

# 2006

## INTERIM REPORT 中期報告



WO KEE HONG (HOLDINGS) LIMITED  
和記行(集團)有限公司

*(Incorporated in Bermuda with limited liability)*  
(於百慕達註冊成立之有限公司)

(Stock Code 股票代號: 720)

# The Art of Living

生活藝術



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**WO KEE HONG (HOLDINGS) LIMITED** is a holding company with major subsidiaries engaged in the import, marketing, distribution and after-sales service of high quality, brand-name products serving customers in the Asian region and, in particular, the markets of mainland People's Republic of China ("PRC"), Hong Kong, Macau, Singapore and Malaysia. The products include principally air-conditioning; domestic appliances; audio-visual electrical items including car audio; motor vehicles and accessories; motor yachts; and other electronic products.

## FINANCIAL REVIEW

### Results

For the first six months of 2006 the Group reported a total turnover of HK\$308.2 million, a drop of HK\$16.4 million or 5.1% over HK\$324.6 million of last period. This decrease was mainly attributable to the net effect of the different performance of our three business segments that on the one hand the booming car business brought the Cars and car accessories ("Car Group") to a turnover of HK\$192.9 million, resulting in a remarkable increase of HK\$40.8 million or 26.8% over HK\$152.1 million of last period; on the other hand our two business segments of Air-conditioning products and Audio-visual and other electrical products were severely hammered by the stagnant retail market in the reported period with a lesser turnover of HK\$41.3 million (a decline of HK\$13.3 million or 24.4% over HK\$54.6 million of last period) and HK\$73.1 million (a decline of HK\$43 million or 37.0% over HK\$116.1 million of last period) respectively.

Gross profit, slightly improved to 20.5% of sales (last period: 19.6%), was maintained at HK\$63.3 million (last period: HK\$63.6 million). This enhancement exemplified our emphasis to uphold the contribution margin.

**和記行(集團)有限公司**為一間控股公司，其主要附屬公司為亞洲地區，包括中華人民共和國內地(「中國」)、香港、澳門、新加坡及馬來西亞之客戶提供優質品牌產品之進口、市場推廣、分銷及售後服務。其主要產品包括空調產品、家居電器產品、包括汽車音響之影音電器產品、汽車及汽車配件、機動遊艇及其他電子產品。

## 財務回顧

### 業績

於二零零六年首六個月，本集團錄得總營業額港幣308,200,000元，較上個期間港幣324,600,000元減少港幣16,400,000元(5.1%)。該項跌幅主要歸因於本集團三個業務部門業績表現參差之結果，一方面汽車行業欣欣向榮，推動汽車及汽車配件(「汽車部」)錄得營業額港幣192,900,000元，較上個期間之港幣152,100,000元大增港幣40,800,000元(26.8%)。另一方面，本集團其他兩個業務部門，即空調產品以及影音及其他電子產品部門，則受到報告期間零售市場呆滯之嚴重打擊，營業額分別降至港幣41,300,000元(較上個期間之港幣54,600,000元下跌港幣13,300,000元(24.4%))及港幣73,100,000元(較上個期間之港幣116,100,000元下跌港幣43,000,000元(37.0%))。

毛利微升至營業額之20.5%(上個期間：19.6%)，維持於港幣63,300,000元(上個期間：港幣63,600,000元)。毛利改善體現本公司致力保持毛利率之成效。



Distribution costs slightly decreased by HK\$0.7 million or 2.9%. Administrative expenses increased by HK\$7.2 million or 16.4% mainly due to two factors. Firstly, for the expanding Car Group, its capital expenditure (leading to depreciation charge), outlay of human resources and related activities, and rental cost were all scaled up at approximately the rate of increase of its turnover. Secondly, additional staff cost and the associated disbursements were incurred in our endeavor to exploring potential new business and investment.

Finance costs rose by HK\$2.6 million or 113.0% from last period's HK\$2.3 million to HK\$4.9 million. In addition to the need to fill up cash used in operating loss, certain amount of working capital, in the form of inventory and other monetary assets, was used to fuel the expansion of our Car Group and PRC business.

Loss from non-current assets held for sale denoted the share of loss for the period of our investment in Jiangmen the disposal of which was consummated by a share transfer agreement entered into to that effect.

The Board regrets to announce a loss from operations of the Group at HK\$5.8 million in the first six months of 2006, representing a fall of HK\$100.8 million against the profit of HK\$95.0 million in last period. After taking into account the finance costs, share of result of an associate, income tax expense and the loss from non-current assets held for sale, a loss for the period of HK\$16.5 million was reported (2005: profit of HK\$76.4 million).

