





Focusing

# Our Strengths

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## Management Discussion and Analysis

### 管理層討論及分析

#### RESULTS AND FINANCIAL REVIEW

##### Results

For the year ended 31 March 2006, the Group's audited consolidated loss before minority interests was HK\$96.0 million (2005: loss of HK\$100.2 million, as restated), which comprised of loss after operating income and expenses from continuing operations of HK\$9.5 million (2005: profit of HK\$50.8 million), impairment loss on trademark licenses of HK\$164.6 million (2005: Nil), favorable change in fair value of conversion option embedded in convertible notes of HK\$114.0 million (2005: Nil), finance costs from continuing operations of HK\$63.5 million (2005: HK\$15.2 million), share of net losses of associates of HK\$21.5 million (2005: net losses of HK\$65.0 million, as restated), net gain on disposal of subsidiaries and associates of HK\$1.0 million (2005: loss of HK\$15.7 million), income tax expense from continuing operations of HK\$4.3 million (2005: HK\$4.3 million), and profit from discontinued operations of HK\$52.4 million (2005: HK\$152.6 million). In addition, there were realization of negative goodwill arising on acquisition of an additional interest in an associate, impairment loss on goodwill arising on acquisition of an associate and amortization of goodwill arising on acquisition of associates of HK\$2.1 million, HK\$177.4 million and HK\$28.1 million, respectively, for the year ended 31 March 2005, there were no such items for the year ended 31 March 2006 as a result of the change in accounting policy as set out in Note 1.

##### Segment results

For trading of computer related products, segment turnover amounted to HK\$4,262.0 million, increasing by HK\$284.3 million (7.1%) from fiscal year 2005 and segment result recorded HK\$62.7 million, decreasing by HK\$193.9 million (75.6%).

For trading of consumer electronic products, segment turnover amounted to HK\$1,174.6 million, decreasing by HK\$390.1 million (25.0%) from fiscal year 2005 and segment result recorded HK\$22.0 million, decreasing by HK\$2.8 million (11.3%).

For trading of securities, segment turnover amounted to HK\$146.4 million, increasing by HK\$52.5 million (55.9%) from fiscal year 2005 and segment result recorded HK\$175.7 million, increasing by HK\$98.4 million (127.3%).

For property development and trading, segment turnover amounted to HK\$118.8 million, increasing by HK\$79.2 million (200%) and segment result recorded HK\$11.9 million, increased by HK\$9.8 million (466.7%).

#### 業績及財務回顧

##### 業績

截至二零零六年三月三十一日止年度，本集團之經審核未計少數股東權益前之綜合虧損為96,000,000港元（二零零五年：虧損100,200,000港元，經重列），包括扣除經營收入及開支後之持續業務之虧損為9,500,000港元（二零零五年：盈利50,800,000港元）、商譽許可證減值虧損164,600,000港元（二零零五年：無）可兌換票據內存兌換權公平價值之有利變動114,000,000港元（二零零五年：無）、持續業務之財務費用63,500,000港元（二零零五年：15,200,000港元）、攤佔聯營公司虧損淨額為21,500,000港元（二零零五年：虧損淨額65,000,000港元，經重列）、出售附屬公司及聯營公司之收益淨額為1,000,000港元（二零零五年：虧損淨額15,700,000港元）、持續業務之所得稅開支為4,300,000港元（二零零五年：4,300,000港元）及非持續業務之溢利為52,400,000港元（二零零五年：152,600,000港元）。此外，截至二零零五年三月三十一日止年度，變現收購一間聯營公司額外權益產生之負商譽及攤銷收購聯營公司產生之商譽分別為2,100,000港元、177,400,000港元及28,100,000港元，而截至二零零六年三月三十一日止年度並無項目因財務報表附註1所載之會計政策而有變動。

##### 分類業績

就電腦相關產品貿易而言，分類營業額為4,262,000,000港元，由二零零五年財政年度增加284,300,000港元（7.1%），而分類業績則錄得62,700,000港元，減少193,900,000港元（75.6%）。

就消費電子產品貿易而言，分類營業額為1,174,600,000港元，由二零零五年財政年度減少390,100,000港元（25.0%），而分類業績則錄得22,000,000港元，減少2,800,000港元（11.3%）。

