



HANNY

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Crossing New Boundaries

HANNY HOLDINGS LIMITED 錦興集團有限公司

INTERIM REPORT 2004-2005 年中期報告



Set the
Target

Target



Diligence

Strive for
Growth



Strong
Foundation
of Success

Distance

INTERIM FINANCIAL REPORT

The Board of Directors of Hanny Holdings Limited (the "Company") presents the unaudited condensed consolidated financial statements of the Company and its subsidiaries (the "Group") for the six months ended September 30, 2004.

Condensed Consolidated Income Statement

For the six months ended September 30, 2004

中期財務報告

錦興集團有限公司(「本公司」)董事會宣佈本公司及其附屬公司(「本集團」)截至二零零四年九月三十日止六個月之未經審核簡明綜合財務報表。

簡明綜合收益表

截至二零零四年九月三十日止六個月

		Six months ended September 30, 截至九月三十日止六個月	
		2004 HK\$'000 (Unaudited) 二零零四年 千港元 (未經審核)	2003 HK\$'000 (Unaudited) 二零零三年 千港元 (未經審核)
	Notes 附註		
Turnover	營業額 (3)	2,722,355	2,392,667
Cost of sales	銷售成本	<u>(2,157,771)</u>	<u>(1,890,090)</u>
Gross profit	毛利	564,584	502,577
Other operating income	其他營運收入	43,682	44,256
Distribution and selling expenses	分銷及銷售開支	(334,310)	(309,430)
Administrative expenses	行政開支	(151,275)	(139,199)
Other operating expense	其他營運開支	(4,948)	-
Profit from operations	經營溢利 (4)	117,733	98,204
Finance costs	財務費用	(9,340)	(13,800)
Share of results of associates	應佔聯營公司業績	(29,128)	(15,856)
Amortization of goodwill arising on acquisition of associates	收購聯營公司出現之商譽攤銷	(14,045)	(3,607)
Net loss on deemed disposals of shareholdings in associates	視為出售聯營公司控股虧損淨額	(11,400)	-
Profit before income tax	除所得稅前溢利	53,820	64,941
Income tax expense	所得稅開支 (5)	(68,990)	(32,580)
(Loss) profit before minority interests	未計少數股東權益前(虧損)溢利	(15,170)	32,361
Minority interests	少數股東權益	(9,862)	(22,299)
(Loss) profit for the period	本期間之(虧損)溢利	<u>(25,032)</u>	<u>10,062</u>
Dividend	股息 (6)	<u>11,193</u>	<u>3,206</u>
(Loss) earnings per share	每股(虧損)盈利		
Basic	基本 (7)	<u>HK(13.4) cents港仙</u>	<u>HK6.3 cents港仙</u>

Condensed Consolidated Balance Sheet

At September 30, 2004

簡明綜合資產負債表

於二零零四年九月三十日

			September 30, 2004 HK\$'000 (Unaudited) 二零零四年 九月三十日 千港元 (未經審核)	March 31, 2004 HK\$'000 (Audited) 二零零四年 三月三十一日 千港元 (經審核)
Non-current Assets	非流動資產			
Property, plant and equipment	物業、機器及設備	(8)	74,713	79,503
Intangible assets	無形資產		402,495	428,019
Interests in associates	聯營公司權益		847,695	906,409
Investments in securities	證券投資		189,225	189,220
Long-term loan receivable	應收長期貸款		-	4,898
Deferred tax assets	遞延稅項資產		12,590	35,480
			1,526,718	1,643,529
Current Assets	流動資產			
Other asset	其他資產		145,085	145,085
Inventories	存貨		672,762	877,409
Trade and other receivables	貿易及其他應收款項	(9)	719,328	738,820
Investments in securities	證券投資		130,170	132,634
Short-term loans receivable	短期應收貸款	(10)	230,857	208,538
Other current assets	其他流動資產		34,440	32,861
Bank balances and cash	銀行結存及現金		33,748	164,360
			1,966,390	2,299,707
Current Liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	(11)	920,712	1,272,283
Borrowings – due within one year	借款 – 一年內到期	(12)	270,618	350,127
Taxation	稅項		21,969	2,496
Other current liabilities	其他流動負債		4,300	5,779
Bank overdrafts	銀行透支		24,541	23,266
			1,242,140	1,653,951
Net Current Assets	流動資產淨值		724,250	645,756
			2,250,968	2,289,285
Capital and Reserves	資本及儲備			
Share capital	股本		1,866	1,866
Reserves	儲備		1,825,356	1,871,315
			1,827,222	1,873,181
Minority Interests	少數股東權益		413,290	405,157
Non-current Liabilities	非流動負債			
Borrowings – due after one year	借款 – 一年後到期	(12)	8,001	8,383
Amount due to a minority shareholder	應付一名少數股東款項		2,395	2,428
Deferred tax liabilities	遞延稅項負債		60	136
			10,456	10,947
			2,250,968	2,289,285

Condensed Consolidated Statement of Changes in Equity

For the six months ended September 30, 2004

簡明綜合股東權益變動表

截至二零零四年九月三十日止六個月

		Share capital	Share premium	Capital reserve	Contributed surplus	Currency translation reserve	Capital redemption reserves	Other reserves	Retained profits	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		股本	股份溢價	資本儲備	實繳盈餘	外幣兌換儲備	資本贖回儲備	其他儲備	保留溢利	總額
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At March 31, 2003 (Audited)	於二零零三年三月三十一日 (經審核)	1,603	-	(34,164)	1,603,329	1,406	592	-	156,801	1,729,567
Currency realignment	外幣調整	-	-	-	-	5,935	-	-	-	5,935
Share of reserves of associates	應佔聯營公司儲備	-	-	-	-	1,150	-	-	-	1,150
Net gain not recognized in the condensed consolidated income statement	未於簡明綜合收益表確認之收益淨額	-	-	-	-	7,085	-	-	-	7,085
Profit for the period	本期間溢利	-	-	-	-	-	-	-	10,062	10,062
Dividend	股息	-	-	-	-	-	-	-	(3,206)	(3,206)
At September 30, 2003 and October 1, 2003 (Unaudited)	於二零零三年九月三十日及二零零三年十月一日 (未經審核)	1,603	-	(34,164)	1,603,329	8,491	592	-	163,657	1,743,508
Currency realignment	外幣調整	-	-	-	-	5,806	-	-	-	5,806
Share of reserves of associates	應佔聯營公司儲備	-	-	-	-	2,345	-	14,448	-	16,793
Net gain not recognized in the consolidated income statement	未於綜合收益表確認之收益淨額	-	-	-	-	8,151	-	14,448	-	22,599
Issue of shares	股份發行	263	99,934	-	-	-	-	-	-	100,197
Share issue expenses	發行股份開支	-	(713)	-	-	-	-	-	-	(713)
Realized on partial disposal of shareholding in a subsidiary	出售一間附屬公司部分控股變現	-	-	12,027	-	-	-	-	-	12,027
Realized on disposal of a subsidiary	出售一間附屬公司變現	-	-	556	-	(216)	-	-	-	340
Profit for the period	本期間溢利	-	-	-	-	-	-	-	3,238	3,238
Dividend	股息	-	-	-	-	-	-	-	(8,015)	(8,015)
At March 31, 2004 and April 1, 2004 (Audited)	於二零零四年三月三十一日及二零零四年四月一日 (經審核)	1,866	99,221	(21,581)	1,603,329	16,426	592	14,448	158,880	1,873,181
Currency realignment	外幣調整	-	-	-	-	(6,516)	-	-	-	(6,516)
Share of reserves of associates	應佔聯營公司儲備	-	-	-	-	(3,215)	-	(3)	-	(3,218)
Net loss not recognized in the condensed consolidated income statement	未於簡明綜合收益表確認之虧損淨額	-	-	-	-	(9,731)	-	(3)	-	(9,734)
Loss for the period	本期間虧損	-	-	-	-	-	-	-	(25,032)	(25,032)
Dividend	股息	-	-	-	-	-	-	-	(11,193)	(11,193)
At September 30, 2004 (Unaudited)	於二零零四年九月三十日 (未經審核)	1,866	99,221	(21,581)	1,603,329	6,695	592	14,445	122,655	1,827,222

Condensed Consolidated Cash Flow Statement

For the six months ended September 30, 2004

簡明綜合現金流動表

截至二零零四年九月三十日止六個月

		Six months ended September 30, 截至九月三十日止六個月	
		2004 HK\$'000 (Unaudited) 二零零四年 千港元 (未經審核)	2003 HK\$'000 (Unaudited) 二零零三年 千港元 (未經審核)
Net cash (used in) generated from operating activities	營運業務(動用)產生之現金淨額	(8,516)	81,151
Tax paid	繳訖稅項	(25,416)	(24,680)
Net cash used in investing activities	投資業務動用之現金淨額	(17,839)	(5,361)
Net cash used in financing activities	融資業務動用之現金淨額	(80,126)	(63,646)
Net decrease in cash and cash equivalents	現金及現金等同額減少淨額	(131,897)	(12,536)
Cash and cash equivalents at beginning of the period	期初之現金及現金等同額	141,094	202,157
Effect of foreign exchange rate changes	匯率變動之影響	10	752
Cash and cash equivalents at end of the period	期終之現金及現金等同額	9,207	190,373
Analysis of the balances of cash and cash equivalents:	現金及現金等同額 結存分析：		
Bank balances and cash	銀行結存及現金	33,748	212,704
Bank overdrafts	銀行透支	(24,541)	(22,331)
		9,207	190,373

Notes to the Condensed Consolidated Financial Statements

For the six months ended September 30, 2004

(1) Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Statement of Standard Accounting Practice No.25 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

(2) Principal Accounting Policies

The condensed consolidated financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain properties and investments in securities.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended March 31, 2004.

(3) Segment Information

Business Segments

For management purposes, the Group is currently organized into three operating divisions, namely computer related products, consumer electronic products and securities. These divisions are the bases on which the Group reports its primary segment information.

Principal activities are as follows:

Computer related products

Trading of computer related products and provision of handling services.