The operating loss of HK\$5.8 million as reported above was mainly due to the segmental result of audio-visual division the market of which being notorious for cutthroat price war. Redeployment and downsizing had already been implemented to cut the loss in this area.

分銷費用略為減少港幣700,000元(2.9%)。行政費用則主要因兩項因素而增加港幣7,200,000元(16.4%)。首先，擴充汽車部造成其資本開支(導致折舊費用)、人力資源及相關業務支出以及租金成本均隨著營業額之相約增幅上升。其次，本集團於探索新業務及投資過程中，產生額外僱員費用及相關開銷。

財務費用較上個期間之港幣2,300,000元增加港幣2,600,000元(113.0%)至港幣4,900,000元。除應付經營虧損所需現金之外，本集團亦動用若干營運資金(以存貨及其他貨幣資產形式)以支持本集團汽車部及中國業務之擴展。

持作買賣之非流動資產虧損乃本集團於江門之投資於期間內之應佔虧損，本集團已訂立股份轉讓協議完成出售該項投資。

董事會婉然宣佈截至二零零六年六月三十日止首六個月本集團營業虧損港幣5,800,000元，較上個期間盈利港幣95,000,000元下跌港幣100,800,000元。於扣除財務費用、應佔聯營公司業績、所得稅開支及持作買賣之非流動資產虧損後，本期間錄得虧損港幣16,500,000元(二零零五年：盈利港幣76,400,000元)。

以上呈報之經營虧損港幣5,800,000元主要歸咎於影音產品部門之分類業績，影音產品市場削價競爭激烈。本集團已進行重新部署並裁減人員以減少該部門虧損。

**Cash flow, liquidity and financial resources**

The Group was basically financed by a combination of equity capital base, cash flow generated from operations as well as bank borrowings. At June 30, 2006, debtor collections period was 28 days (December 31, 2005: 37 days), representing our commitment to exercise tight control on receivables. As usual, bank and other liabilities were being met upon their maturities in the normal course of business.

A net outflow of cash of HK\$21.8 million (2005: cash inflow of HK\$4.8 million) was recorded, representing the aggregate of funds used in operating, investing and financing activities in the reporting period.

The Group had total borrowings at June 30, 2006 amounting to HK\$97.4 million (December 31, 2005: HK\$83.1 million). As at the end of the period, the Group's gearing ratio stood at 16.2% (December 31, 2005: 16.1%), based on long term liabilities (excluding deferred tax) of HK\$46.2 million (December 31, 2005: HK\$48.4 million) and shareholders' equity of HK\$285.1 million (December 31, 2005: HK\$301.0 million). The current ratio was 1.1 (December 31, 2005: 1.0), based on current assets of HK\$434.5 million (December 31, 2005: HK\$242.4 million) and current liabilities of HK\$397.0 million (December 31, 2005: HK\$241.6 million).

It is the Group's management practice to hedge foreign currency transactions with the objective to stabilize the cost via the pegging of the exchange rates with bankers. At June 30, 2006 the total outstanding foreign exchange contracts purchased with banks amounted to HK\$5.3 million (December 31, 2005: HK\$3.9 million).

**現金流量、流動資金及財務資源**

本集團所需資金一般以綜合其股本基礎、經營業務所得之現金流量及銀行貸款獲取。於二零零六年六月三十日，應收賬款流轉期為28天(二零零五年十二月三十一日：37天)，顯示本集團嚴格控制應收款項之承諾。一如既往，日常業務中之銀行及其他負債均能於到期日清償。

本集團錄得現金淨流出港幣21,800,000元(二零零五年：現金流入港幣4,800,000元)，乃為報告期內用於經營、投資及融資資金之總額。

本集團於二零零六年六月三十日之總貸款為港幣97,400,000元(二零零五年十二月三十一日：港幣83,100,000元)。截至期末，根據長期負債(不包括遞延稅項)港幣46,200,000元(二零零五年十二月三十一日：港幣48,400,000元)及股東權益港幣285,100,000元(二零零五年十二月三十一日：港幣301,000,000元)為基數計算，本集團負債比率為16.2%(二零零五年十二月三十一日：16.1%)。根據流動資產港幣434,500,000元(二零零五年十二月三十一日：港幣242,400,000元)及流動負債港幣397,000,000元(二零零五年十二月三十一日：港幣241,600,000元)為基數計算，流動比率為1.1(二零零五年十二月三十一日：1.0)。

根據本集團之慣常管理方式，會透過與銀行進行對沖外匯交易，鎖定匯率以求穩定成本。於二零零六年六月三十日，未到期履約之銀行期匯合約總額為港幣5,300,000元(二零零五年十二月三十一日：港幣3,900,000元)。



At the balance sheet date, the Group had capital commitments in respect of the purchase of investment properties and decoration contract totaling to HK\$4.3 million. The Group had no material capital commitment at December 31, 2005.