就證券買賣而言，分類營業額為146,400,000港元，由二零零五年財政年度增加52,500,000港元（55.9%），而分類業績則錄得175,700,000港元，增加98,400,000港元（127.3%）。

就物業發展及買賣而言，分類營業額為118,800,000港元，增加79,200,000港元（200%），而分類業績則錄得11,900,000港元，增加9,800,000港元（466.7%）。

This year, although the Group experienced steady growth, gross profit margin declined. This sales growth was due to our persistent efforts to control cost on inventory pricing, our strong and extensive business network worldwide and promotional efforts made. Nevertheless, allowances for slow-moving and obsolete inventories and bad and doubtful debts of HK\$75.7 million and HK\$14.3 million resulted in a lowered gross margin for the year.

The results of the Group was critically increased from a loss of HK\$100.2 million (as restated) for the year ended 31 March 2005 to a loss of HK\$96.0 million for the year by reduction of amortization of goodwill and realization of negative goodwill arising on acquisition of associates during the year totaled HK\$26.0 million as compared to the year ended 31 March 2005 as a result of the change in accounting policy as set out in Note 1. Furthermore, the Group suffered less net losses under "Share of results of associates" during the year of HK\$21.5 million, representing a decrease of HK\$43.4 million (66.9%) from the previous fiscal year. In addition, the Group has a favorable change in fair value of conversion option embedded in convertible notes of HK\$114.0 million (2005: Nil). The Group also disposed of its subsidiaries and associates during the year with a net gain of HK\$1.0 million while a net loss of HK\$15.7 million was resulted from disposals during the year ended 31 March 2005. Impairment loss on intangible assets decreased by HK\$12.8 million to HK\$164.6 million as compared to the year ended 31 March 2005 of HK\$177.4 million. However, finance costs incurred increased by HK\$48.3 million during the year owing to the increase in other borrowings as compared to the year ended 31 March 2005. Operating income from continuing operations and profit from discontinued operations dropped significantly from HK\$50.8 million and HK\$152.5 million for the year ended 31 March 31, 2005, respectively, to an operating loss of HK\$9.5 million and profit of HK\$52.4 million for the year, respectively.

### Investment in Convertible Notes

During the year, the Group acquired three unlisted convertible notes issued by companies listed on the Stock Exchange for an aggregate consideration of HK\$650.0 million. The aggregate fair value increase of HK\$114.0 million in respect of the conversion option element and decrease of HK\$18.2 million in respect of the debt element were recognized in profit and loss and reserves, respectively.

於本年度，本集團業務穩定增長，惟毛利率則下跌。是項銷售增加乃由於本集團不斷努力控制存貨價格之成本、強大而廣泛之全球業務網絡及所作出之推廣工作。然而，為滯銷及過期存貨及呆壞賬作數額分別為75,700,000港元及14,300,000港元之準備，導致本年度毛利率下降。

本集團業績由截至二零零五年三月三十一日止年度之虧損100,200,000港元（經重列）大幅增加至本年度之96,000,000港元，乃由於財務報表附註1所載之會計政策變動，令致年內攤銷商譽及變現收購一間聯營公司額外權益產生之負商譽與截至二零零五年三月三十一日止年度相比減少合共26,000,000港元。年內本集團在「應佔聯營公司業績」方面虧損淨額收窄，錄得21,500,000港元，較上一個財政年度減少43,400,000港元（66.9%）。此外，本集團於可兌換票據中內在之可兌換權的公平價值有114,000,000港元（二零零五年：無）之有利變動。本集團年內出售其附屬公司及聯營公司錄得收益淨額為1,000,000港元，而截至二零零五年三月三十一日止年度錄得出售虧損淨額為15,700,000港元。然而，若干投資及無形資產之減值虧損下跌12,800,000港元至164,600,000港元，而截至二零零五年三月三十一日止年度為177,400,000港元。然而，年內涉及的財務費用增加48,300,000港元，乃由於與截至二零零五年三月三十一日止年度相比下，其他借貸增加所致。截至二零零五年三月三十一日止年度，年內來自持續業務之營運收益及年內來自非持續業務之盈利分別由50,800,000港元及152,500,000港元大幅下跌至營運虧損9,500,000港元及盈利52,400,000港元。

