

ANALYSIS OF THE GROUP'S PERFORMANCE

The Group's turnover for the year ended 31st December, 2004 totaled approximately HK\$123.4 million, representing a decrease of 95.7% from approximately HK\$2.9 billion compared to the financial year 2003. There was no contribution to turnover in this current year from the segment relating to the manufacturing and trading of tire products following the group disposal of interests in subsidiaries engaged in this operation. The turnover for the year was mainly generated from manufacturing and trading of battery products and the pharmaceutical products operation, the business segment of pharmaceutical products operation was treated as discontinuing operations during the year following the disposal of this operation in May 2004.

The Group's audited consolidated loss for the year ended 31st December, 2004 reduced by HK\$13.4 million to approximately HK\$176.1 million as compared to approximately HK\$189.5 million in last financial year. The net loss for the year was mainly attributable to the allowance for the loans and interest receivables and provision for unrealized loss in investments in securities.

During the year, the management continued to maintain a sharp focus in the monitoring of its investment portfolios to better restructure and rationalize its existing investments to the best interests of the shareholders. At the same time, stringent cost control measures continued to be in place in its manufacturing operations to ensure maximum returns to the Group.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

During the financial year 2004, the Group financed its operations mainly through cash generated from its business activities, banking facilities provided by its principal bankers and proceeds from disposal of investments.

本集團業務分析

本集團截至二零零四年十二月三十一日止年度之營業額合共約123,400,000港元，較二零零三財政年度約2,900,000,000港元下降95.7%。繼本集團出售從事製造及銷售輪胎產品業務之附屬公司之權益後，該業務分部於本年度並無營業額貢獻。本年度營業額主要來自電池產品及藥品之製造。於二零零四年五月出售藥品業務後，該業務分部於本年度已被視作為正終止經營業務。

本集團於截至二零零四年十二月三十一日止年度之經審核綜合虧損由對上財政年度約189,500,000港元減少約13,400,000港元至約176,100,000港元。本年度之虧損淨額主要由於就貸款及應收利息作出撥備及就投資證券未變現虧損作出撥備。

年內，管理層繼續密監控其投資組合，以更有效地重組及優化現有投資，為股東帶來最佳利益。與此同時，本集團繼續對其製造業務實行嚴謹之成本控制措施，以確保為本集團帶來最大回報。

資本架構、流動資金及財務資源

於二零零四財政年度，本集團主要以業務所得現金、主要往來銀行提供之信貸及出售投資所得款項作為營運資金。

For the year under review, the Group's short-term bank loans and other borrowings increased from approximately HK\$38.3 million as at 31st December, 2003 to approximately HK\$42.6 million as at 31st December, 2004. Long-term bank loans and other borrowings reduced from approximately HK\$144,000 as at 31st December, 2003 to approximately HK\$3,000 as at 31st December, 2004. As a result, the Group's total bank loans and other borrowings increased from approximately HK\$38.4 million as at 31st December, 2003 to approximately HK\$42.6 million as at 31st December, 2004 representing an increase of 10.9%. The gearing ratio, calculated to the total long-term borrowing bank loans and other borrowing divided by total shareholders funds reduced from 0.00009 to 0.000002. The Group's total borrowings of approximately HK\$42.6 million were mainly denominated in HK dollars, and the maturity profile spread over a period of five years with HK\$42.6 million repayable within one year, HK\$3,000 repayable two to five years.

As at 31st December, 2004, total bank borrowings of the Group amounted to approximately HK\$9 million and most of the Group's bank borrowings bear interest at floating rates.

Capital expenditure aggregated to approximately HK\$149.2 million for the year was used primarily for purchasing of property, plant and equipment. The Group's capital expenditures will continue to be funded primarily by internal resources or external borrowings or a combination of both as required.