Consumer electronic products

Trading of consumer electronic products.

Securities

Trading of securities and financial instruments.

簡明綜合財務報表附註

截至二零零四年九月三十日止六個月

(1) 編製基準

簡明綜合財務報表乃根據香港聯合交易所有限公司證券上市規則附錄十六之適用披露規定編製，並已遵守香港會計師公會頒佈之會計實務準則第25號「中期財務報告」。

(2) 主要會計政策

簡明綜合財務報表乃按原始成本準則擬備，並已按若干物業及證券投資之重估作修訂。

所採納之會計政策乃與編製本集團截至二零零四年三月三十一日止年度之年度財務報表所採用者相符。

(3) 分類資料

業務分類

為管理目的，本集團現由三個營運部門組成，分別為電腦相關產品、消費電子產品及證券部門。本集團報告之主要分類資料乃基於該等部門分類。

主要業務如下：

電腦相關產品

電腦相關產品貿易及提供處理服務。

消費電子產品

消費電子產品貿易。

證券

買賣證券及財務工具。

**Notes to the Condensed Consolidated
Financial Statements** (continued)

For the six months ended September 30, 2004

(3) **Segment Information** (continued)
Business Segments (continued)

簡明綜合財務報表附註 (續)

截至二零零四年九月三十日止六個月

(3) 分類資料 (續)
業務分類 (續)

		Six months ended September 30, 2004 截至二零零四年九月三十日止六個月			
		Computer related products HK\$'000 電腦相關 產品 千港元	Consumer electronic products HK\$'000 消費電子 產品 千港元	Securities HK\$'000 證券 千港元	Consolidated HK\$'000 綜合 千港元
Turnover	營業額	1,807,432	913,616	1,307	2,722,355
Segment result	分類業績	96,648	14,824	10,409	121,881
Interest income	利息收入				9,405
Allowances for short-term loans receivable	應收短期貸款之 撥備				(3,469)
Unallocated corporate expenses	未分配之企業開支				(10,084)
Profit from operations	經營溢利				117,733

		Six months ended September 30, 2003 截至二零零三年九月三十日止六個月			
		Computer related products HK\$'000 電腦相關 產品 千港元	Consumer electronic products HK\$'000 消費電子 產品 千港元	Securities HK\$'000 證券 千港元	Consolidated HK\$'000 綜合 千港元
Turnover	營業額	1,616,303	746,958	29,406	2,392,667
Segment result	分類業績	69,938	13,598	17,188	100,724
Interest income	利息收入				11,588
Gain on disposal of investment securities	出售投資證券之收益				9,577
Allowances for short-term loans and interest receivable	應收短期貸款及利息 之撥備				(10,683)
Unallocated corporate expenses	未分配之企業開支				(13,002)
Profit from operations	經營溢利				98,204

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended September 30, 2004

簡明綜合財務報表附註 (續)

截至二零零四年九月三十日止六個月

(4) Profit from Operations

Profit from operations has been arrived at after charging (crediting):

(4) 經營溢利

經營溢利已扣除(計入)下列各項:

		Six months ended September 30, 截至九月三十日止六個月	
		2004 HK\$'000 二零零四年 千港元	2003 HK\$'000 二零零三年 千港元
Allowance for bad and doubtful debts	呆壞賬撥備	7,198	7,087
Amortization of intangible assets (included in administrative expenses)	無形資產攤銷 (包含於行政開支內)	25,533	20,254
Depreciation and amortization of property, plant and equipment	物業、機器及設備之 折舊及攤銷	9,032	9,532
Exchange losses	匯兌虧損	838	3,681
Gain on disposal of investment securities	出售投資證券之收益	-	(9,577)
Gain on trading of financial instruments	買賣財務工具之收益	(15,100)	-
Interest income	利息收入	(9,405)	(11,588)
Net realized gain on other investments	其他投資之已變現 收益淨額	(257)	(2,145)
Net unrealized holding loss (gain) on other investments	所持其他投資之未變現 虧損(收益)淨額	4,948	(15,043)

(5) Income Tax Expense

(5) 所得稅支出

		Six months ended September 30, 截至九月三十日止六個月	
		2004 HK\$'000 二零零四年 千港元	2003 HK\$'000 二零零三年 千港元
Current tax	現時稅項		
Overseas	海外	44,812	31,387
Deferred tax	遞延稅項		
Current period charge (credit)	本期間支出(計入)	22,858	(308)
Attributable to a change in tax rate in Hong Kong	因香港稅率變動	-	70
		22,858	(238)
Share of tax on results of associates	應佔聯營公司業績之稅項	1,320	1,431
		68,990	32,580

Income tax arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The deferred tax charge for the current period included a reversal of a deferred tax asset amounting to approximately HK\$19.9 million of an overseas subsidiary due to a change in market conditions, thus resulting in the unpredictability of future profit streams of this subsidiary.

No provision for Hong Kong Profits Tax or overseas taxation has been made for the period in respect of certain companies of the Group because these companies either incurred tax losses for the period or had their estimated assessable profits for the period wholly absorbed by tax losses brought forward.

在其他司法管轄區所產生之所得稅按有關司法管轄區之現行稅率計算。

由於市場狀況轉變導致未能預計海外附屬公司之未來溢利趨勢，本期間之遞延稅項開支包括該附屬公司之撥回遞延稅項資產約19,900,000港元。

因本集團若干公司於本期間錄得稅務虧損或本期間之估計應課稅溢利悉數被承前之稅務虧損所抵銷，故本期間並無為香港利得稅或海外稅項撥出準備。

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended September 30, 2004

(6) Dividend

On July 23, 2004, a dividend of HK6 cents per share was declared to shareholders as a final dividend for the year ended March 31, 2004, amounting to HK\$11,193,000.

The directors do not recommend the payment of an interim dividend for the six months ended September 30, 2004 (Six months ended September 30, 2003: HK5 cents).

(7) (Loss) Earnings Per Share

The calculation of the basic (loss) earnings per share is based on the loss for the period of HK\$25,032,000 (Six months ended September 30, 2003: profit of HK\$10,062,000) and on the number of shares in issue during the period of 186,553,000 shares (Six months ended September 30, 2003: weighted average number of 160,303,000 shares).

The computation of diluted loss per share for the six months ended September 30, 2004 did not assume the exercise of the Company's outstanding share options because the exercise would result in a decrease in loss per share.

The computation of diluted earnings per share for the six months ended September 30, 2003 did not assume the exercise of the Company's outstanding share options as the exercise prices of those options were higher than the average market price of the Company's shares for the period.

(8) Property, Plant and Equipment

During the period, the Group spent approximately HK\$5.2 million on purchase of furniture, fixtures and equipment.

(9) Trade and Other Receivables

Included within trade and other receivables is trade debtors balance of HK\$639.7 million (March 31, 2004: HK\$685.0 million). The Group allows a credit period of 0 to 90 days to its trade customers.

The following is an aged analysis of trade debtors at the reporting date:

Not yet due	未到期
Overdue within one month	逾期少於一個月
Overdue between one to two months	逾期一至兩個月
Overdue more than two months	逾期超過兩個月

(10) Short-term Loans Receivable

The amount includes a loan receivable of HK\$152.9 million (March 31, 2004: HK\$167.3 million) due from a related company.

簡明綜合財務報表附註 (續)

截至二零零四年九月三十日止六個月

(6) 股息

於二零零四年七月二十三日，截至二零零四年三月三十一日止年度末期股息每股6港仙之金額為11,193,000港元宣佈派發予股東。

董事並不建議派發截至二零零四年九月三十日止六個月中期股息(截至二零零三年九月三十日止六個月：5港仙)。

(7) 每股(虧損)盈利

每股基本(虧損)盈利乃根據本期間之(虧損)25,032,000港元(二零零三年九月三十日止六個月：溢利10,062,000港元)及期內已發行之股份數目186,553,000股(二零零三年九月三十日止六個月：加權平均股份數目160,303,000股)計算。

在計算截至二零零四年九月三十日止六個月每股攤薄虧損時，並無假設本公司之尚未行使購股權獲行使，原因為行使將導致每股虧損減少。

在計算截至二零零三年九月三十日止六個月每股攤薄盈利時，並無假設本公司之尚未行使購股權獲行使，原因為該等購股權之行使價高於期內本公司股份之平均市價。

(8) 物業、機器及設備

期內，本集團於購置傢具、裝置及設備方面支出約為5,200,000港元。

(9) 貿易及其他應收款項

貿易及其他應收款項包括為數639,700,000港元之應收貿易款項結餘(二零零四年三月三十一日：685,000,000港元)。本集團向其貿易客戶提供零至九十日不等之信貸期。

於報告日期之應收貿易款項賬齡分析如下：

September 30, 2004 HK\$'000 二零零四年 九月三十日 千港元	March 31, 2004 HK\$'000 二零零四年 三月三十一日 千港元
516,105	624,041
88,593	52,433
13,730	2,099
21,228	6,452
<u>639,656</u>	<u>685,025</u>

(10) 短期應收貸款

該金額包括應收一間關連公司貸款152,900,000港元(二零零四年三月三十一日：167,300,000港元)。

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended September 30, 2004

(11) Trade and Other Payables

Included within trade and other payables is trade creditors balance of HK\$509.1 million (March 31, 2004: HK\$827.6 million).

The following is an aged analysis of trade creditors at the reporting date:

Not yet due	未到期
Overdue within one month	逾期少於一個月
Overdue between one to two months	逾期一至兩個月
Overdue more than two months	逾期超過兩個月

(12) Borrowings

During the period, the Group obtained additional bank loans of approximately HK\$457.5 million which bear interest at prevailing market rates and are repayable within one year. The borrowings were used for general working capital purposes. The Group also repaid bank loans of approximately HK\$537.3 million.

Borrowings within one year include a loan payable of principal balance of HK\$149.3 million (March 31, 2004: HK\$149.3 million) due to a subsidiary of a substantial shareholder of the Company.