### 於可兌換票據之投資

於年度內，本集團收購三份由在聯交所上市的公司所發行之非上市可兌換票據，總代價為650,000,000港元。就有關兌換權部份之公平價值總額上升114,000,000港元而就有關債務部份則減少18,200,000港元，並分別在損益及儲備中確認。

## Management Discussion and Analysis

### 管理層討論及分析

#### Liquidity

Bank and cash balances at 31 March 2006 decreased significantly to HK\$26.5 million (2005: HK\$379.6 million), accounting for 1.4% (2005: 27%) of the net tangible asset value of the Group. Such dramatic decrease was mainly attributable to the reclassification of bank and cash balances of HK\$26.0 million to “assets classified as held for sale” pursuant to the very substantial disposal as set out in the Company’s circular dated 10 April 2006 (the “Memorex Disposal”). The cash was mainly used for daily operations and investments in financial instruments during the year. The current ratio of the Group at 31 March 2006 was 1.43 (2005: 1.91).

#### Financial Review

The current assets of the Group at 31 March 2006 increased by HK\$301.5 million (12.7%) to HK\$2,669.0 million (2005: HK\$2,367.5 million, as restated).

Such increase was mainly attributable to the decrease in trade and other receivables, inventories, bank balances and cash, other asset, short-term loan receivables, short-term loan receivables from related companies, tax recoverable and margin loan receivables by HK\$702.2 million, HK\$578.5 million, HK\$353.1 million, HK\$108.0 million, HK\$91.7 million, HK\$64.7 million, HK\$18.9 million, and HK\$11.9 million, respectively, at year end as compared to the last year, and offset by the increase in investments and amounts due from associates by HK\$582.6 million and HK\$2.7 million, respectively. In addition, there was an increase in “assets classified as held for sale” of HK\$1,645.2 million at year end pursuant to the Memorex Disposal.

Other asset valued at HK\$108.0 million as at 31 March 2005 was fully disposed of at a consideration of HK\$118.8 million during the year, with a profit of HK\$10.8 million.

Inventories decreased from HK\$587.1 million as at 31 March 2005 to HK\$8.6 million as at 31 March 2006. Such decrease was mainly attributable to the reclassification of HK\$616.1 million to “assets classified as held for sale” pursuant to the Memorex Disposal. The increase of HK\$37.6 million before the reclassification was attributable to the increase in inventory levels of the subsidiaries in the United States and United Kingdom at year end due to the increase in sales and the increase in supply on hand primarily in DVD inventory.

#### 流動資金

於二零零六年三月三十一日之銀行及現金結存大幅下跌至26,500,000港元(二零零五年: 379,600,000港元), 佔本集團有形資產淨值之1.4%(二零零五年: 27%)。如此大幅度之下跌主要由於26,000,000港元之銀行及現金結存根據本公司日期為二零零六年四月十日之通函所載之非常重大之出售事項(「MEMOREX出售事項」)重新分類為「可供銷售之資產」。年內該等現金主要用作日常營運及金融工具投資。本集團於二零零六年三月三十一日之流動比率為1.43(二零零五年: 1.91)。

#### 財務回顧

本集團於二零零六年三月三十一日之流動資產增加301,500,000港元(12.7%)至2,669,000,000港元(二零零五年: 2,367,500,000港元)。

流動資產增加主要由於年末貿易及其他應收賬款、貿易及其他應付賬款、存貨、銀行及現金結存、其他資產、應收短期貸款、應收關連公司短期貸款、應付稅項淨額、應收孖展貸款與去年相比分別減少702,200,000港元、578,500,000港元、353,100,000港元、108,000,000港元、91,700,000港元、64,700,000港元、18,900,000港元及11,900,000港元, 並與投資及應收關連公司款項分別增加582,600,000港元及2,700,000港元相抵銷。此外於年末, 根據「Memorex出售事項」, 「分類為持作出售之資產」增加1,645,200,000港元。

本集團於年內悉數出售於二零零五年三月三十一日之價值108,000,000港元之其他資產, 代價為118,800,000港元, 共錄得10,800,000港元之溢利。

