furniture and equipment	**(119)**	151

As a result of the changes in product portfolio and the recovery of economic conditions in Hong Kong, the Group has revised its estimates relating to inventory provision policy during the period. If the old inventory provision policy was used for the current period, an additional provision of approximately HK$9,330,000 to write-down inventories to net realisable value would have been made.

5. Finance costs

	Six months ended 31 August	
	2006	2005
	HK$'000	*HK$'000*
Interest expense		
– bank borrowings wholly repayable within five years	**1**	967
– licence fee payable	**326**	–
	327	967

6. Income tax expense

Hong Kong profits tax has been provided at the rate of 17.5% on the estimated assessable profits of the Group's operations in Hong Kong for the period.

	Six months ended 31 August	
	2006	2005
	HK$'000	*HK$'000*
Current income tax		
– Hong Kong profits tax	**9,654**	7,988
Deferred income tax	**(3,552)**	345
	6,102	8,333

7. **Earnings per share**

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 31 August	
	2006	2005
Profit attributable to equity holders of the Company *(HK$'000)*	**31,203**	30,177
Weighted average number of ordinary shares in issue *('000)*	**1,038,900**	1,032,405
Basic earnings per share *(HK$ per share)*	**0.030**	0.029

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has outstanding share options as dilutive potential ordinary shares. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average daily quoted market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Six months ended 31 August	
	2006	2005
Profit attributable to equity holders of the Company *(HK$'000)*	**31,203**	30,177
Weighted average number of ordinary shares in issue *('000)*	**1,038,900**	1,032,405
Adjustments for		
– share options *('000)*	**5,403**	6,539
Weighted average number of ordinary shares for diluted earnings per share *('000)*	**1,044,303**	1,038,944
Diluted earnings per share *(HK$ per share)*	**0.030**	0.029

8. **Trade receivables**

The Group's sales are mainly settled by cash or credit/debit cards. The Group grants to a limited number of corporate customers credit periods generally ranging from 30 to 60 days. As at 31 August 2006, all trade receivables are aged between 0 and 90 days (28 February 2006: between 0 and 90 days).

9. **Trade and bills payables**

The ageing analysis of trade and bills payables is as follows:

	As at 31 August 2006	As at 28 February 2006
	HK$'000	*HK$'000*
0 to 30 days	**53,359**	41,543
31 to 60 days	**7,651**	4,883
61 to 90 days	**1,003**	529
Over 90 days	**1,061**	1,196
	63,074	48,151

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend (six months ended 31 August 2005: Nil) and proposes that the profit for the period be retained.

MANAGEMENT DISCUSSION & ANALYSIS

Business Review

Sales from retail shop operations increased by 17.6% to HK$626.9 million for the six months ended 31 August 2006 (six months ended 31 August 2005: HK$532.9 million). The gross margin for retail sales for the six months ended 31 August 2006 was 60.6% (six months ended 31 August 2005: 62.7%). Net profit for the six months ended 31 August 2006 was HK$31.2 million (six months ended 31 August 2005: HK$30.2 million), increased by 3.4%. Share of loss from jointly controlled entities for the six months ended 31 August 2006 increased to HK$8.3 million (six months ended 31 August 2005: HK$1.9 million). If not including the share of loss from the jointly controlled entities, the net profits for the six months ended 31 August 2006 increased to HK$39.5 million (six months ended 31 August 2005: HK$32.1 million), an increase of 22.9% and would then be faster than the top line sales growth.

Sales of apparels from international brands accounted for 51.1% (six months ended 31 August 2005: 43.9%) of the total sales, contributing HK$343.7 million for the six months ended 31 August 2006. During this period, the Company brought, amongst other brands, A Bathing Ape, to Hong Kong and created considerable interest among fashion-lovers. Sales of apparels from in-house and licensed brands accounted for 42.1% (six months ended 31 August 2005: 49.9%) of the total sales, contributing HK$283.2 million for the six months ended 31 August 2006. In-house brands http://www.izzue.com, b+ab and 5cm remained the top selling brands in the Company's in-house and licensed brand portfolio.

During the first six months of operations, the Company put a lot of focus on improving the efficiency and effectiveness of our retail sales environment which resulted in an improvement in comparable stores sales growth of 4.2%, a reversal of last year's negative trend.