Cash and bank balances amounted to approximately HK\$119.4 million, and is mainly denominated in Hong Kong dollars and Australian dollars. During the year, the company did not experience significant exposure to exchange rate and interest rate fluctuations. As a result, the Group did not enter into any material foreign exchange contracts, currency swaps or other financial derivatives.

於回顧年度，本集團之短期銀行貸款及其他借貸由二零零三年十二月三十一日約38,300,000港元增加至二零零四年十二月三十一日約42,600,000港元。長期銀行貸款及其他借貸由二零零三年十二月三十一日約144,000港元減至二零零四年十二月三十一日約3,000港元。因此，本集團之銀行貸款及其他借貸總額由二零零三年十二月三十一日約38,400,000港元增至二零零四年十二月三十一日約42,600,000港元，升幅達10.9%。資本負債比率（即長期銀行貸款及其他借貸總額除以股東資金總額）由0.00009下降至0.000002。本集團之總借貸約42,600,000港元主要以港元計算，還款期均屬五年以內，其中約42,600,000港元須於一年內償還，約3,000港元則須於二至五年內償還。

於二零零四年十二月三十一日，本集團之總銀行借貸約為9,000,000港元，本集團大部分銀行借貸以浮動息率計息。

年內資本開支合計約149,200,000港元，主要用於購置物業、廠房及設備。本集團之資本開支將主要仍以內部資源或外來借貸或於需要時結合兩者而撥付。

現金及銀行結餘約達119,400,000港元並主要以港元及澳元計算。年內，本公司並無遇到重大匯率及利率波動風險。因此，本集團並無訂立任何重大外匯合約、貨幣掉期或其他金融衍生工具。

SIGNIFICANT INVESTMENTS

China Enterprises Limited (carried on business in Hong Kong as China Tire Holdings Limited)

For the year under review, China Enterprises Limited (“China Enterprises”) continued to look at strategic investment opportunities with a view to expanding business portfolios. Wing On Travel Holdings Limited is a travel business related affiliate which continues to benefit from the upward rebound to the travel business of Hong Kong after the negative impacts brought by the outbreak of the Severe Acute Respiratory Syndrome (“SARS”) subsided over the corresponding period. After disposing of its investment in Yinchuan C.S.I. (Greatwall) Rubber Company Limited, Double Happiness Tire Industries Corporation Limited and 25% interest in Hangzhou Zhongce Rubber Company Limited (“Hangzhou Zhongce”) which are principally engaged in the manufacturing and trading of tires products in the PRC and other countries abroad in 2003, China Enterprises maintains minimal involvement in the manufacturing and trading of tires products through its 26% held interest in Hangzhou Zhongce.

During 2004, China Enterprises entered into a conditional agreement for the proposed acquisition of a property situation in Shanghai, the PRC and the property being erected thereon which comprises two levels of underground car parks and a 24-storey building for a consideration of RMB450 million. Under the result of the Closer Economic Partnership Arrangement would have largely considerable potential on economic cooperation and integration between Hong Kong and the PRC, and with the gradual easing of restrictions on the individual mainland visitors traveling to Hong Kong, we expect a great increase in arrivals once more parts of the PRC are opened up to individual travelers. It is the intention of the management of China Enterprises to continue seeking appropriate investment opportunities in the hotel and travel related businesses in the PRC in view of the positive outlooks in the coming future so as to further expand.

MRI Holdings Limited

MRI Holdings Limited (“MRI”) (ASX code: MRI) continues as an investment company under the ASX guidelines.

Throughout 2004, MRI continued to actively seek suitable investment opportunities to meet the strategic goals of MRI.

A number of possible investment opportunities were considered during the year, however none were considered suitable to meeting MRI’s objectives, and the directors continue to seek appropriate potential investment opportunities.