存貨由二零零五年三月三十一日之587,100,000港元減少至二零零六年三月三十一日之8,600,000港元。存貨減少主要原因是根據「MEMOREX出售事項」將616,100,000港元重新分類至「分類為可供銷售之資產」。重新分類前增加37,600,000港元乃由於管理層預料美國及英國之附屬公司的存貨水平上升, 皆因銷售上升而主要為DVD存貨的供應也上升。



Trade and other receivables decreased from HK\$761.9 million (as restated) as at 31 March 2005 to HK\$59.7 million as at 31 March 2006. Such decrease was mainly attributable to the reclassification of HK\$645.9 million to “assets classified as held for sale” pursuant to the Memorex Disposal. The number of days for debtors turnover before the reclassification increased slightly from 38 days last year to 39 days in the current year.

Trade and other payables decreased from HK\$1,011.8 million as at 31 March 2005 to HK\$358.8 million as at 31 March 2006. Such decrease was mainly attributable to the reclassification of HK\$669.8 million to “liabilities directly associated with assets classified as held for sale” pursuant to the Memorex Disposal. The number of day for creditors turnover decreased from 54 days last year to 44 days in current year. Such decrease was mainly attributable to the early settlement of trade payables in lieu of cash discount on goods purchased during the year.

At 31 March 2006, total borrowings of the Group amounted to HK\$720.5 million (2005: HK\$293.3 million), of which HK\$95.7 million (2005: HK\$160.0 million) were not repayable within one year. The borrowings included bank borrowings of HK\$125.3 million (2005: HK\$82.0 million), other loans of HK\$562.0 million (2005: HK\$161.3 million), and overdrafts of HK\$33.2 million (2005: HK\$47.0 million). In addition, there were obligations under finance leases and an amount due to a minority shareholder of HK\$0.5 million and HK\$2.5 million, respectively, as at 31 March 2005. The increase in borrowings was mainly due to new borrowings totaling of HK\$1,762.5 million obtained during the year for the purposes of investment and daily operation, but with the total repayment of only HK\$1,240.8 million. In addition, bank borrowing of HK\$93.0 million was recorded as a liability of the Group through the acquisition of a subsidiary in March 2006.

### Interest in associates

The decrease in balance from HK\$632.2 million as at 31 March 2005 to HK\$616.9 million as at 31 March 2006 was mainly due to the acquisition of an additional equity interest in an associate of HK\$24.1 million, disposal of interests in certain associates of HK\$4.4 million, currency translation loss of HK\$3.4 million, and share of associates' increase in other reserves and losses, of HK\$35.1 million and HK\$21.5 million, respectively, during the year. Furthermore, goodwill arising on acquisition of an associate was disposed of with a loss of HK\$14.4 million during the year. An equity interest of 15.3% in China Strategic Holdings Limited of HK\$30.8 million was reclassified to “assets classified as held for sale” pursuant to the Circular dated 26 May, 2006 issued by the Company.

貿易及其他應收賬款由二零零五年三月三十一日之761,900,000港元(經重列)減至二零零六年三月三十一日之59,700,000港元。減少的主要原因是根據「MEMOREX出售事項」將645,900,000港元重新分類至「分類為可供銷售之資產」。重新分類前之應收賬款流轉期由去年之38日輕微增加至本年度之39日。

貿易及其他應付賬款由二零零五年三月三十一日之1,011,800,000港元減少至二零零六年三月三十一日之358,800,000港元。減少的主要原因是根據「MEMOREX出售事項」將669,800,000港元重新分類至「可供銷售資產之直接相關負債」。重新分類前之應付賬款流轉期由去年之54日減少至本年度之44日。減少之主要原因是就年內購置商品提前償還貿易應付賬款以代替現金折讓所致。

於二零零六年三月三十一日，本集團借款總額為720,500,000港元(二零零五年：293,300,000港元)，其中95,700,000港元(二零零五年：160,000,000港元)毋須於一年內償還。有關借款包括銀行借款125,300,000港元(二零零五年：82,000,000港元)、其他貸款562,000,000港元(二零零五年：161,300,000港元)及透支33,200,000港元(二零零五年：47,000,000港元)。此外，於二零零六年三月三十一日，融資租約承擔及應付一名股東款項分別為500,000港元及2,500,000港元。借款增加主要由於年內就投資及日常營運取得合共1,762,500,000港元之新增借款，惟還款總額僅為1,240,800,000港元所致。此外，本集團於二零零六年三月透過收購一間附屬公司而錄得作為負債之93,000,000港元銀行借款。