At June 30, 2006 the Group had trading facilities amounting to HK\$209.9 million (December 31, 2005: HK\$200.1 million) of which HK\$159.3 million (December 31, 2005: HK\$107.9 million) was utilised. Certain of the Group's properties, inventories and all assets of a subsidiary in an aggregate amount of HK\$321.5 million (December 31, 2005: HK\$305.6 million) were pledged to secure facilities granted by bankers.

At the balance sheet date, the Group had contingent liabilities of approximately HK\$1.3 million (December 31, 2005: HK\$11.6 million). In addition, the Group had committed in a Labour Compensation Agreement in respect of our investment in Jiangmen compensation payment to employees to an amount not exceeding RMB15 million (equivalent to approximately HK\$14.6 million). Under a share purchase and subscription agreement signed on June 30, 2006, the Group was obliged to issue a bank guarantee amounting to RMB11 million (equivalent to approximately HK\$10.7 million) to the purchaser upon the date of the closing of the agreement.

於結算日，本集團因購入投資物業及裝修合約而產生資本承擔港幣4,300,000元。於二零零五年十二月三十一日，本集團並無重大資本承擔。

於二零零六年六月三十日，本集團之貿易信貸額為港幣209,900,000元（二零零五年十二月三十一日：港幣200,100,000元），當中港幣159,300,000元（二零零五年十二月三十一日：港幣107,900,000元）已動用。本集團若干物業、存貨及一間附屬公司之所有資產合共港幣321,500,000元（二零零五年十二月三十一日：港幣305,600,000元）經已抵押，以獲取銀行之貸款。

於結算日，本集團有或然負債約港幣1,300,000元（二零零五年十二月三十一日：約港幣11,600,000元）。此外，本集團已就其於江門之投資向職工支付補償而訂立一項金額不超過人民幣15,000,000元（相當於約港幣14,600,000元）之職工補償協議。根據一份於二零零六年六月三十日訂立之購股及認購協議，本集團須於協議完成日期向買方發出一份金額為人民幣11,000,000元之銀行擔保（相當於約港幣10,700,000元）。

## BUSINESS REVIEW

### Air-conditioning products

The business consists of marketing and distribution of a wide range of consumer and commercial air-conditioning products from several major brands, namely, "MHI" (Mitsubishi Heavy Industries of Japan), "Frigidaire", "Gree", "Sansui", "Daewoo", and our own "Bodysonic". These products ranges are well placed in the market place to suit the need of different market segments.

Turnover for first half of 2006 was HK\$41.3 million, down 24.4% over the same period last year. This was due to restructuring of the business to higher margin products.

Despite the decline in sales, gross margin was maintained at the level of last year. A series of cost-saving and measures, such as warehousing, after-sales service, manpower utilization etc. were implemented throughout the year to enhance operating efficiency.

It is especially encouraging that our commercial air-conditioning business improved remunerably in sales and profit.

We expect this business segment will continue to be profitable and relatively stable.

### Audio-visual, car electronics products and other electrical appliances

The main business consists of marketing and distribution of our own "Rogers" and "Bodysonic" audio-visual products, "Marantz" and "Sansui" audio-visual products of Japan, "Alpine" car electronics of Japan and "Frigidaire" electrical appliances of the United States.

Our Singaporean and Malaysian operations performed satisfactory whilst OEM business of "Alpine" remained strong in these countries.

## 業務回顧

### 空調產品

此項業務包括推廣及分銷多個不同系列之家用及商用空調產品，該等主要品牌包括「三菱重工」（日本三菱重工業株式會社）、「北極牌」、「格力」、「山水」、「大宇」及自身品牌「先力」。該等產品市場定位適中，滿足不同階層市場之需求。

二零零六年上半年之營業額為港幣41,300,000元，較去年同期減少24.4%，此乃由於將業務重組，增加銷售較高毛利之產品。

儘管營業額下降，毛利率仍維持在去年水平。於整個年度實行一系列成本減省措施，如倉儲、售後服務、人力運用等，從而提高經營效益。

尤其令人鼓舞的是，本公司商用空調業務於營業額及盈利方面均大幅改善。

本公司預期此業務分部將會繼續錄得盈利及相對穩定。

### 影音、汽車電子產品及其他電子產品

主要業務包括對本集團自身品牌「樂爵士」及「先力」影音產品，日本「馬蘭士」、「山水」影音產品，日本「阿爾派」汽車電子產品以及美國「北極牌」電器產品之市場推廣及分銷。

本公司新加坡及馬來西亞業務表現理想，而「阿爾派」原設備製造業務於該等國家仍保持強勁。

Sales declined by 37.0% due to severe price competition in the LCD and Plasma TVs sector. This also negatively affected the profit margin of the audio-visual products.