重要投資

China Enterprises Limited (在香港以China Tire Holdings Limited之名義經營業務)

於回顧年度，China Enterprises Limited (「China Enterprises」) 繼續尋求策略投資機會，以增加業務範疇。永安旅遊(控股)有限公司為一家從事旅遊業務之聯營公司，自相應期間爆發嚴重急性呼吸道綜合症(「沙士」)帶來之負面影響減退後，持續於香港正在復甦之旅遊業中得益。二零零三年，China Enterprises於出售其於銀川中策(長城)橡膠有限公司及雙喜輪胎工業股份有限公司之投資及於杭州中策橡膠有限公司(「杭州中策」)之25%權益後，僅透過其於杭州中策餘下之26%權益在製造及銷售輪胎業作最低限度之參與。上述各公司主要於國內及海外其他國家從事製造及銷售輪胎之業務。

於二零零四年，China Enterprises訂立了一份有條件協議，以建議收購位於中國上海之物業及建於其上之物業，包括一個兩層地下停車場及一座24層樓高之大廈，代價為人民幣450,000,000元。在更緊密經貿關係安排之帶動下，中港兩地於經濟合作及交流分面具有極大潛力，加上逐步放寬內地個人旅客訪港旅遊之限制，本集團預期在中國更多地區實行自由行後，訪港人數將大幅上升。鑑於中國酒店及旅遊相關行業於未來數年之前景樂觀，以及讓本集團能進一步擴展，China Enterprises管理層現擬持續於此行業物色適當之投資機會。

MRI Holdings Limited

MRI Holdings Limited (「MRI」) (ASX編號：MRI) 根據ASX指引繼續為投資公司。

於二零零四年整個年度內，MRI一直積極物色合適之投資機會，以達致MRI之策略目標。

MRI於年內已考慮若干有可能之投資機會，然而當中並無符合MRI目標之投資，而董事將繼續積極物色合適之潛在投資機會。

MANAGEMENT DISCUSSION & ANALYSIS

管理層之討論及分析

Super Energy Group Limited

Super Energy Group Limited ("Super Energy") is a manufacturing company engaged principally in the production and sales of batteries and related accessories. Its major products are the primary battery and the re-chargeable battery. Benefited from the worldwide economic growth, demand for battery products has substantially increased. Having conducting research and development on many new products, some of them have already been produced, used and accepted in the market.

The invention of "No Mercury Button Cell Battery" has obtained the patent in Beijing, the PRC. With the concept of "Friendly Environment" being widely pursued in the USA and many European countries, Super Energy believes that this product will be widely accepted worldwide. Super Energy has also cooperated with sizeable Korean battery manufacturing companies to produce the "Lithium-Ion battery". Application for patent is being sought for this product in the USA, UK, Korea and the PRC, etc., and is commonly used in digital camera. Super Energy believes that "Lithium-Ion battery" is an invention representing high quality, high capacity and advance technology. Super Energy has confidence that this battery can become one of the leading battery products in the market.

Meanwhile, Super Energy is concentrating to enlarge its market share and it believes it will generate ample returns to the Group in the near future.

CORPORATE DEVELOPMENTS

On 13th January, 2004, the Group entered into an agreement ("CN Agreement") (as subsequently amended on 17th March, 2004 and further amended by the supplement agreement dated 4th May, 2004) with Wing On Travel (Holdings) Limited ("Wing On Travel") for the issue of convertible note by Wing On Travel to the Group for a consideration of HK\$155,000,000. Completion of the CN Agreement had taken place on 14th June, 2004.

In March 2004, the Company entered into the conditional sale and purchase agreement Cheung Tai Hong (B.V.I.) Limited ("Cheung Tai Hong"), a wholly-owned subsidiary of Cheung Tai Hong Holdings Limited, in relation to the disposal of the entire issued equity interests in Tung Fong Hung Investment Limited to Cheung Tai Hong for a total consideration of HK\$42,000,000. The transaction was completed in May, 2004.