(13) Pledge of Assets

At the balance sheet date, the following assets were pledged by the Group to secure banking and other financing facilities:

Trade and other receivables	貿易及其他應收款項
Inventories	存貨
Listed securities of an associate	一間聯營公司之上市證券
Land and buildings	土地及樓宇
Investments in securities	證券投資

簡明綜合財務報表附註 (續)

截至二零零四年九月三十日止六個月

(11) 貿易及其他應付款項

貿易及其他應付款項包括為數509,100,000港元之應付貿易款項結餘(二零零四年三月三十一日: 827,600,000 港元)。

於報告日期之應付貿易款項賬齡分析如下:

September 30, 2004 HK\$'000 二零零四年 九月三十日 千港元	March 31, 2004 HK\$'000 二零零四年 三月三十一日 千港元
373,569	445,088
84,648	116,373
12,761	50,321
38,164	215,838
<u>509,142</u>	<u>827,620</u>

(12) 借款

於期內，本集團額外取得為數約457,500,000港元之銀行貸款，有關貸款均按當時市場利率計息及須於一年內償還。有關貸款乃用作一般營運資金。本集團亦已償還約537,300,000港元之銀行貸款。

一年內到期之借款包括應付本公司一位主要股東之一間附屬公司之貸款本金餘額149,300,000港元(二零零四年三月三十一日: 149,300,000 港元)。

(13) 資產抵押

於結算日，以下資產由本集團抵押以取得銀行貸款及其他融資安排:

September 30, 2004 HK\$'000 二零零四年 九月三十日 千港元	March 31, 2004 HK\$'000 二零零四年 三月三十一日 千港元
220,146	217,420
90,854	93,180
81,147	75,199
12,403	12,392
608	813
<u>405,158</u>	<u>399,004</u>

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months ended September 30, 2004

(14) Transactions with Related Parties

During the period, the Group had the following significant related party transactions:

Substantial shareholder and its associates:	主要股東及其聯繫人士：
Interest paid and payable by the Group (note a)	本集團已付及應付之利息(附註a)
Interest received and receivable by the Group (note a)	本集團已收及應收之利息(附註a)
Management fee income (note b)	管理費收入(附註b)
Associates:	聯營公司：
Interest received and receivable by the Group (note a)	本集團已收及應收之利息(附註a)
Management fee income (note b)	管理費收入(附註b)
Rental expenses (note c)	租金開支(附註c)

Details of balances with related parties at the balance sheet date are set out in notes 10 and 12.

Notes:

- The loans advanced to/by and the balances due by/to the Group are unsecured, bear interest at prevailing market rates and repayable in accordance with the respective loan agreements, if any.
- The transactions were determined based on terms mutually agreed by the parties concerned.
- The transactions were carried out at term by reference to market prices of similar transactions.

(15) Post Balance Sheet Event

On November 23, 2004, the Company entered into a placing and subscription agreement with ITC Corporation Limited, a substantial shareholder of the Company, and a placing agent and pursuant to which the placing agent agreed to place 37,000,000 shares of HK\$0.01 each of the Company at a price of HK\$3.22 per share. Details are set out in the announcement dated November 23, 2004 of the Company.

簡明綜合財務報表附註(續)

截至二零零四年九月三十日止六個月

(14) 與關連人士之交易

本集團於期內之重大關連人士交易如下：

Six months ended
September 30,
截至九月三十日止六個月

2004 HK\$'000 二零零四年 千港元	2003 HK\$'000 二零零三年 千港元
5,245	6,031
5,640	1,365
-	207
47	1,106
1,489	3,166
712	682

於結算日，與關連人士之結餘款項詳情載於附註10及12。

附註：

- 向／由本集團墊支之貸款及本集團應付／應收之結餘款項均為無抵押，按當時市場利率計息及根據其各自貸款協議(若有)所述年期償還。
- 該等交易乃按有關雙方共同同意之條款釐定。
- 該等交易乃按同類交易之市價進行。

(15) 結算日後事項

於二零零四年十一月二十三日，本公司與本公司一位主要股東德祥企業集團有限公司及一位配售代理訂立一份配售及認購協議。據此，配售代理同意按每股3.22港元之價格配售本公司每股面值0.01港元之股份37,000,000股。詳情載於本公司二零零四年十一月二十三日之公佈。

INDEPENDENT REVIEW REPORT

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF HANNY HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

Introduction

We have been instructed by the Company to review the interim financial report set out on pages 1 to 10.

Directors' responsibilities

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with Statement of Standard Accounting Practice No. 25 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and the relevant provisions thereof. The interim financial report is the responsibility of, and has been approved by, the directors.

It is our responsibility to form an independent conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Review work performed

We conducted our review in accordance with Statement of Auditing Standards No. 700 "Engagements to Review Interim Financial Reports" issued by the Hong Kong Institute of Certified Public Accountants. A review consists principally of making enquiries of management and applying analytical procedures to the interim financial report and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

Review conclusion

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended September 30, 2004.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
December 23, 2004

獨立審閱報告

致錦興集團有限公司董事會
(於百慕達註冊成立之有限公司)

緒言

本核數師行(「本行」)已按 貴公司之指示審閱載於第1頁至第10頁之中期財務報告。

董事之責任

香港聯合交易所有限公司證券上市規則規定編製中期財務報告須遵守香港會計師公會頒佈之會計實務準則第25號「中期財務報告」及其相關規則。中期財務報告乃由董事負責，並已獲董事審批。

本行之責任為根據本行之審核而對中期財務報告達致獨立之結論，並根與本行所協定之聘用條款且非為其他目的而僅向閣下(作為一個整體)呈報。本行概不向任何其他人士就本報告之內容承擔責任或負責。

進行審閱工作

本行是按照香港會計師公會頒佈之核數準則第700號「中期財務報告的審閱」進行審閱。審閱工作主要包括向集團管理層作出查詢及運用分析性程序對中期財務報告作出分析，並據此評估會計政策及呈列方式是否貫徹應用(另行披露者除外)。審閱工作並不包括審核程序，如測試監控及核實資產、負債和交易。審閱工作的範圍遠較審核工作少，故所給予的保證水平也較審核低，因此，本行不會對中期財務報告發表審核意見。

審閱結論

根據這項不構成審核的審閱工作，本行並不察覺須對截至二零零四年九月三十日止六個月之中期財務報告需作出任何重大修改。

德勤 • 關黃陳方會計師行
執業會計師

香港
二零零四年十二月二十三日

INTERIM DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended September 30, 2004 (9/30/2003: HK5 cents). Accordingly, no closure of Register of Members of the Company is proposed.

MANAGEMENT DISCUSSION AND ANALYSIS

Results and financial review

Results

For the six months ended September 30, 2004, the Group's unaudited consolidated loss before minority interests was HK\$15.1 million (9/30/2003: profit of HK\$32.4 million), which comprised profit from operations of HK\$117.7 million (9/30/2003: HK\$98.2 million), finance costs of HK\$9.3 million (9/30/2003: HK\$13.8 million), share of net losses of associates of HK\$29.1 million (9/30/2003: HK\$15.8 million), amortization of goodwill arising on acquisition of associates of HK\$14.0 million (9/30/2003: HK\$3.6 million), net loss on deemed disposals of shareholdings in associates of HK\$11.4 million (9/30/2003: HK\$Nil) and taxation of HK\$69.0 million (9/30/2003: HK\$32.6 million).

Profit from operations of HK\$117.7 million (9/30/2003: HK\$98.2 million) comprised EBITDA (Earnings before interest, tax, depreciation and amortization) of HK\$152.2 million (9/30/2003: HK\$128.0 million), depreciation of HK\$9.0 million (9/30/2003: HK\$9.5 million), amortization of intangible assets of HK\$25.5 million (9/30/2003: HK\$20.3 million). The increase in EBITDA was attributable to the trading of computer related products and consumer electronic products.

Segment Results

For the six months ended September 30, 2004, the Group recorded a profit from operation of HK\$117.7 million which represented a 19.8% growth from HK\$98.2 million, the profit of last corresponding period.

中期股息

董事並不建議派發截至二零零四年九月三十日止六個月中期股息(二零零三年九月三十日: 5港仙)。因此, 並不建議暫停辦理股份過戶手續。

管理層討論及分析

業績及財務回顧

業績

截至二零零四年九月三十日止六個月, 本集團之未經審核未計少數股東權益前之綜合虧損為15,100,000港元(二零零三年九月三十日: 溢利為32,400,000港元), 包括經營溢利117,700,000港元(二零零三年九月三十日: 98,200,000港元)、財務費用9,300,000港元(二零零三年九月三十日: 13,800,000港元)、應佔聯營公司虧損淨額29,100,000港元(二零零三年九月三十日: 15,800,000港元)、攤銷收購聯營公司產生之商譽14,000,000港元(二零零三年九月三十日: 3,600,000港元)、視為出售聯營公司控股虧損淨額11,400,000港元(二零零三年九月三十日: 零港元)及稅項69,000,000港元(二零零三年九月三十日: 32,600,000港元)。

經營溢利117,700,000港元(二零零三年九月三十日: 98,200,000港元)包括EBITDA(除利息、稅項、折舊及攤銷前盈利)152,200,000港元(二零零三年九月三十日: 128,000,000港元), 折舊9,000,000港元(二零零三年九月三十日: 9,500,000港元), 無形資產攤銷25,500,000港元(二零零三年九月三十日: 20,300,000港元)。EBITDA之增加乃來自電腦相關產品及消費電子產品貿易。

分類業績

截至二零零四年九月三十日止六個月, 本集團錄得經營溢利117,700,000港元, 較去年同期溢利98,200,000港元增長19.8%。

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Results and financial review (continued)

Segment Results (continued)

For trading of computer related products, segment turnover amounted to HK\$1,807.4 million, which increased by HK\$191.1 million (11.8%). Segment profit amounted to HK\$96.6 million, which increased by HK\$26.7 million (38.2%).

For trading of consumer electronic products, segment turnover amounted to HK\$913.6 million, which increased by HK\$166.7 million (22.3%). Segment profit amounted to HK\$14.8 million, which increased by HK\$1.2 million (8.8%).