Although consumer spending sentiments in Hong Kong continued to recover during the first six months of this financial year, retail market was also more competitive. In order to sustain sales growth as well as maintaining high sell-through rate of our inventory, relatively higher discount was offered to customers during the six months ended 31 August 2006. This factor, together with the above mentioned change in product mix resulted in the gross profit margin on retail sales dropped 2.1% to 60.6% for the six months ended 31 August 2006 (six months ended 31 August 2005: 62.7%).

A recovering economy in Hong Kong of which unemployment rate was declining plus increased competitions especially from global players created a shortage of labor, a general increase in market salary rate as well as increasing pressure in the commercial rental market. As a result, staff costs (excluding share options) as a percentage of total sales increased to 18.4% (six months ended 31 August 2005: 17.6%). Rental expenses (comprising rental charge, management fee, rates and government rent) as a percentage of total sales was maintained at 22.7% for the six months ended 31 August 2006 (six months ended 31 August 2005: 22.9%). In order to further enhance the corporate and brand image of the Company, more marketing and public relations works were conducted during the six months ended 31 August 2006. Advertising and promotion expenses as percentage of total sales were increased to 1.4% (six months ended 31 August 2005: 1.1%), though it is still low compared to most of the other market players. Other operating overheads other than rental expenses, staff costs, depreciation and advertising and promotion expenses; as percentage of total sales was reduced to 5.6% for the six months ended 31 August 2006 (six months ended 31 August 2005: 6.7%).

The first six months of this financial year is a very exciting period for our jointly controlled Greater China joint venture company GSIT (market coverage: China, Taiwan & Macau) which experienced a very rapid growth phase. Top line revenue grew over 50% to HK$126 million with a similar impressive same stores sales increased 19% as the China consumer market expanding quickly. GSIT had, by the end of August 2006, 134 shops in China, of which 82 were directly managed, 38 were operated by franchisees and 14 were fcuk stores. However, this relatively compressed phase of distribution network expansion which saw expenses such as pre-opening fitting and promotion costs cumulating resulted in a higher than expected net loss. Brand equity for our signature stores such as I.T and in-house brands like http://www.izzue.com and b+ab continued to gain recognition in fashion conscious cities such as Shanghai and Beijing. Together with our franchisees network, our distribution in China now covers more than 22 key cities.

Our wholesale business started to gain momentum as new franchisees and markets had been added during the first half of this financial year — 3 and 2 stores were opened in Saudi Arabia and Thailand, respectively. Initial feedbacks from the franchisees were positive and both had plans to expand during the next six to twelve months.

Operating expenses

Operating expenses increased by 13.4% to HK$347.8 million for the six months ended 31 August 2006 (six months ended 31 August 2005: HK$306.7 million) which was still lower than the sales growth rate. Additional manpower was recruited during the six months ended 31 August 2006 for the preparation of two new in-house brands which is targeted to be launched in the late second half of this financial year. As a result, staff costs (excluding share options) were increased by 23.8% to HK$124.1 million (six months ended 31 August 2005: HK$100.2 million). Other than the increase in staff cost as stated above, increase in operating expenses was mainly reflecting the increase in sales footage. The weighted average sales footage for the period increased to 291,156 sq.ft., increased by 16.3% (six months ended 31 August 2005: 250,400 sq.ft.).

Operating profit and earnings before interest, taxation, depreciation and amortisation expenses and excluding the share of loss of jointly controlled entities (EBITDA)

EBITDA for the six months ended 31 August 2006 increased by 2.2% to HK$74.0 million (six months ended 31 August 2005: HK$72.4 million). EBITDA as a percentage of sales decreased from 12.7% for the six months ended 31 August 2005 to 11.0% for the six months ended 31 August 2006. The decrease was mainly due to decrease in gross profit as a percentage to sales resulting from shift of product mix to international brands, which comparatively have a lower margin than in-house and licensed brands, and a slightly deeper discount being offered from international brands and in-house brands in order to enhance sales growth.

Share of results of jointly controlled entities

Share of loss of jointly controlled entities increased from HK$1.9 million for the six months ended 31 August 2005 to HK$8.3 million for the six months ended 31 August 2006. For the six months ended 31 August 2006, profit was reported from FCUK IT Company whereas the operating loss of GSIT was increased.