超量集團有限公司

超量集團有限公司(「超量」)為一間主要從事生產及銷售電池和相關配件之製造業公司，其主要產品為原電池及可充電電池。受惠於全球經濟增長，電池之需求亦大幅上升。超量已研發多種新產品，當中部分已進行生產及應用，並成功打入市場。

新開發之「環保鈕扣電池」已於中國北京市獲取專利。由於「環保」概念正在美國及許多歐洲國家大行其道，超量相信該產品將於全世界廣受歡迎。超量亦與一家甚具規模的韓國電池製造企業合作生產「鋰離子電池」，並正為該產品在美、英、韓及中國等地申請專利。其為數碼相機普遍採用之電池。超量相信，「鋰離子電池」為一項優質、高用量及先進技術之發明品，並有信心此種電池將成為市場上之主要電池產品之一。

與此同時，超量正全力擴大市場佔有率，並相信能於不久將來為集團帶來豐碩回報。

公司發展

二零零四年一月十三日，本集團與永安旅遊(控股)有限公司(「永安旅遊」)訂立了一份協議(「可換股票據協議」)(稍後於二零零四年三月十七日修訂及經二零零四年五月四日之補充協議修訂)，內容有關由永安旅遊向本集團發行可換股票據，代價為155,000,000港元。可換股票據協議已於二零零四年六月十四日完成。

二零零四年三月，本公司與Cheung Tai Hong (B.V.I.) Limited(「Cheung Tai Hong」，其為祥泰行集團有限公司之全資附屬公司)訂立一份有條件買賣協議，內容有關向Cheung Tai Hong出售Tung Fong Hung Investment Limited全部已發行股本權益，總代價為42,000,000港元。該宗交易已於二零零四年五月完成。

As stated in the joint announcement dated 8th March, 2004 of Pacific Century Premium Developments Limited (“PCPD” formerly known as Dong Fang Gas Holdings Limited an associated company of the Company at that time), and PCCW Limited (“PCCW”), PCPD conditionally agreed to purchase (i) the entire issued share capital of Ipswich Holdings Limited and its subsidiaries (“Property Group”), being the group of companies holding PCP Beijing, PCCW Tower, other investment properties and related property and facilities management companies of PCCW and its subsidiaries and (ii) the loans of approximately HK\$3,529 million, in aggregate, of interest-bearing loans owing by the relevant members of the Property Group to PCCW (comprising of HK\$2,359 million and US\$150 million of such loans and (iii) certain property interests. The consideration for the above transaction amounting to HK\$6,557 million will be satisfied by (a) as to HK\$2,967 million by the allotment and issue of approximately 1,648 million new shares of PCPD to PCCW credited as fully paid at an issue price of HK\$1.80 per share; and (b) as to the remaining HK\$3,590 million by the issue of the convertible note by PCPD to PCCW or as it may direct. The above transaction was completed in May, 2004. PCPD then became the flagship of PCCW for property development business in Hong Kong and the People’s Republic of China (the “PRC”) and thereafter PCPD ceased to be an associated company of the Company.

On 18th March, 2004, the Company entered into a sale and purchase agreement in respect of the disposal of 12.88% interests in the share capital of Apex Quality Group Limited at the consideration of HK\$10,722,600. On 5th August, 2004, the Company entered into a supplemental Agreement to extend the completion date of the transaction. The above transaction was completed in September, 2004.

On 31st March 2004, the Group entered into a conditional agreement to acquire 80% interests of the issued share capital of and the shareholder’s loan to Talent Cosmos Limited for a consideration of HK\$30 million. Talent Cosmos Limited is an investment holding company and its subsidiaries are principally engaged in the manufacturing and trading of battery products.

The sale and purchase agreement dated 16th June, 2004 has been entered into between the Group and Shanghai Jiu Sheng Investment Company Limited in relation to the acquisition of the interest in a parcel of land situated at Nos. 219 and 229, Jiang Ning Road, Jing An District, Shanghai, the PRC and the building being erected thereon which comprises two levels of underground car parks and a 24-storey building for the total consideration of RMB450,000,000.