For trading of securities, segment turnover amounted to HK\$1.3 million, which decreased by HK\$28.1 million (95.6%). Segment profit amounted to HK\$10.4 million, which decreased by HK\$6.7 million (39.1%).

Liquidity

Net bank and cash balances at September 30, 2004 decreased significantly to HK\$9.2 million (3/31/2004: HK\$141.1 million) which accounted for 0.6% (3/31/2004: 9.8%) of the net tangible asset value of the Group. The substantially reduced cash balance, which was brought about by the repayment of borrowings, saved the finance costs by HK\$4.5 million. The current ratio of the Group at September 30, 2004 was 1.58 (3/31/2004: 1.39).

Financial Review

The net current assets of the Group at September 30, 2004 increased by HK\$78.4 million (12.1%) to HK\$724.2 million (3/31/2004: HK\$645.8 million). Such increase was mainly attributable to the repayment of borrowings of HK\$79.5 million during the period.

In March 2004, in view of the increasing sales trend and boosting market prices of products such as DVD and CDR owing to the decrease in supply, the Group made bulk purchase so as to bargain for favourable prices. As a result, the inventory level of the Group significantly increased at March 31, 2004, and is now returning to the normal level to HK\$672.8 million as at September 30, 2004 (3/31/2004: HK\$877.4 million).

管理層討論及分析 (續)

業績及財務回顧 (續)

分類業績 (續)

就電腦相關產品貿易而言，分類營業額為1,807,400,000港元，增加191,100,000港元(11.8%)。而分類溢利則錄得96,600,000港元，增加26,700,000港元(38.2%)。

就消費電子產品貿易而言，分類營業額為913,600,000港元，增加166,700,000港元(22.3%)。而分類溢利則錄得14,800,000港元，增加1,200,000港元(8.8%)。

就證券買賣而言，分類營業額為1,300,000港元，減少28,100,000港元(95.6%)。而分類溢利則錄得10,400,000港元，減少6,700,000港元(39.1%)。

流動資金

於二零零四年九月三十日之銀行及現金結存淨額大幅減至9,200,000港元(二零零四年三月三十一日：141,100,000港元)，佔本集團有形資產淨值之0.6%(二零零四年三月三十一日：9.8%)。現金結餘大幅減少是由於償還貸款所致，此亦使財務成本節省4,500,000港元。本集團於二零零四年九月三十日之流動比率為1.58(二零零四年三月三十一日：1.39)。

財務回顧

本集團於二零零四年九月三十日之流動資產淨值增加78,400,000港元(12.1%)至724,200,000港元(二零零四年三月三十一日：645,800,000港元)。此上升主要由於期內償還貸款79,500,000港元。

於二零零四年三月，就銷售額呈增長趨勢及包括DVD及一次收錄光碟在內之產品市場價格因供應減少而上揚，本集團為求取得更佳議價而作大批量採購。因此，本集團存貨量於二零零四年三月三十一日大幅增長，於二零零四年九月三十日已回復至正常水平672,800,000港元(二零零四年三月三十一日：877,400,000港元)。

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Results and financial review (continued)

Financial Review (continued)

Trade and other receivables decreased by HK\$19.5 million (2.6%) to HK\$719.3 million as at September 30, 2004 (3/31/2004: HK\$738.8 million). Debtors turnover improved slightly from 50 days last year to 44 days in current period.

Trade and other payables decreased by HK\$351.6 million (27.6%) to HK\$920.7 million as at September 30, 2004 (3/31/2004: HK\$1,272.3 million). Creditors turnover day decreased from 78 days last year to 44 days in current period. It was mainly due to the settlement of large amount of long overdue trade payables during the period.

At September 30, 2004, total borrowings of the Group amounted to HK\$305.5 million (3/31/2004: HK\$384.2 million), of which HK\$10.4 million (3/31/2004: HK\$10.8 million) were not repayable within one year. The borrowings included bank borrowings of HK\$126.0 million (3/31/2004: HK\$205.7 million), other loans of HK\$151.3 million (3/31/2004: HK\$151.3 million), overdrafts of HK\$24.5 million (3/31/2004: HK\$23.3 million), obligations under finance leases of HK\$1.3 million (3/31/2004: HK\$1.5 million) and amount due to a minority shareholder of HK\$2.4 million (3/31/2004: HK\$2.4 million). The drop in borrowings was due to the repayment of bank and other loans during the period to reduce the finance costs.

Interests in Associates

At September 30, 2004, interests in associates was amounted to HK\$847.7 million (3/31/2004: HK\$906.4 million), which decreased by HK\$58.7 million. The decrease in balance was mainly due to the share of losses of HK\$29.1 million and the deemed disposals of associates during the period, resulting in an aggregate loss of HK\$11.4 million.

管理層討論及分析 (續)

業績及財務回顧 (續)

財務回顧 (續)

貿易及其他應收賬款下跌19,500,000港元(2.6%)至二零零四年九月三十日之719,300,000港元(二零零四年三月三十一日:738,800,000港元)。應收賬流轉期由去年之50日輕微改善至本期間之44日。

貿易及其他應付賬款下跌351,600,000港元(27.6%)至二零零四年九月三十日之920,700,000港元(二零零四年三月三十一日:1,272,300,000港元)。應付賬流轉期由去年之78日減至本期間之44日。其主要由於期內支付逾期多時之大額貿易應付款項所致。

於二零零四年九月三十日，本集團借款總額為305,500,000港元(二零零四年三月三十一日:384,200,000港元)，其中10,400,000港元(二零零四年三月三十一日:10,800,000港元)毋須於一年內償還。有關借款包括銀行借款126,000,000港元(二零零四年三月三十一日:205,700,000港元)、其他貸款151,300,000港元(二零零四年三月三十一日:151,300,000港元)、透支24,500,000港元(二零零四年三月三十一日:23,300,000港元)、融資租約承擔1,300,000港元(二零零四年三月三十一日:1,500,000港元)及應付一個少數股東款項2,400,000港元(二零零四年三月三十一日:2,400,000港元)。由於期內償還銀行及其他借款，以致財務費用得以減少。

聯營公司權益

於二零零四年九月三十日，於聯營公司之權益為847,700,000港元(二零零四年三月三十一日:906,400,000港元)，減少58,700,000港元。該結餘減少主要由於期內應佔虧損29,100,000港元及視為出售聯營公司而導致總虧損11,400,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

Results and financial review (continued)

Pledge of Assets

At September 30, 2004, certain assets of the Group amounted to HK\$405.2 million (3/31/2004: HK\$399.0 million) were pledged to banks and financial institutions for loans' facilities granted to the Group.

Gearing Ratio

The gearing ratio (borrowings/shareholders' funds) at September 30, 2004 was 16.7% (3/31/2004: 20.5%).

Exchange Rate and Interest Rate Risks Exposure

Most of the Group's business transactions, assets and liabilities are denominated in Hong Kong Dollars and United States Dollars. The risk of foreign exchange fluctuation had not been significant to the Group. Interest rates of import loans are mainly referenced to LIBOR or HIBOR plus whereas that of bank and other loans are Prime plus. At the balance sheet date, the Group did not enter into any interest rate speculative and hedging contracts. However, the recent weakening of the United States Dollars against other foreign currencies (especially Canadian Dollars and Great British Pounds) would bring about certain exchange gains to the Canadian and European subsidiaries so far. Because of the possible rebound of the United States Dollars, the Group will consider entering into hedging contracts to eliminate exposure to downside risks, whenever the Group and the concerned foreign subsidiaries think fit.

Contingent Liabilities

The Group had no significant contingent liabilities and capital commitments at the balance sheet date (3/31/2004: HK\$Nil).

Employees and Remuneration Policies

At September 30, 2004, there were approximately 600 staff (3/31/2004: 800) employed by the Group. The remuneration policies are formulated on the basis of performance of individual employees and the prevailing salaries' trends in various regions. They are subject to be reviewed every year. The Group also provided employees training programs, mandatory provident fund scheme, medical insurance and discretionary bonus. Share options are awarded to employees on merit basis and no share options were granted during the six months period.

管理層討論及分析 (續)

業績及財務回顧 (續)

資產抵押

於二零零四年九月三十日，本集團將405,200,000港元(二零零四年三月三十一日：399,000,000港元)之若干資產抵押予銀行及財務機構以取得本集團之貸款融資。

資本與負債比率

於二零零四年九月三十日之資本與負債比率(借款／股東資金)為16.7%(二零零四年三月三十一日：20.5%)。

匯兌及利率風險

本集團大部分之業務交易、資產及負債均以港元及美元計值，外匯波動風險對本集團而言並不重大。進口貸款之利率主要參照倫敦銀行同業拆息率或香港銀行同業拆息率以上水平計算，而銀行及其他貸款之利率則主要參照最優惠利率以上水平計算。於結算日，本集團並無訂立任何利率投機及對沖合約。然而，由於最近美元相對其他外幣之匯率偏軟(尤其是與加元及英鎊之兌換率)，目前能為加拿大及歐洲附屬公司帶來若干匯兌收益。鑑於美元可能反彈，本集團將考慮於其本身及有關之海外附屬公司認為合適時訂立對沖合約以對銷下調風險。

或然負債

本集團於結算日並無任何重大或然負債及資本承擔(二零零四年三月三十一日：零港元)。

僱員及薪酬政策

於二零零四年九月三十日，本集團僱用約600名員工(二零零四年三月三十一日：800名)。本集團之薪酬政策乃根據個別僱員之表現及不同地區當時之薪酬趨勢而制定。每年均會作出檢討。本集團亦提供培訓計劃、強制性公積金計劃、醫療保險及酌情花紅予僱員，表現優異之僱員會獲得購股權之獎勵。六個月期間內並無授出購股權。

BUSINESS AND OPERATIONS REVIEW

Trading Operations Review

The Group achieved satisfactory results in its core business for the past six months.