Cash Flows

Net cash generated from operating activities was HK$33.2 million for the six months ended 31 August 2006 (six months ended 31 August 2005: HK$51.1 million). Net cash used for investing activities was HK$87.2 million for the six months ended 31 August 2006 (six months ended 31 August 2005: HK$59.8 million). For the six months ended 31 August 2006, HK$18.0 million was used for additions to furniture and equipment and HK$50.3 million was used to finance the operation of a jointly controlled entity, GSIT and which were the major components of the cash outflow of investing activities. Net cash used for financing activities for the six months ended 31 August 2006 was HK$49.0 million. For the six months ended 31 August 2006, HK$49.8 million of dividend were paid to shareholders.

Inventory

Inventory turnover days for the six months ended 31 August 2006 were 104.5 days, an increase of 2.5 days from 102 days for the six months ended 31 August 2005. The increase in inventory level for the six months ended 31 August 2006 was mainly due to increase in sales footage and more products being stocked for the coming seasons.

Liquidity and capital resources

As at 31 August 2006, total cash and bank balances amounted to HK$322.7 million (28 February 2006: HK$425.6 million) and total liabilities were HK$150.9 million (28 February 2006: HK$135.8 million). As at 31 August 2006, shareholders' equity was HK$730.5 million (28 February 2006: HK$747.3 million).

As at 31 August 2006, the Company had aggregate banking facilities of approximately HK$319.5 million (28 February 2006: HK$312.5 million) for overdraft, bank loans and trade financing, of which approximately HK$227.3 million (28 February 2006: HK$235.1 million) was unutilised.

As at 31 August 2006, charges on assets amounted to HK$1.7 million, comprising bank deposits of HK$0.8 million pledged for letters of guarantee issued by banks in lieu of rental deposits and inventories of HK$0.9 million held under trust receipts bank loan arrangements, to cover banking facilities in the ordinary course of business (28 February 2006: HK$0.8 million pledged for letters of guarantee issued by banks in lieu of rental deposits).

The Company had bank borrowing of HK$0.9 million as at 31 August 2006 (28 February 2006: Nil). The current ratio as at 31 August 2006 was 4.8 (28 February 2006: 5.4).

Use of proceeds
The proceeds from the issuance of new shares by the Company in March 2005, net of listing expenses, were approximately HK$514.9 million. For the six months ended 31 August 2006, net proceeds were utilised in the following manners:

	Per Prospectus *HK$'000*	Amount utilised *HK$'000*	Balance as at 31 August 2006 *HK$'000*
Expansion of retail network in Hong Kong	320,000	103,900	216,100
Expansion of retail network in the PRC and Taiwan	90,000	35,000	55,000
Repayment of bank loans	95,000	95,000	–
Working capital	9,900	9,900	–
	514,900	243,800	271,100

The unutilised balance was placed as short-term bank deposits in commercial banks in Hong Kong.

Employment, Training and Development
The Company had a total of 1,326 employees as at 31 August 2006 (28 February 2006: 1,283). Training and development courses were regularly organised for employees to enhance both of their specialised technical and product knowledge as well as marketing and sales to general business management skills. The Company offered competitive remuneration packages to its employees, including basic salaries, allowances, insurance and commission/bonuses. In addition, share options were granted to selected employees based on their individual performances.

Future Outlook
This financial year has been designated as a foundation year of which the Company's strategy is to "invest for future growth", in both the core market of Hong Kong as well as the fast growing Greater China region. Our strategy in Hong Kong is to maintain the momentum of growth through consolidating and improving the efficiency of existing brands and stores as well as expanding into new segments via product innovations. In the Greater China region and operated via the jointly owned joint venture company GSIT, our goal there is to grow vigorously through rapid expansion of our directly managed stores network as well as that of our franchisees distribution.

Over recent months, the Company has been able to maintain the growth momentum of the first half. Looking into the rest of the financial year, we remain cautiously optimistic in achieving the double digit turnover and net profit growth target for the full financial year in the key market of Hong Kong while minimising the loss in the faster growing market of China.

Intense competition is expected to continue in the retail business. However, the Company remains bullish in sustaining the growth in Hong Kong of which a pragmatic expansion strategy has been adopted with strong emphasis on efficiency and profitability. To achieve such long-term growth objective, the Company will launch two new in-house brands for apparels (Chocoolate) and shoes (Venilla Suite) in November. This is the first time the Company introduces new in-house brand since launching http://www.izzue.com back in year 2000. We believe that the new merchandise offered will broaden the customer segments for the Company and increase our share of the customers' wallets. The long-term vision of the Company is to evolve from a pure fashion trend-setter to a fashion focus lifestyle products and services provider.