The gross margin of the electrical appliances business, however, improved as compared with year 2005 for the same period. The improvement of gross margin mainly came from high value-added products like the "Frigidaire" products.

The management decided to adjust its audio-visual product strategy to shift from low-margin large-screen TVs to high-margin audio products, like speakers and amplifiers. Other initiatives included merging the audio-visual and car electronics operations to improve efficiency; relocation of its operations to our newly established subsidiary in Shenzhen to decrease costs and further develop the PRC market; expanding the distribution to PRC channels and additional export markets like Germany and Korea. The international expansion was furthered by our success in the High End Audio Show in the United Kingdom early this year. It is expected that the audio-visual business will see improvements with these measures being implemented; with immediate objective of breaking even and the long term goal of profitability and building of a major international life-style electronics brand.

#### **Car and car accessories**

The business consists mainly of the import, distribution and after-sales service of Italian "Ferrari" and "Maserati" cars and spare parts in Hong Kong and Macau.

Sales increased by 26.8% to HK\$192.9 million (2005: HK\$152.1 million), led by strong "Ferrari" new car sales, used car sales and workshop service income.

由於液晶及等離子電視之價格競爭激烈，營業額下跌37.0%，並對影音產品之毛利率造成不利影響。

然而，電器業務之毛利較二零零五年同期有改善。毛利之改善主要來自高附加值產品如「北極牌」產品。

管理層決定調整其影音產品策略，由毛利較低之大屏幕電視轉移至銷售毛利較高之音響產品，如揚聲器及擴音器。其他措施包括合併影音與汽車電子產品業務以提高效率；將其業務遷移至本公司於深圳新成立之附屬公司，以降低成本及進一步發展中國市場；擴大中國分銷渠道及擴展出口市場如德國及韓國。本公司於今年初在英國成功舉辦高端音響展，擴展國際市場因而更上一層樓。隨著該等措施之實施，預期影音業務將會有所改善，本公司短期之目標為達致收支平衡，而長遠目標為取得盈利及建立一個國際化時尚生活之主要電子產品品牌。

#### **汽車及汽車配件**

此業務主要包括意大利「法拉利」及「瑪莎拉蒂」汽車及配件於香港及澳門之進口、分銷及售後服務。

在強勁的「法拉利」新車銷售、二手車銷售及汽車服務中心服務收入帶動下，營業額增加26.8%至港幣192,900,000元（二零零五年：港幣152,100,000元）。



The management expects very strong growth in sales and profit of this segment due to increase of the delivery of the “Ferrari” 8-cylinder sports car, F430 and Spider; and the building up of a waiting list for the new “Ferrari” 12-cylinder 2-seater sports car, F599 GTB Fiorano, which will be launched in the second half of the year. Attractive options made available on the “Ferrari” 612 Scaglietti are attracting new interest. For “Maserati”, the recent addition of the Sport GT and Executive GT to the Quattroporte line up and launch of the GranSport Spyder will renew momentum of sales of this brand.

Subsequent to agreement relating to the Group’s disposal of 29% equity interest in Ferrari Maserati Cars International Trading (Shanghai) Co., Ltd., the Group has started its dealership of “Ferrari” and “Maserati” in mainland China in September this year, which will generate additional sales and margin contribution.

The Group becomes the exclusive authorised importer of “Alfa Romeo” cars in Hong Kong and Macau from mid 2006. Plans are now taking shape for showroom and workshop facilities to cater for this brand. An on-sale date of December 2006 is proceeding to schedule.

### Motor yachts

The Group’s direction of distributing more luxurious brands has started with Italian “Ferretti” yachts. The Company’s first acquisition, a “Ferretti” 550, was delivered to Hong Kong in the first half of 2006 and the Group expects to retail the yacht during the second half of this year. During the period under review, the Group secured the distributorship for Hong Kong, Macau and the whole of China for Taiwanese yacht manufacturer “Horizon” and added a new franchise to its portfolio of the motor yacht business.

### Interim Dividends

The Directors have resolved not to declare the payment of an interim dividend (2005: nil).