### 聯營公司權益

結餘由二零零五年三月三十一日之632,200,000港元下降至二零零六年三月三十一日之616,900,000港元，主要是由於在年內收購一間聯營公司額外權益24,100,000港元，出售若干聯營公司權益4,400,000港元，滙兌損失3,400,000港元及應佔聯營公司其他儲備及虧損分別增加35,100,000港元及21,500,000港元。此外，收購一間聯營公司所產生之商譽已於年內處理，虧損為14,400,000港元。根據本公司於二零零六年五月二十六日刊發之通函，在中策集團有限公司之股權15.3%(30,800,000港元)已被重新分類為「可供銷售資產」。

## Management Discussion and Analysis

### 管理層討論及分析

#### Pledge of assets

At 31 March 2006, certain assets of the Group amounting to HK\$1,430.0 million (2005: HK\$240.2 million) were pledged to banks and financial institutions for loan facilities granted to the Group.

#### Gearing ratio

The gearing ratio (borrowings/shareholders' funds) at 31 March 2006 significantly increased to 38.6% (2005: 16.2%) owing to the additions of bank and other borrowings during the year to finance the Group's investments.

#### 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. However, the Group will consider entering into hedging contracts to eliminate any exposures to downside risks, whenever the Group and the concerned foreign subsidiaries think fit.

#### Contingent liabilities

As at 31 March 2006, the Group had no contingent liabilities in relation to guarantees given to banks and other financial institutions for facilities granted to an outsider (2005: Nil). However, the Group had a share of contingent liabilities from its associates in relation to guarantees given to banks and third parties of HK\$11.5 million (2005: HK\$13.7 million).

#### Employees and remuneration policies

As at 31 March 2006, there were approximately 500 staff (2005: 500) employed by the Group. The remuneration policies are formulated on the basis of performance of individual employees and the prevailing salaries' trends in the various regions. They are subject to be reviewed every year. The Group also provided employee training programs, mandatory provident fund scheme, medical insurance and discretionary bonus. Share options are awarded to employees on merit basis. However, no share options were granted during the year.

#### 資產抵押

於二零零六年三月三十一日，本集團將1,430,000,000港元(二零零五年:240,200,000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

由於年內就本集團之投資提供資金而增加銀行及其他借款，於二零零六年三月三十一日之資本與負債比率(借款/股東資金)大幅上升至38.6%(二零零五年:16.2%)。

#### 匯兌及利率風險

本集團大部份之業務交易、資產及負債均以港元及美元計值。然而，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

於二零零六年三月三十一日，本集團並無任何有關一名集團外人士獲授之融資而向銀行及其他財務機構作出擔保之或然負債(二零零五年:無)。然而，本集團就其聯營公司給予銀行及第三方人士之擔保攤佔或然負債11,500,000港元(二零零五年:13,700,000港元)。

#### 僱員及薪酬政策

於二零零六年三月三十一日，本集團僱用約500名員工(二零零五年:500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。本集團每年均會作出檢討。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。然而，年內並無授出購股權。

## Major Acquisitions and Disposals

### *Disposal of 15.3% interests in China Strategic Holdings Limited ("CSHL") and acquisition of interests in Group Dragon Investments Limited ("GDI")*

On 10 March 2005, the Company and PYI Corporation Limited (formerly known as Paul Y.-ITC Construction Holdings Limited) entered into a share sale agreement (the "Share Sale Agreement") with Nation Field Limited for the disposal of an approximately 15.3% interests in CSHL at a consideration of approximately HK\$26 million. The Share Sale Agreement was completed on 24 May 2006. On 26 May 2006, Somerley Limited, on behalf of Well Orient Limited ("Well Orient") made a voluntary offer to the shareholders of GDI, other than those owned or agreed to be acquired by Well Orient, its associates and parties acting in concert with it ("GDI Offer"). The GDI Offer closed at 4:00 p.m. on 16 June 2006. Well Orient received a total of 306,622,223 GDI shares representing approximately 69.56% of the issued share capital of GDI. Together with the 129,409,897 GDI shares (representing approximately 29.36% of the existing issued share capital of GDI) already held by Well Orient, Well Orient was interested in approximately 98.92% of the issued share capital of GDI.