North America

Sales of both CD and DVD media remained strong in the first half of the fiscal year. The Group is aggressively expanding its presence by adding distribution through new retail outlets such as Staples, Office Depot and MediaMKT. The Group expects to see a substantial increase in DVD volumes in the second half of the year accompanied by more stable pricing. Stronger revenue growth is projected as a results of these factors.

In the United States, according to industry trade publications, Memorex® continues to be the American market leader in DVD sales with a 28.3% share and CD sales with a 22.6% share. DVD revenues were weaker than expected due to a decline in market prices without a significant increase in volume. However, we expect to see a substantial increase in DVD volumes in the second half of the year accompanied by more stable pricing resulting in stronger revenue growth.

In Canada, Memorex® media has gained a very strong market position. There are only a handful of major outlets that cover the country from coast to coast and the Group's products can be found in Best Buy Co. Inc. ("Best Buy"), Future Shop Ltd. ("Future Shop") and Walmart Stores Inc. ("Walmart"), the top three retailers in the market. The growth of these retailers has continued to soar and the Group has also enjoyed major market share growth with them. Our distribution network to the smaller retailers is growing. The Group's products currently represent a significant part of Best Buy/Future Shop's CDR business and DVD business. The future growth potential is very positive and with the surge in higher speed DVD media and DVD 120 video products, other distribution opportunities are expected to become available.

業務及經營回顧

貿易業務回顧

於過去六個月，本集團之核心業務錄得理想業績。

北美

於本財政年度上半年，CD及DVD媒體之銷售保持強勁。本集團透過雜貨店、辦公室用品售賣場及MediaMKT等新設零售點增加分銷，積極拓展其市場份額。本集團預期本年度下半年DVD之銷售額將大幅增加，而價格將更穩定。基於該等有利因素，預料收入增長將更強勁。

根據行業刊物報導，Memorex®於美國市場繼續處於領導地位，DVD市場佔有率達28.3%，而CD市場佔有率則達22.6%。由於市場價格下調而銷量並無大幅增加，DVD收入較預期為低。然而，本集團預期本年度下半年DVD之銷量將大幅增加，價格更穩定而收入增長更強勁。

在加拿大，Memorex®媒體的市場地位舉足輕重。惟擁有全國覆蓋網之主要零售分銷商屈指可數，而本集團產品於市場三大零售商Best Buy Co. Inc. (「Best Buy」)、Future Shop Ltd. (「Future Shop」)及Walmart Stores Inc. (「Walmart」)之店舖均有出售。此等零售商業務持續增長，而本集團之主要市場佔有率亦與該等公司一併提高。本集團面向小規模零售商之分銷網絡不斷壯大。目前，本集團之產品佔Best Buy/Future Shop之一次收錄光碟業務及DVD業務之重要部分。未來增長潛力十分樂觀，加上更高速DVD媒體及DVD 120視像產品之熱潮，其他分銷機會料將陸續出現。

BUSINESS AND OPERATIONS REVIEW (continued)

Trading Operations Review (continued)

North America (continued)

The CDR market in Canada for domestic brands has been falling due to the copyright levy imposed on the product. Competition for CDR sales has become extremely fierce due to the steady influx of other non domestic brands that are being blatantly sold. This has caused great concern in the market as second tier retailers use these non domestic brands to undercut the majors. The Group expects that some of the bigger retailers will add non name brands to their shelves to stay competitive. Obviously, the effect on domestic brands like Memorex® will be a reduction in sales. Although this segment has fallen quickly, the Group believes that since CDR is a mature category, the overall impact of this change will be offset by rising DVD sales expected in the future.

Europe

In Europe, Memorex® achieved a number three market share position with 6.9% in DVD and a number four market share position in CDR with 5.0%. The Group has continued the successful strategy of supplying key retailers on a direct basis and has more than doubled the number of customers now supplied directly. Even though the DVD market suffered severe price erosion during this period and market growth was not as predicted, Memorex® still increased unit sales by 25% and turnover by 10% in comparison to the corresponding period in last year. Operating costs have been controlled and are running at the same level as the previous year.

Asia

In Asia, the Group recorded a small profit in the first half of the fiscal year. Japan market situation is so tough especially on the electronics business and hence sales have been a bit under than expected. Nevertheless, with tighten control on costs and better sourcing, we were able to maintain our profitability as planned. Due to the on-going increase on media costs, sales did not increase substantially for the past six months but with better marketing strategy, we expect sales can pick up again in 2005. Singapore has been growing steadily but we expected that its business will even be better for the second half of the year. For other regions, we have signed the distributorship agreements with several reputable distributors in respect with Taiwan and New Zealand in 2004, and are now in progress to appoint a Korean distributor and with that Memorex®'s Asia business will further be strengthened. In general, Asia business is growing steadily for the past six months but expected to grow rapidly in 2005 with all distributors appointed for targeted regions.

業務及經營回顧 (續)

貿易業務回顧 (續)

北美 (續)

在加拿大市場，國內品牌一次收錄光碟之市場份額正在不斷減少，此乃由於加拿大對該產品徵收版權稅所致。由於其他外國品牌產品流入該市場銷售，使一次收錄光碟之競爭非常激烈。二線零售商利用該等外國品牌將售價調至低於主要零售商，此問題已引起極大關注。本集團預期若干較大零售商將加進無品牌產品以保持競爭力。顯然，其將導致 Memorex® 品牌產品之銷售額減少。儘管該業務量快速下滑，但本集團相信，由於一次收錄光碟乃一個成熟產品類別，銷量變化之整體影響預料將因DVD銷量的增加而抵銷。

歐洲

在歐洲，Memorex®之DVD市場佔有率居第三位，達6.9%，而一次收錄光碟市場佔有率居第四位，達5.0%。本集團繼續以直接方式向主要零售商供應產品之成功策略，並已取得雙倍以上數目之現時直接供應客戶。儘管期內DVD市場經歷嚴重價格下滑及未達到預期之市場增長，但與去年同期相比，Memorex®之單位銷售及營業額仍分別增加25%及10%。經營成本已受控制並與去年水平相同。

亞洲

於財政年度上半年，本集團在亞洲錄得輕微利潤。在日本市場的經營並不容易，尤其在電子業務方面，因此銷售額略低於預期。然而，本集團憑藉實施更嚴緊的成本及採購控制措施，成功達到預算利潤水平。由於媒體成本持續上漲，過去六個月銷售額並無大幅上升，但本集團預計在更佳的營銷策略下，銷售額可於二零零五年回升。新加坡業務正在穩步增長，本集團預期本年度下半年其業務將有更佳表現。其他地區方面，本集團已於二零零四年與若干著名分銷商簽訂有關台灣及新西蘭的分銷協議，現正安排委任一名南韓分銷商，此等措施將可進一步加強 Memorex® 的亞洲業務。概括而言，亞洲業務在過去六個月正穩定增長，但預料在各目標地區完成委任所有分銷商後，二零零五年將可預見快速的業務增長。

BUSINESS AND OPERATIONS REVIEW *(continued)***Placing and Subscription of Shares**

On November 23, 2004, ITC Corporation Limited ("ITC"), a substantial shareholder of the Company, entered into a placing and subscription agreement with the placing agent and the Company pursuant to which ITC agreed to place 37,000,000 shares at the price of HK\$3.22 per share to not less than six placees who were independent third parties procured by the placing agent and ITC would subscribe for 37,000,000 new shares at the same price of HK\$3.22 per share. Please refer to the Company's announcement dated November 23, 2004 for details of such placing and subscription.

Outlook

Operationally, the Group is in the process of consolidating its Canadian warehouse into its U.S. operations, which will reduce operating expenses and improve inventory management. This consolidation will be fully implemented in the third fiscal quarter. The Group is also currently reviewing its supply chain in Europe to refocus on better execution in the retail channel. Going forward, the Group will be in a very good position with the retail trade and expect to continue this trend over the next year as media categories evolve to new technologies.

Growth in the second half of financial year 2005 will also be driven by increased sales of USB flash drives which started to show signs of strong growth in late second quarter. Our introduction of alkaline batteries in both the U.S. and Europe is gaining strong distribution in the retail channel.

As the Group looks to the second half of financial year 2005 and financial year 2006, the Group envisages strong DVD revenue and unit growth along with significant growth within the USB segment. Our strategy is to position Memorex® as a leader in the USB drive segment through increased advertising and retail placement. Both of these initiatives should help drive continued revenue growth in financial year 2006.

業務及經營回顧 (續)**配售及認購股份**

於二零零四年十一月二十三日，本公司主要股東德祥企業集團有限公司（「德祥企業」）與配售代理及本公司訂立一項配售及認購協議，據此，德祥企業同意按每股3.22港元之價格向不少於六名承配人（為配售代理介紹之獨立第三者）配售37,000,000股股份，而德祥企業則會按每股3.22港元之相同價格認購37,000,000股新股。有關配售及認購之詳情，請參閱本公司於二零零四年十一月二十三日之公佈。

展望

在經營上，本集團正將其加拿大倉儲業務併入美國之經營中，以減少經營成本，提升庫存管理。合併將於第三個財政季度全部完成。本集團現時亦檢討其在歐洲之供應鏈，以重新集中力量發揮更好零售渠道之作用。展望未來，鑒於媒體產品類別不繼創新技術，本集團將在零售貿易方面處於更加有利地位，且預期此趨勢將持續至明年。

二零零五財政年度下半年之增長亦將受USB flash drives（在第二季度末開始顯現強勁增長迹象）銷售之增加而帶動。本集團在美國及歐洲市場推出之鹼性電池，在零售渠道之分銷表現理想。

展望二零零五年財政年度下半年及二零零六年財政年度，本集團預計DVD之收入及數量將錄得強勁增長，且USB分部亦將出現重大增長。本集團之策略乃透過增加廣告及零售宣傳，將Memorex®定位為USB驅動裝置之領導者。該兩項策略應有助推動二零零六年財政年度之收入持續增長。

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at September 30, 2004, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which: (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), or (b) were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO, were as follows:

(a) Interests in the Shares of the Company

Name of Director	Long position/ Short position	Capacity	Nature of interest	Number of shares held in the Company 持有本公司股份數目	Approximate % of the ordinary issued share capital of the Company 本公司已發行普通股股本概約百分比
董事名稱	好倉／淡倉	身份	權益性質		
Dr. Chan Kwok Keung, Charles ("Dr. Chan") (refer to notes)	Long position	Interest of controlled corporation	Corporate interest	45,798,813	24.55%
陳國強博士 (「陳博士」) (見附註)	好倉	受控公司之權益	公司權益	45,798,813	24.55%
Mr. Lui Siu Tsuen, Richard 呂兆泉先生	Long position 好倉	Beneficial owner 實益擁有人	Personal interest 個人權益	1,750,000 1,750,000	0.94% 0.94%

Notes:

- This interest does not include interests in underlying shares of equity derivatives of the Company. This interest needs to be aggregated with those set out in sub-paragraph (b) below to give the total interest of Dr. Chan in the Company.
- Dr. Chan is deemed to have a corporate interest in 45,798,813 shares of the Company by virtue of his interest in Chinaview International Limited ("Chinaview"). This interest was detailed and duplicated with the interests as shown in the paragraph "Interests and Short Positions of Shareholders Discloseable under the SFO" below.