誠如於二零零四年三月八日，盈科大行地產發展有限公司（「盈大地產」，前稱東方燃氣集團有限公司，為本公司當時之聯營公司）及電訊盈科有限公司（「電訊盈科」）發表之聯合公佈所載，盈大地產有條件同意購買(i) Ipswich Holdings Limited及其附屬公司（「物業集團」）之全部已發行股本，而物業集團乃持有北京盈科中心、電訊盈科中心及電訊盈科及其附屬公司旗下其他投資物業及相關物業及設施管理公司之集團公司；及(ii)物業集團有關成員公司欠負電訊盈科之總額約3,529,000,000港元之計息貸款（包括2,359,000,000港元及150,000,000美元之貸款）；及(iii)若干物業權益。上述交易之代價達6,557,000,000港元，而其支付方式為(a)其中2,967,000,000港元以盈大地產向電訊盈科配發及發行約1,648,000,000股入賬列作繳足股本之盈大地產新股的方式支付，發行價為每股1.80港元；及(b)餘額3,590,000,000港元以盈大地產向電訊盈科（或按其指示）發行可換股票據的方式支付。上述交易已於二零零四年五月完成。盈大地產其後成為電訊盈科於香港及中華人民共和國（「中國」）物業發展業務之旗艦，此後盈大地產不再為本公司之聯營公司。

二零零四年三月十八日，本公司訂立一份買賣協議，內容有關以10,722,600港元之代價出售Apex Quality Group Limited股本中12.88%權益。二零零四年八月五日，本公司訂立補充協議延展該宗交易之完成日期。上述交易已於二零零四年九月完成。

二零零四年三月三十一日，本集團訂立有條件協議收購才宇有限公司80%已發行股本之權益及其股東貸款，代價為30,000,000港元。才宇有限公司為投資控股公司，其附屬公司主要從事產銷電池產品。

本集團與上海久盛投資有限公司於二零零四年六月十六日訂立買賣協議，內容有關收購位於中國上海市靜安區江寧路219號及229號之一幅土地及建於其上之大廈之權益，包括一個兩層地下停車場及一座24層樓高之大廈，總代價為人民幣450,000,000元。

The Company had been notified on 15th October, 2004 that Hanny Holdings Limited (“Hanny”) and Paul Y. – ITC Construction Holdings Limited (“Paul Y.”) had been approached by a third party (the “First Potential Purchaser”) in connection with the possible acquisition by the third party of interests in the shares of the Company from Hanny and/or Paul Y., which might or might not result in a general offer for all the shares of the Company (other than those already owned or purchased) (the “Possible Acquisition”).

As stated in the announcement of the Company dated 4th November, 2004, the Group entered a memorandum of undertaking (the “MOU”) regarding the intension of the acquisition of the entire issued share capital of Asso Limited (“Asso”) or such assets owned by Asso and/or its subsidiaries (including Boading Yimian Group Co., Ltd.) for a consideration of HK\$200,000,000. Since the formal agreement was not signed on or before the expiry date, the MOU was terminated and had no further effect.

In October and November, 2004, the Group converted approximately HK\$100 million convertible note of Wing On Travel into ordinary shares of HK\$0.01 each of Wing On Travel at conversion price of HK\$0.020 per share. The interest of Wing On Travel held by the Group was accordingly interested from approximately 32.2% to approximately 38.6% upon conversion of the convertible notes into shares of HK\$0.01 each in Wing On Travel by the Group and other convertible note holder. The Group also disposed of approximately 7.9% interest in Wing On Travel on market for a consideration of approximately HK\$45 million and the interest in Wing On Travel held by the Group was decreased to approximately 30.3%

On 30th November, 2004, the Group entered into two placing and subscription agreements with Wing On Travel and the placing agent pursuant to which the placing agent agreed to place 6,000 million shares of Wing On Travel at the price of HK\$0.028 per share and the Group would subscribe for up to 6,000 million new shares of Wing On Travel at the same price of HK\$0.028 per share. The placing of 6,000 million shares of Wing On Travel and subscription 3,660 million new shares of Wing On Travel issued to the Group under the general mandate of Wing On Travel were completed in December, 2004. The subscription of 2,340 million new shares of Wing On Travel issued to the Group pursuant to the approval of independent shareholders of Wing On Travel were completed in January, 2005. Upon completion of the above transactions, the Group held approximately 25.0% interest in Wing On Travel.