Retail and wholesale businesses in the China market continues to strengthen and various new business opportunities is being actively pursued via our jointly controlled joint venture company GSIT. GSIT's top line performance as well as the new footages and shops added during the first six months have been strong. Our goal for GSIT is to deliver sustainable and vigorous growth and to achieve operating break-even in financial year 2008. GSIT is also expanding its business to the lucrative luxury brand market in China. In September this year, GSIT has taken over the operations of KENZO and more luxury brands and shops are on the pipeline. Despite the higher than expected first half loss in China, we remain highly confident that the current strategy will continue to strengthen our competitive position in capitalising on the forthcoming opportunities that the China market's growth presents.

We have also continued to explore the potential of new markets via the franchise business. The international development of our wholesale businesses, leveraging our in-house brands and product design/development capabilities, is one of our key focuses in our long-term strategy. More stores will be added in Saudi Arabia and Thailand in the coming months. The Company is also of high hope that several new markets will be added during the next twelve months.

While the Company has started to re-align both internal and external resources for the next five years growth plan and strategy, a number of task forces have been set up to look at delivering short-term efficiency and sales gain. Task forces such as those focusing on the improvement of sales per footage as well as on customer service, customer relationship management, and sales culture will hopefully create significant values in both near-term as well as preparing the Company for future expansion. The Company has also added a new investment appraisal process of which new investment or business initiatives will have to go through a series of vigorous analyses in both strategic and financial angles (via a newly established Strategic & Corporate Development Department) so as to improve the return of our investment in the future. All these initiatives are designed to assist the Company to deliver our goal of generating long-term higher than market return on investment and equity value to our shareholders.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE PRACTICES AND THE MODEL CODE
The Company is committed to implementing good corporate governance practices and emphasising on transparency and accountability to its shareholders and stakeholders. In the opinion of the Board, the Company has applied throughout the six months ended 31 August 2006 with the Code on Corporate Governance Practices as set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") except for the deviations as mentioned below.

From 24 May 2006 to 31 July 2006, the Board only had two Independent Non-executive Directors as the result of the re-designation of Dr. Lo Wing Yan, William, J.P. to an Executive Director. On 1 August 2006, Mr. Francis Goutenmacher was appointed as Independent Non-executive Director of the Company in compliance with Rules 3.10 and 3.11 of the Listing Rules.

The Company is fully aware that in order to reinforce the Directors' respective independence, accountability and responsibility, the role of the Chairman should be separated from that of the Chief Executive Officer. However, Mr. Sham Kar Wai currently holds both positions. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person would allow the Company to be more effective and efficient in developing long term business strategies and execution of business plans. The Board believes that the balance of power and authority is adequately ensured by the operating of the Board which comprises experienced and high caliber individuals with a substantial member thereof being Non-executive Directors.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules for securities transactions by the Directors. Employees who are likely to possess unpublished price-sensitive information of the Company are also subject to compliance with the same terms as the Model Code. Having made specific enquiry, all Directors have confirmed that throughout the period under review they have fully complied with the required standard set out in the Model Code regarding securities transactions by the Directors.

REVIEW OF FINANCIAL INFORMATION

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Company and discussed auditing, internal control and financial reporting matters including the review of the unaudited financial information and interim report for the six months ended 31 August 2006.

The interim financial report for the six months ended 31 August 2006 has also been reviewed by PricewaterhouseCoopers, the Company's independent auditors, whose review report will be included in the interim report to be sent to shareholders.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries during the six months ended 31 August 2006.

PUBLICATION OF INTERIM RESULTS ON THE STOCK EXCHANGE'S WEBSITE

This announcement will be published on the website of the Stock Exchange.

The interim report for the six months ended 31 August 2006 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to shareholders and published on the website of the Stock Exchange in due course.

As at the date of this announcement, the Board comprises Mr. SHAM Kar Wai, Dr. Lo Wing Yan, William, J.P., Mr. SHAM Kin Wai and Mr. CHAN Wai Mo, Alva as Executive Directors and Mr. CHAN Mo Po, Paul, Mr. WONG Wai Ming and Mr. Francis GOUTENMACHER as Independent Non-executive Directors.

By Order of the Board
Sham Kar Wai
Chairman

Hong Kong, 7 November 2006

"Please also refer to the published version of this announcement in South China Morning Post."