董事之股份、相關股份及債券權益及淡倉

於二零零四年九月三十日，本公司董事及主要行政人員於本公司及其聯繫公司（依據證券及期貨條例（「證券及期貨條例」）第XV部之定義）之股份、相關股份及債券中擁有：(a)須根據證券及期貨條例第XV部第7及8分部或根據上市發行人董事進行證券交易之標準守則（「標準守則」）通知本公司及香港聯合交易所有限公司（「聯交所」）之權益及淡倉（包括根據證券及期貨條例有關條文彼等被視作或當作擁有之權益及淡倉），或(b)根據證券及期貨條例第352條須載入本公司存置之登記冊之權益及淡倉如下：

(a) 本公司股份之權益

附註：

- 該權益不包括本公司股本衍生工具之相關股份權益。該權益須與下文分段(b)所載權益一併計算，以計算陳博士於本公司之權益總額。
- 陳博士因在Chinaview International Limited（「Chinaview」）擁有權益而被視為擁有本公司45,798,813股股份之公司權益。該權益已在下文「根據證券及期貨條例須予披露之股東權益及淡倉」一段詳述，並與該段所述之權益完全相同。

(b) Interests in equity derivatives (as defined in the SFO) of the Company

(b) 本公司股本衍生工具(定義見證券及期貨條例)之權益

Name of Director	Long position/ Short position	Capacity	Nature of interest	Exercisable period	Number of Share Options as at 4.1.2004 and 9.30.2004	Exercise price per share HK\$	Approximate % of the ordinary issued share capital of the Company
董事名稱	好倉/淡倉	身份	權益性質	行使期間	於二零零四年四月一日及二零零四年九月三十日之購股權數目	每股行使價 港元	本公司已發行普通股本概約百分比
Dr. Chan	Long position	Beneficial owner	Personal interest	8.31.2001 to 8.30.2006	4,000,000	2.9888	2.14%
				2.23.2004 to 2.22.2006	1,600,000	3.415	0.86%
陳博士	好倉	實益擁有人	個人權益	二零零一年八月三十一日至二零零六年八月三十日	4,000,000	2.9888	2.14%
				二零零四年二月二十三日至二零零六年二月二十二日	1,600,000	3.415	0.86%
Dr. Yap, Allan	Long position	Beneficial owner	Personal interest	8.31.2001 to 8.30.2006	3,250,000	2.9888	1.74%
				2.23.2004 to 2.22.2006	1,600,000	3.415	0.86%
Yap, Allan博士	好倉	實益擁有人	個人權益	二零零一年八月三十一日至二零零六年八月三十日	3,250,000	2.9888	1.74%
				二零零四年二月二十三日至二零零六年二月二十二日	1,600,000	3.415	0.86%
Mr. Lui Siu Tsuen, Richard 呂兆泉先生	Long position 好倉	Beneficial owner 實益擁有人	Personal interest 個人權益	2.23.2004 to 2.22.2006	1,600,000	3.415	0.86%
				二零零四年二月二十三日至二零零六年二月二十二日	1,600,000	3.415	0.86%
Mr. Chan Kwok Hung	Long position	Beneficial owner	Personal interest	8.31.2001 to 8.30.2006	1,750,000	2.9888	0.94%
				2.23.2004 to 2.22.2006	1,600,000	3.415	0.86%
陳國鴻先生	好倉	實益擁有人	個人權益	二零零一年八月三十一日至二零零六年八月三十日	1,750,000	2.9888	0.94%
				二零零四年二月二十三日至二零零六年二月二十二日	1,600,000	3.415	0.86%

(c) Interests in associated corporation (as defined in the SFO) of the Company

(i) Interests in shares of China Strategic Holdings Limited ("CSHL")

Name of Director	Long position/ Short position	Capacity	Nature of interest	Number of shares held in CSHL 持有中策股份數目	Approximate % of the ordinary issued share capital of CSHL 中策已發行普通股本概約百分比
董事名稱	好倉／淡倉	身份	權益性質		
Dr. Chan	Long position	Interest of controlled corporation (Note)	Corporate interest	258,819,795	29.36%
陳博士	好倉	受控公司之權益(附註)	公司權益	258,819,795	29.36%

Note:

Dr. Chan owns the entire interest of Chinaview which in turn owns the entire interest in Galaxyway Investments Limited ("Galaxyway"). Galaxyway owns approximately 33.58% of the entire issued ordinary share capital of ITC. ITC owns the entire interest of ITC Investment Holdings Limited ("ITC Investment"). ITC Investment owns the entire interest in Hollyfield Group Limited ("Hollyfield"). Hollyfield owns approximately 55.06% of the entire issued share capital of Paul Y. - ITC Construction Holdings Limited ("Paul Y."). Paul Y. owns the entire interest of Paul Y. - ITC Investments Group Limited ("PYITCIG"). PYITCIG owns the entire interest of Great Decision Limited ("GDL") which in turn owns the entire interest in Calisan Developments Limited ("Calisan").

Accordingly, Dr. Chan is deemed to be interested in 258,819,795 shares of CSHL which are held by Calisan by virtue of his interests in Chinaview.

(c) 本公司聯繫公司(定義見證券及期貨條例)之權益

(i) 中策集團有限公司(「中策」)之股份權益

Number of shares held in CSHL 持有中策股份數目	Approximate % of the ordinary issued share capital of CSHL 中策已發行普通股本概約百分比
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附註:

陳博士擁有Chinaview所有權益，而Chinaview則擁有Galaxyway Investments Limited(「Galaxyway」)所有權益。Galaxyway擁有德祥企業全部已發行普通股本約33.58%權益。德祥企業擁有ITC Investment Holdings Limited(「ITC Investment」)所有權益。ITC Investment擁有Hollyfield Group Limited(「Hollyfield」)所有權益。Hollyfield擁有保華德祥建築集團有限公司(「保華德祥」)全部已發行股本約55.06%權益。保華德祥擁有Paul Y.-ITC Investments Group Limited(「PYITCIG」)所有權益。PYITCIG擁有Great Decision Limited(「GDL」)所有權益，而GDL則擁有Calisan Developments Limited(「Calisan」)所有權益。

故此，陳博士因在Chinaview擁有權益而被視為擁有由Calisan所持有之中策258,819,795股股份。

(ii) Interests in PSC Corporation Ltd ("PSC")

(ii) 普威聯營有限公司(「普威聯營」)之權益

Name of Director	Long position/ Short position	Capacity	Nature of interest	Exercisable period	Number of Share Options	Exercise price per share S\$	Approximate % of the issued share capital of PSC 普威聯營已發行股本概約百分比
董事名稱	好倉／淡倉	身份	權益性質	行使期間	購股權數目	每股行使價 新加坡元	
Dr. Yap, Allan	Long position	Beneficial owner	Personal interest	8.20.2004 to 8.19.2013	5,000,000	0.105	0.37%
Yap, Allan博士	好倉	實益擁有人	個人權益	二零零四年八月二十日至二零一三年八月十九日	5,000,000	0.105	0.37%
Mr. Lui Siu Tsuen, Richard	Long position	Beneficial owner	Personal interest	8.20.2004 to 8.19.2013	2,000,000	0.105	0.15%
呂兆泉先生	好倉	實益擁有人	個人權益	二零零四年八月二十日至二零一三年八月十九日	2,000,000	0.105	0.15%

Save as disclosed above, as at September 30, 2004, none of the directors and chief executives of the Company had: (a) under Divisions 7 and 8 of Part XV of the SFO, nor were they taken or deemed to have under such provisions of the SFO, any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO); (b) any interests which are required to be entered into the register kept by the Company pursuant to Section 352 of the SFO; or (c) any interests which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零零四年九月三十日，本公司董事及主要行政人員概無：(a) 根據證券及期貨條例第XV部第7及8分部或根據證券及期貨條例之有關條文被視作或當作於本公司或任何聯繫公司(依據證券及期貨條例第XV部之定義)之股份、相關股份或債券中擁有任何權益或淡倉；(b) 根據證券及期貨條例第352條須載入本公司存置之登記冊之任何權益；或(c) 須根據標準守則通知本公司及聯交所之任何權益。

SHARE OPTIONS AND DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

購股權及董事收購股份或債券之權利

The following options were granted to the directors of the Company and employees of the Group to subscribe for shares in the Company.