本公司在二零零四年十月十五日獲知會，一名第三方人士（「首名準買家」）接觸錦興集團有限公司（「錦興」）及保華德祥建築集團有限公司（「保華」），涉及該第三方可能向錦興及／或保華收購本公司之股份權益，其將可能或可能不導致就本公司所有股份（該第三方已擁有或購買之股份除外）作出全面收購（「可能收購事項」）。

誠如於二零零四年十一月四日本公司發表之公佈所載，本集團已訂立諒解備忘錄（「諒解備忘錄」），內容關於以代價200,000,000港元收購亞紡企業有限公司（Asso Limited）（「亞紡」）全部已發行股本或亞紡及／或其附屬公司（包括保定依棉集團有限公司）之資產之意向。因未有在限期或之前簽訂正式協議，諒解備忘錄已撤銷及不再具有效力。

二零零四年十月及十一月，本集團將約100,000,000港元之永安旅遊可換股票據按換股價每股0.020港元兌換為永安旅遊每股面值0.01港元之普通股。據此，在本集團及其他可換股票據持有人將可換股票據兌換為永安旅遊每股面值0.01港元之股份後，本公司於永安旅遊所持權益由約32.2%增至約38.6%。本集團亦已於市場上出售約7.9%永安旅遊權益，代價約45,000,000港元，而本集團於永安旅遊所持權益已減至約30.3%。

二零零四年十一月三十日，本集團與永安旅遊及配售代理訂立兩份配售及認購協議，據此，配售代理同意配售6,000,000,000股永安旅遊股份，每股作價0.028港元；而本集團將按每股0.028港元之相同價格認購最多6,000,000,000股永安旅遊新股。配售6,000,000,000股永安旅遊股份及認購3,660,000,000股永安旅遊新股並根據永安旅遊之一般授權發行予本集團，已於二零零四年十二月完成。認購2,340,000,000股永安旅遊新股並根據永安旅遊獨立股東之批准發行予本集團，已於二零零五年一月完成。完成上述交易後，本集團持有永安旅遊約25.0%權益。

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On 4th February, 2005, the Group further entered into a placing and subscription agreement with Wing On Travel and the place agent pursuant to which the placing agent agreed to place, on a best efforts basis, up to 6,400 million shares of Wing On Travel at a price of HK\$0.022 per Wing On Travel share and the Group would subscribe for up to 6,400 million new shares of Wing On Travel at the price of HK\$0.022 per share. The above transactions were completed in February, 2005. The Group's interest in Wing On Travel was decreased to 21.1%.

On 3rd March, 2005, the Company had been informed by each of Hanny and Paul Y. that its negotiation with the First Potential Purchaser regarding the Possible Acquisition was terminated on 2nd March, 2005. However, Hanny and Paul Y. had commenced negotiation with another interest party (the "Second Potential Purchaser") on a possible acquisition of a controlling stake in the Company by the Second Potential Purchaser.

On 10th March, 2005, the Company had been informed by Paul Y. and Hanny that they have entered into the share sale agreement pursuant to which and subject to, inter alia, the implementation of the Group Reorganisation as stated below in full each of Paul Y. and Hanny agreed to dispose 135,000,000 shares (equivalent to 67,500,000 consolidated shares of the Company upon the Capital Reorganisation as stated below having become effective) which shares represent approximately an aggregate of 30.6% of the issued share capital of the Company, for an aggregate consideration of HK\$52,110,000, equivalent to about HK\$0.193 per share (or HK\$0.386 per consolidated share).