### *Subscription of convertible note of Macau Prime Properties Holdings Limited (formerly known as Cheung Tai Hong Holdings Limited) ("MPP")*

On 20 April 2005, Loyal Concept Limited ("Loyal Concept"), an indirect wholly-owned subsidiary of the Company, and MPP entered into a subscription agreement (the "Subscription Agreement") regarding the subscription by Loyal Concept of a zero coupon convertible note due 2010 of MPP with a principal amount of HK\$450 million at an initial conversion price of HK\$0.44 per conversion share, subject to adjustment from time to time. The subscription and the transactions contemplated under the Subscription Agreement were approved by the shareholders in a special general meeting of the Company held on 24 June 2005 and the Subscription Agreement was completed on 11 August 2005. Details of the transaction are set out in the circular of the Company dated 7 June 2005.

## 主要收購及出售事項

### 出售中策集團有限公司（「中策」）15.3%股權及收購群龍投資有限公司（「群龍」）權益

於二零零五年三月十日，本公司及保華集團有限公司（前稱保華德祥建築集團有限公司）與 Nation Field Limited 訂立售股協議（「售股協議」），以代價約 26,000,000 港元出售約 15.3% 中策股權，售股協議亦於二零零六年五月二十四日完成。二零零六年五月二十六日，新百利有限公司代表威倫有限公司（「威倫」）向群龍股東提出自願收購建議，收購威倫、其聯繫人及一致行動人士尚未擁有或同意收購的群龍股份（「群龍收購建議」）。群龍收購建議於二零零六年六月十六日下午四時截止。威倫合共收到 306,622,223 股群龍股份，佔群龍已發行股本約 69.56%。連同威倫已持有的 129,409,897 股群龍股份（佔群龍已發行股本約 29.36%），威倫持有群龍已發行股本約 98.92%。

### 認購澳門祥泰地產集團有限公司（前稱祥泰行集團有限公司）（「澳門祥泰地產」）可兌換票據

於二零零五年四月二十日，本公司之間接全資附屬公司 Loyal Concept Limited（「Loyal Concept」）與澳門祥泰地產訂立認購協議（「認購協議」），按初步兌換價每股兌換股份 0.44 港元（可不時予以調整），認購澳門祥泰地產於二零一零年到期及本金額為 450,000,000 港元之零息率可兌換票據。認購協議項下擬進行之認購及交易於二零零五年六月二十四日舉行的本公司股東特別大會上獲股東批准，認購協議已於二零零五年八月十一日完成。交易詳情載於本公司日期為二零零五年六月七日之通函內。



## Management Discussion and Analysis

### 管理層討論及分析

#### *The underwriting agreement and subscription of convertible note of See Corporation Limited (formerly known as Ruiji Holdings Limited) ("SCL")*

On 21 April 2005, the Company, SCL and Tai Fook Securities Company Limited entered into an underwriting agreement, pursuant to which, the maximum number of rights shares to be taken up by the Company was 320 million rights shares at a subscription price of HK\$0.10 per rights share. On the same date, the Company and SCL entered into a subscription agreement (the "SCL Subscription Agreement") to subscribe for a zero coupon convertible note due 2010 of SCL in a principal amount of HK\$170 million at an initial conversion price of HK\$0.12 per conversion share, subject to the adjustment from time to time. On 22 July 2005, the Company subscribed for 320 million rights shares of SCL at HK\$0.10 per rights share. The SCL Subscription Agreement was completed on 10 August 2005. Details of the transaction are set out in the circular of the Company dated 24 May 2005.

#### *Subscription of convertible note of Wo Kee Hong (Holdings) Limited ("WKH")*

On 18 August 2005, the Company and WKH entered into a subscription agreement (the "WKH Subscription Agreement") to subscribe for the 7.25% convertible note due 2008 of WKH with a principal amount of HK\$30 million at an initial conversion price of HK\$0.10 per conversion share, subject to adjustment from time to time. The WKH Subscription Agreement was completed on 7 September 2005. Details of the transaction are set out in the circular of the Company dated 9 September 2005.