以下為授予本公司董事及本集團僱員以認購本公司股份之購股權。

Date of grant	Exercisable period	Exercise price per share HK\$	Balance at 4.1.2004	Number of share options 購股權數目			Balance at 9.30.2004
				Granted during the period	Exercised during the period	Cancelled/Lapsed during the period	
授出日期	行使期間	每股行使價 港元	於二零零四年 四月一日之結餘	於期內已授出	於期內已行使	於期內已註銷/ 已失效	於二零零四年 九月三十日 之結餘
Directors (Note)							
董事 (附註)							
8.31.2001	8.31.2001 to 8.30.2006	2.9888	9,000,000	-	-	-	9,000,000
二零零一年 八月三十一日	二零零一年 八月三十一日至 二零零六年 八月三十日	2.9888	9,000,000	-	-	-	9,000,000
2.23.2004	2.23.2004 to 2.22.2006	3.415	6,400,000	-	-	-	6,400,000
二零零四年 二月二十三日	二零零四年 二月二十三日至 二零零六年 二月二十二日	3.415	6,400,000	-	-	-	6,400,000
Employees							
僱員							
2.23.2004	2.23.2004 to 2.22.2006	3.415	6,400,000	-	-	-	6,400,000
二零零四年 二月二十三日	二零零四年 二月二十三日至 二零零六年 二月二十二日	3.415	6,400,000	-	-	-	6,400,000

Note:

Details of the options granted to the directors are set out in the sub-heading "Interests in equity derivatives (as defined in the SFO) of the Company" of the section headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures".

附註：

授予董事之購股權詳情載於「董事之股份、相關股份及債券權益及淡倉」一節「本公司股本衍生工具(定義見證券及期貨條例)之權益」分段。

None of the share options was granted or exercised during the period ended September 30, 2004.

截至二零零四年九月三十日止期間，概無購股權獲授出或行使。

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

So far as is known to the directors and chief executives of the Company, as at September 30, 2004, the following persons had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

根據證券及期貨條例須予披露之股東權益及淡倉

就本公司董事及主要行政人員所知悉，於二零零四年九月三十日，以下人士於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文而須向本公司披露或記錄於本公司根據證券及期貨條例第336條而存置之主要股東登記冊之權益或淡倉：

Name of Shareholders	Notes	Long position/ Short position	Capacity	Number of shares of the Company held	Number of underlying shares (unlisted equity derivatives of the Company) held	Approximate % of the ordinary issued share capital of the Company
股東名稱	附註	好倉／淡倉	身份	持有本公司股份數目	持有相關股份數目 (本公司非上市股本衍生工具)	本公司已發行普通股本概約百分比
Ms. Ng Yuen Lan, Macy 伍婉蘭女士	1 1	Long position 好倉	Interest of spouse 配偶權益	45,798,813 45,798,813	– –	24.55% 24.55%
Ms. Ng Yuen Lan, Macy 伍婉蘭女士	1 1	Long position 好倉	Interest of spouse 配偶權益	– –	5,600,000 5,600,000	3.00% 3.00%
Dr. Chan 陳博士	1 1	Long position 好倉	Interest of controlled corporation 受控公司之權益	45,798,813 45,798,813	– –	24.55% 24.55%
Dr. Chan 陳博士	1 1	Long position 好倉	Beneficial owner 實益擁有人	– –	5,600,000 5,600,000	3.00% 3.00%
Chinaview	1	Long position	Interest of controlled corporation	45,798,813	–	24.55%
Chinaview	1	好倉	受控公司之權益	45,798,813	–	24.55%
Galaxyway	1	Long position	Interest of controlled corporation	45,798,813	–	24.55%
Galaxyway	1	好倉	受控公司之權益	45,798,813	–	24.55%
ITC	1	Long position	Interest of controlled corporation	45,798,813	–	24.55%
德祥企業	1	好倉	受控公司之權益	45,798,813	–	24.55%
ITC Investment	1	Long position	Interest of controlled corporation	45,798,813	–	24.55%
ITC Investment	1	好倉	受控公司之權益	45,798,813	–	24.55%
Mankar Assets Limited ("Mankar")	1	Long position	Interest of controlled corporation	45,798,813	–	24.55%
Mankar Assets Limited ("Mankar")	1	好倉	受控公司之權益	45,798,813	–	24.55%

Name of Shareholders	Notes	Long position/ Short position	Capacity	Number of shares of the Company held	Number of underlying shares (unlisted equity derivatives of the Company) held	Approximate % of the ordinary issued share capital of the Company
股東名稱	附註	好倉／淡倉	身份	持有本公司股份數目	持有相關股份數目 (本公司非上市股本衍生工具)	本公司已發行普通股本概約百分比
Famex Investment Limited ("Famex")	1	Long position	Beneficial owner	45,798,813	–	24.55%
其威投資有限公司 (「其威」)	1	好倉	實益擁有人	45,798,813	–	24.55%
Deutsche Bank Aktiengesellschaft		Long position	Security interest	11,233,000	–	6.02%
Deutsche Bank Aktiengesellschaft		好倉	證券權益	11,233,000	–	6.02%
Hutchison Whampoa Limited ("HWL")	2	Long position	Interest of controlled corporation	10,002,653	–	5.36%
和記黃埔有限公司	2	好倉	受控公司之權益	10,002,653	–	5.36%
Hutchison International Limited ("HIL")	2	Long position	Interest of controlled corporation	10,002,653	–	5.36%
Hutchison International Limited ("HIL")	2	好倉	受控公司之權益	10,002,653	–	5.36%
Yachting Investments Limited ("Yachting")	2	Long position	Interest of controlled corporation	10,002,653	–	5.36%
Yachting Investments Limited (「Yachting」)	2	好倉	受控公司之權益	10,002,653	–	5.36%
Cobbleford Limited ("Cobbleford")	2	Long position	Beneficial owner	10,002,653	–	5.36%
Cobbleford Limited (「Cobbleford」)	2	好倉	實益擁有人	10,002,653	–	5.36%
Mr. Li Ka-shing	2 & 3	Long position	Founder of discretionary trusts and interest of controlled corporations	10,002,653	–	5.36%
李嘉誠先生	2及3	好倉	全權信託創辦人及受控公司權益	10,002,653	–	5.36%
Li Ka-Shing Unity Trustee Corporation Limited (as trustee of The Li Ka-Shing Unity Discretionary Trust)	2 & 3	Long position	Trustee and beneficiary of a trust	10,002,653	–	5.36%
Li Ka-Shing Unity Trustee Corporation Limited (作為The Li Ka-Shing Unity Discretionary Trust之信託人)	2及3	好倉	信託人及信託受益人	10,002,653	–	5.36%

Name of Shareholders	Notes	Long position/ Short position	Capacity	Number of shares of the Company held	Number of underlying shares (unlisted equity derivatives of the Company) held	Approximate % of the ordinary issued share capital of the Company
股東名稱	附註	好倉/淡倉	身份	持有本公司股份數目	持有相關股份數目 (本公司非上市股本衍生工具)	本公司已發行普通股本概約百分比
Li Ka-Shing Unity Trustcorp Limited (as trustee of another discretionary trust)	2 & 3	Long position	Trustee and beneficiary of a trust	10,002,653	-	5.36%
Li Ka-Shing Unity Trustcorp Limited (作為另一項全權信託之信託人)	2及3	好倉	信託人及信託受益人	10,002,653	-	5.36%
Li Ka-Shing Unity Trustee Company Limited (as trustee of The Li Ka-Shing Unity Trust)	2 & 3	Long position	Trustee	10,002,653	-	5.36%
Li Ka-Shing Unity Trustee Company Limited (作 The Li Ka-Shing Unity Trust之信託人)	2及3	好倉	信託人	10,002,653	-	5.36%
Cheung Kong (Holdings) Limited ("CKH")	2 & 3	Long position	Interest of controlled corporations	10,002,653	-	5.36%
長江實業(集團)有限公司 (「長實集團」)	2及3	好倉	受控公司之權益	10,002,653	-	5.36%

Notes:

- (1) Famex is a wholly-owned subsidiary of Mankar. Mankar is a wholly-owned subsidiary of ITC Investment, which in turn is a wholly-owned subsidiary of ITC. Galaxyway, a wholly-owned subsidiary of Chinaview, owns more than one-third of the issued ordinary share capital of ITC. Dr. Chan owns the entire issued share capital of Chinaview. Ms. Ng Yuen Lan, Macy is the spouse of Dr. Chan. Mankar, ITC Investment, ITC, Galaxyway, Chinaview, Dr. Chan and Ms. Ng Yuen Lan, Macy are deemed to be interested in 45,798,813 shares of the Company which are held by Famex. Ms. Ng Yuen Lan, Macy is deemed to be interested in 5,600,000 underlying shares (in respect of unlisted equity derivatives) of the Company held by Dr. Chan.
- (2) Cobbleford is a wholly-owned subsidiary of Yachting, which in turn is a wholly-owned subsidiary of HIL. HIL is a wholly-owned subsidiary of HWL. Certain subsidiaries of CKH are entitled to exercise or control the exercise of more than one-third of the voting power at the general meetings of HWL. Yachting, HIL, HWL and CKH are all deemed to be interested in 10,002,653 shares held by Cobbleford.
- (3) Li Ka-Shing Unity Holdings Limited, of which each of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard is interested in one-third of the entire issued share capital, owns the entire issued

附註:

- (1) 其威為Mankar之全資附屬公司。Mankar為ITC Investment之全資附屬公司，而ITC Investment則為德祥企業之全資附屬公司。Chinaview之全資附屬公司Galaxyway擁有德祥企業已發行普通股本三分之一以上。陳博士擁有Chinaview全部已發行股本。伍婉蘭女士為陳博士之配偶。Mankar、ITC Investment、德祥企業、Galaxyway、Chinaview、陳博士及伍婉蘭女士被視為於其威持有之45,798,813股本公司股份中擁有權益。伍婉蘭女士被視為於陳博士持有之5,600,000股本公司相關股份(有關非上市股本衍生工具)中擁有權益。
- (2) Cobbleford為Yachting之全資附屬公司，而Yachting則為HIL之全資附屬公司。HIL為和記黃埔之全資附屬公司。長實集團之若干附屬公司有權於和記黃埔之股東大會上行使或控制行使超過三分之一之投票權。Yachting、HIL、和記黃埔及長實集團均被視為於Cobbleford持有之10,002,653股股份中擁有權益。
- (3) 李嘉誠先生、李澤鉅先生及李澤楷先生各自擁有Li Ka-Shing Unity Holdings Limited已發行股本之三分之一，而該公司則擁有Li Ka-Shing

share capital of Li Ka-Shing Unity Trustee Company Limited. Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust, together with certain companies which Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust is entitled to exercise or control the exercise of more than one-third of the voting power at their general meetings, hold more than one-third of the issued share capital of CKH.