As stated in the joint announcement of the Company dated 19th April, 2005, the Company announced the following proposals, if approved and implemented, would result in below:

(a) Group Reorganisation

- (i) the Company continuing to be a public listed company with its subsidiaries concentrating on its business of manufacturing and trading of battery products, investments in securities and property and investment in unlisted investments;
- (ii) all other subsidiaries of the Company carrying on property development and investment holding business, and all other associates of the Company carrying on manufacturing and marketing of tires and business of providing package tour, travel and other related services being grouped under Group Dragon Investments Limited ("GDI"), a wholly-owned subsidiary of the Company, and its subsidiaries; and

二零零五年二月四日，本集團與永安旅遊及配售代理再訂立一份配售及認購協議，據此，配售代理同意按盡力基準配售最多6,400,000,000股永安旅遊股份，每股永安旅遊股份作價0.022港元；而本集團將按每股0.022港元之價格認購最多6,400,000,000股永安旅遊新股。上述交易已於二零零五年二月完成。本集團於永安旅遊之權益減至21.1%。

二零零五年三月三日，本公司分別獲錦興及保華知會，其與首名準買家關於可能收購事項之磋商已於二零零五年三月二日終止。然而，錦興及保華已與另一名有興趣人士（「第二名準買家」）展開磋商，內容有關第二名準買家就可能收購本公司之控制性權益。

於二零零五年三月十日，本公司獲保華及錦興知會，彼等已訂立股份出售協議，據此並待（其中包括）本集團重組（見下文）全面付諸實行後，保華及錦興同意各自出售135,000,000股股份（相當於股本重組生效（見下文）後67,500,000股本公司合併股份），該等股份共佔本公司已發行股本約30.6%，合共作價52,110,000港元（約相當於每股股份0.193港元（或每股合併股份0.386港元））。

誠如本公司於二零零五年四月十九日發表之聯合公佈所載，本公司宣佈下列各項建議，若該等建議獲批准及進行，將引致如下結果：

(a) 集團重組

- (i) 本公司繼續保持公眾上市公司之地位，其附屬公司專注於電池產品製造及銷售、證券及物業投資，以及投資非上市投資項目；
- (ii) 本公司旗下經營物業發展及投資控股業務之所有其他附屬公司，以及本公司旗下經營輪胎製造及銷售、提供旅行團、旅遊及其他相關服務之業務之所有其他聯營公司將收歸群龍投資有限公司（「群龍」，本公司之全資附屬公司）及其附屬公司旗下；及

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(iii) the distribution in specie of the GDI share to the shareholders of the Company whose names appear on the register of members of the Company on the record date on the basis of one GDI share for one consolidated share of the Company.

(b) Capital Reorganisation

(i) the cancellation of the paid-up capital of HK\$0.05 on each issued share of the Company and reduction in the nominal value of each issued share of the Company from HK\$0.10 to HK\$0.05;

(ii) the cancellation of the entire share premium account of the Company;

(iii) the subdivision of each authorised but unissued share of the Company into two reduced shares of the Company of HK\$0.05 each; and

(iv) consolidate every two reduced shares of the Company of HK\$0.05 each into one consolidated share of the Company of HK\$0.10.

(iii) 於記錄日期名列本公司股東名冊之本公司股東透過實物分派方式獲派群龍股份，基準為每持有一股本公司合併股份收取一股群龍股份。

(b) 股本重組

(i) 註銷每股本公司已發行股份之繳足股本0.05港元，將每股本公司已發行股份之面值由0.10港元削減至0.05港元；

(ii) 註銷本公司之全部股份溢價賬；

(iii) 將每股本公司法定但未發行股份拆細成為兩股每股面值0.05港元之本公司削減股份；及

(iv) 將每兩股每股面值0.05港元之本公司削減股份合併成為一股面值0.10港元之本公司合併股份。