#### *Disposal of the assets of Memorex International Inc. ("MII")*

On 19 January 2006, MII and Imation Corp. entered into a sale and purchase agreement (the "S&P Agreement") for the sale and purchase of all of the assets of MII relating to the business of the design, development, marketing, distribution and sale of hardware, media and accessories used for the storage of electronic data as conducted by MII, Hanny Magnetics Europe Limited, Memorex Canada Ltd., Memorex Products Europe Limited, Memorex Products S.A.S., Memorex Products GmbH, Memorex Products (Taiwan) Inc. and Memorex Products, Inc. for an aggregate consideration of US\$330 million plus adjustments amount and earnout amount calculated in accordance with the S&P Agreement. The S&P Agreement was completed on 28 April 2006. Details of the transaction are set out in the circular of the Company dated 10 April 2006.

#### *包銷協議及認購漢傳媒集團有限公司 (前稱瑞力控股有限公司) (「漢傳媒」) 可兌換票據*

於二零零五年四月二十一日，本公司、漢傳媒與大福證券有限公司訂立包銷協議，據此本公司同意按認購價每股供股股份0.10港元，接納最多320,000,000股供股股份。同日，本公司與漢傳媒訂立認購協議（「漢傳媒認購協議」），按初步兌換價每股兌換股份0.12港元（可不時予以調整），認購漢傳媒於二零一零年到期及本金額為170,000,000港元之零息率可兌換票據。於二零零五年七月二十二日，本公司以每股供股股份0.10港元認購320,000,000股漢傳媒供股股份。漢傳媒認購協議於二零零五年八月十日完成。交易詳情載於本公司日期為二零零五年五月二十四日之通函內。

#### *認購和記行 (集團) 有限公司 (「和記行」) 可兌換票據*

於二零零五年八月十八日，本公司與和記行訂立認購協議（「和記行認購協議」），認購和記行二零零八年到期之7.25厘息可兌換票據，本金額為30,000,000港元，初步兌換價每股兌換股份0.10港元（可不時予以調整）。和記行認購協議於二零零五年九月七日完成。交易詳情載於本公司日期為二零零五年九月九日之通函內。

#### *出售 Memorex International Inc. (「MII」) 資產*

於二零零六年一月十九日，MII與Imation Corp.訂立買賣協議（「買賣協議」），以買賣與MII、Hanny Magnetics Europe Limited、Memorex Canada Ltd.、Memorex Products Europe Limited、Memorex Products S.A.S.、Memorex Products GmbH、美瑞思科技股有限公司及Memorex Products Inc.所從事的電子數據儲存所用硬件、媒體及配件的設計、開發、市場推廣、分銷及銷售業務有關的所有MII資產，總代價330,000,000美元，另加根據買賣協議計算的調整金額及額外金額。買賣協議於二零零六年四月二十八日完成。交易詳情載於本公司日期為二零零六年四月十日之通函內。

*Acquisition of the entire issued share capital of Rapid Growth Profits Limited ("Rapid Growth")*

On 9 March 2006, an indirect wholly-owned subsidiary of Company entered into a sale and purchase agreement (the "RG Agreement") for the sale and purchase of the entire issued share capital of Rapid Growth and the shareholder's loan for a consideration of HK\$39,054,194.00. The assets held by Rapid Growth (through its wholly-owned subsidiary) was the property situated at 31st Floor, Bank of America Tower, 12 Harcourt Road, Hong Kong and four car park spaces on the 4th Floor at that building. The RG Agreement was completed on 28 March 2006. Details of the transaction are set out in the circular of the Company dated 27 March 2006.

收購 Rapid Growth Profits Limited (「Rapid Growth」) 全部已發行股本

於二零零六年三月九日，本公司一家間接全資附屬公司訂立一份買賣協議（「RG協議」），以買賣Rapid Growth全部已發行股本連同股東貸款，代價為39,054,194.00港元。Rapid Growth（透過其全資附屬公司）持有的資產為位於香港夏慤道12號美國銀行中心31樓之物業及該樓宇4樓的四個泊車位。RG協議於二零零六年三月二十八日完成。交易詳情載於本公司日期為二零零六年三月二十七日之通函內。