In addition, Li Ka-Shing Unity Holdings Limited also owns the entire issued share capital of Li Ka-Shing Unity Trustee Corporation Limited ("TDT1") as trustee of The Li Ka-Shing Unity Discretionary Trust ("DT1") and Li Ka-Shing Unity Trustcorp Limited ("TDT2") as trustee of another discretionary trust ("DT2"). Each of TDT1 and TDT2 holds units in The Li Ka-Shing Unity Trust.

By virtue of the SFO, each of Mr. Li Ka-shing being the settlor and may being regarded as a founder of each of DT1 and DT2 for the purpose of the SFO, CKH, Li Ka-Shing Unity Trustee Company Limited, Li Ka-Shing Unity Trustcorp Limited and Li Ka-Shing Unity Trustee Corporation Limited is deemed to be interested in 10,002,653 shares which are held by Cobbleford.

Save as disclosed above, as at September 30, 2004, there was no other person (other than the directors or the chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

CONTINUING DISCLOSURE OBLIGATION

The total market capitalization of the Company was approximately HK\$499 million as at September 30, 2004 (the "Total Market Capitalisation"). The trade receivables due to the Group from (1) Walmart and (2) Best Buy two principal groups of customers of the Group, amounted to approximately HK\$149.5 million and HK\$57.3 million respectively as at September 30, 2004. Each of the two groups of trade receivables were interest-free, unsecured, within their credit terms of 0 to 90 days from the invoice date and arose from the ordinary course of business, and represented more than 8% of the Total Market Capitalisation.

As at September 30, 2004, the aggregate amount of the advance by the Company to Wing On Travel (Holdings) Limited was approximately HK\$151.5 million (the "Loan"), representing more than 8% of the Total Market Capitalisation. The Loan is unsecured and bears interest at a rate of 2% over the Hong Kong dollar prime rate and is repayable on demand.

Unity Trustee Company Limited全部已發行股本。Li Ka-Shing Unity Trustee Company Limited以The Li Ka-Shing Unity Trust信託人之身份，連同若干公司合共持有長實集團三分之一以上之已發行股本，而Li Ka-Shing Unity Trustee Company Limited以The Li Ka-Shing Unity Trust信託人之身份有權在該等公司之股東大會上行使或控制行使三分之一以上之投票權。

此外，Li Ka-Shing Unity Holdings Limited亦擁有Li Ka-Shing Unity Trustee Corporation Limited(「TDT1」)(作為The Li Ka-Shing Unity Discretionary Trust(「DT1」)之信託人)以及Li Ka-Shing Unity Trustcorp Limited(「TDT2」)(作為另一項全權信託(「DT2」)之信託人)之全部已發行股本。TDT1及TDT2各持有The Li Ka-Shing Unity Trust之信託單位。

根據證券及期貨條例，李嘉誠先生(作為財產授予人以及就證券及期貨條例而言可被視為DT1及DT2之成立人)、長實集團、Li Ka-Shing Unity Trustee Company Limited、Li Ka-Shing Unity Trustcorp Limited及Li Ka-Shing Unity Trustee Corporation Limited均被視為於Cobbleford所持有之10,002,653股股份中擁有權益。

除上述披露者外，於二零零四年九月三十日，並無其他人士(除本公司董事或主要行政人員外)於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文而須向本公司披露或記錄於本公司根據證券及期貨條例第336條而存置之主要股東登記冊之權益或淡倉。

持續披露責任

本公司於二零零四年九月三十日之總市值約為499,000,000港元(「總市值」)。於二零零四年九月三十日，本集團應收(1) Walmart及(2) Best Buy本集團之兩大集團客戶之貿易應收款項分別約為149,500,000港元及57,300,000港元。上述兩個集團各自結欠之貿易應收款項均為免息、無抵押、須於彼等自發票日期起計0至90日之信貸款內償還，且在本集團日常業務過程中產生，佔總市值超逾8%。

於二零零四年九月三十日，本公司給予永安旅遊(控股)有限公司之墊款總額約為151,500,000港元(「該貸款」)，佔總市值超逾8%。該貸款乃無抵押，按港元最優惠利率加2厘計息，並須於要求時償還。

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended September 30, 2004.

AUDIT COMMITTEE

The members of the audit committee (the "Committee") comprise Mr. Cheung Hon Kit, Mr. Kwok Ka Lap, Alva and Mr. Wong King Lam, Joseph. The Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including a review of the unaudited consolidated interim results for the six months ended September 30, 2004.

CODE OF BEST PRACTICE

None of the directors is aware of any information that would reasonably indicate that the Company is not, or was not for the six months ended September 30, 2004, in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") except that non-executive directors are not appointed for a specific term as they are subject to retirement by rotation and re-election at annual general meeting in accordance with the bye-laws of the Company.

MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules with respect to directors' securities transactions in relation to the accounting period covered by the interim report. The directors of the Company have complied with, and there has been no non-compliance with, the required standard set out in the Model Code regarding directors' securities transactions, as supported by specific enquiry made of all directors of the Company.

ACKNOWLEDGEMENTS

Finally, on behalf of the directors, I wish to express my sincere appreciation to all the staff of the Group for their continuing dedication and support. I would also like to thank our shareholders, suppliers, bankers and customers for their continued support.

By Order of the Board
HANNY HOLDINGS LIMITED
Dr. Chan Kwok Keung, Charles
Chairman

Hong Kong, December 23, 2004

購買、出售或贖回本公司之上市證券

於截至二零零四年九月三十日止六個月內，本公司或其任何附屬公司並無購買、出售或贖回任何本公司之上市證券。

審核委員會

審核委員會（「委員會」）之成員包括張漢傑先生、郭嘉立先生及黃景霖先生。委員會已聯同管理層審閱本集團所採納之會計政策及慣例，並就審核、內部監控及財務申報事宜進行磋商，其中包括審閱截至二零零四年九月三十日止六個月之未經審核綜合中期業績。

最佳應用守則

董事概無獲悉任何資料，足以合理顯示本公司現時或於截至二零零四年九月三十日止六個月內，並未遵守聯交所證券上市規則（「上市規則」）附錄十四所載最佳應用守則之規定，惟非執行董事並無固定任期，因彼等須根據本公司之公司細則，在股東週年大會上依章輪值告退並膺選連任。

標準守則

本公司就本中期報告所包括會計期間已採納了上市規則附錄十所載之標準守則。經向本公司所有董事作出具體查詢後，本公司確認各董事均已遵守及並無違反標準守則所規定有關董事進行證券交易之標準。

致謝

最後，本人謹代表各董事向本集團全體員工致以衷心謝意，感謝諸位一直以來對集團之貢獻與支持，同時亦謹此鳴謝全體股東、供應商、往來銀行與客戶之不斷鼎力支持。

承董事會命
錦興集團有限公司
 主席
陳國強博士

香港，二零零四年十二月二十三日

BOARD OF DIRECTORS

Executive Directors

Dr. Chan Kwok Keung, Charles (Chairman)
Dr. Yap, Allan (Managing Director)
Mr. Lui Siu Tsuen, Richard (Deputy Managing Director)
Mr. Chan Kwok Hung

Non-Executive Directors

Mr. Fok Kin Ning, Canning
Ms. Shih, Edith (alternate to Mr. Fok Kin Ning, Canning)
Mr. Ip Tak Chuen, Edmond
Mr. Cheung Hon Kit

Independent non-executive Directors

Mr. Yuen Tin Fan, Francis
Mr. Kwok Ka Lap, Alva
Mr. Wong King Lam, Joseph

AUDIT COMMITTEE

Mr. Cheung Hon Kit
Mr. Kwok Ka Lap, Alva
Mr. Wong King Lam, Joseph

COMPANY SECRETARY

Ms. Cheng Wai Chu, Judy

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants
26th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

PRINCIPAL BANKERS

Bank of America, U.S.A.
Bank of China (Hong Kong) Limited
Citic Ka Wah Bank Limited
Hang Seng Bank Limited
Wing Hang Bank, Ltd.

PRINCIPAL REGISTRAR

The Bank of Bermuda Limited
6 Front Street
Hamilton HM 11
Bermuda

BRANCH REGISTRAR

Secretaries Limited
Ground Floor
Bank of East Asia Harbour View Centre
56 Gloucester Road, Wanchai
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL OFFICE

8th Floor, Paul Y. Centre
51 Hung To Road, Kwun Tong,
Kowloon, Hong Kong
Tel: (852) 2372 0722
Fax: (852) 2304 4236

STOCK CODE

The Stock Exchange of Hong Kong Limited: 275

董事會

執行董事

陳國強博士 (主席)
Yap, Allan博士 (董事總經理)
呂兆泉先生 (副董事總經理)
陳國鴻先生

非執行董事

霍建寧先生
施熙德女士 (霍建寧先生之替代董事)
葉德銓先生
張漢傑先生

獨立非執行董事

袁天凡先生
郭嘉立先生
黃景霖先生

審核委員會

張漢傑先生
郭嘉立先生
黃景霖先生

公司秘書

鄭慧珠女士

核數師

德勤•關黃陳方會計師行
執業會計師
香港干諾道中111號
永安中心26樓

主要往來銀行

Bank of America, 美國
中國銀行(香港)有限公司
中信嘉華銀行有限公司
恒生銀行有限公司
永亨銀行有限公司

主要過戶登記處

The Bank of Bermuda Limited
6 Front Street
Hamilton HM 11
Bermuda

過戶登記分處

秘書商業服務有限公司
香港
灣仔告士打道56號
東亞銀行港灣中心地下

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

主要辦事處

香港九龍
觀塘鴻圖道51號
保華企業中心8樓
電話: (852) 2372 0722
傳真: (852) 2304 4236

股票編號

香港聯合交易所有限公司: 275

REGISTERED OFFICE

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