管理層預期本分部之銷售及盈利保持十分強勁之增長，乃由於增加交付「法拉利」F430型號8汽缸跑車及Spider型號；及輪候將於下半年推出之新「法拉利」12汽缸2座位跑車F599 GTB Fiorano之訂單增加。「法拉利」612 Scaglietti的新配件面市正吸引買家新的興趣。至於「瑪莎拉蒂」最近Quattroporte系列新增添的Sport GT及Executive GT以及GranSport Spyder的推出將會重新推動此品牌的銷售。

本集團出售於法拉利瑪莎拉蒂汽車國際貿易(上海)有限公司之29%股本權益之協議訂立後，本集團已於今年九月開始於中國大陸經營「法拉利」及「瑪莎拉蒂」汽車代理業務，此項業務將為集團錄得額外銷售及對毛利作出貢獻。

本集團於二零零六年中成為「愛快·羅蜜歐」汽車於香港及澳門的獨家授權進口商。現正為該品牌汽車籌備陳列室及服務中心事宜，並準備於二零零六年十二月開始銷售。

### 機動遊艇

本集團分銷高級品牌之發展方向已自意大利「法拉帝」遊艇展開。本公司首次訂購之「法拉帝」550型號已於二零零六年上半年到港，而本集團預期於本年度下半年推售該遊艇。於回顧期間，本集團已取得台灣遊艇製造商「Horizon」於香港、澳門及整個中國地區之代理權，為機動遊艇業務增加新的專營品牌。

### 中期股息

董事議決不宣派中期股息(二零零五年：無)。



## Subsequent Events

### Disposal of equity interest in JLE

On June 30, 2006, the Group entered into an agreement to dispose of its entire 50% equity interest in Jinling Electrical Co., Ltd. ("JLE") to Candy Elettrodomestici S.r.l ("Candy") for a cash consideration of RMB50 million, subject to adjustments. JLE is the Group's joint-venture engaged in the design and manufacture of washing machines in Jiangmen, PRC. On the disposal of JLE, the Group also agrees to transfer its right of distribution of JLE products to Candy at RMB6 million and the payment of labour compensation in relation to the termination of labour contracts of employees of JLE for an amount of not exceeding RMB15 million. The disposal is in line with the Group's corporate strategy to minimise its loss in the joint venture investment so as to focus its resources on expanding the Group's upmarket lifestyle brands and products to meet the growing demand from customers, especially in mainland China.

### Shares exchange

On July 15, 2006, the Group and Mr. Herbert Adamczyk, a director of a subsidiary of the Company, and Xact Aid, Inc. ("Xact") entered into a share exchange agreement in relation to the sale of an aggregate of 49% shares of Technorient Limited for the issue by Xact Aid, Inc. of an aggregate of 972,728 preference convertible shares convertible into an aggregate of 89,689,881 Xact shares. Xact is a company incorporated in the State of Nevada, the United States of America whose shares are traded on the Over-The-Counter Bulletin Board of the United States. Upon full conversion of the preference convertible shares, the Group will hold 40% common shares of Xact which in turn holds 49% of Technorient Limited. Technorient Limited will remain a subsidiary of the Group. The share exchange resulted in the holding of part of the Group's motor vehicle business by Xact, the shares of which are quoted and traded on the Over-The-Counter Bulletin Board of the United States. This will provide a platform to raise fund to finance the expansion of the Group's motor vehicle business.

## 結算日後事項

### 出售金羚電器之股本權益

於二零零六年六月三十日，本集團訂立一項協議，出售其於金羚電器有限公司（「金羚電器」）之50%股本權益予Candy Elettrodomestici S.r.l（「Candy」），現金代價為人民幣50,000,000元（可予調整）。金羚電器乃本集團之合營公司，於中國江門從事洗衣機之設計及製造。本集團亦同意於出售金羚電器之同時，將其分銷金羚電器產品之權利轉讓予Candy，代價為人民幣6,000,000元，以及支付一筆不超過人民幣15,000,000元之有關終止金羚電器員工之職工合約之職工補償。此項出售符合本集團之策略，盡量減少其於合營企業投資之虧損，以便集中資源擴展本集團之高檔時尚生活品牌及產品，以滿足客戶（尤其中國大陸客戶）之不斷增長之需求。

### 股份交換

於二零零六年七月十五日，本集團及本公司附屬公司之董事Herbert Adamczyk先生與Xact Aid, Inc.（「Xact」）就出售勵安有限公司合共49%之股份訂立股份交換協議，代價為由Xact Aid, Inc.發行合共972,728股優先可換股股份，以轉換為合共89,689,881股Xact股份。Xact為一家於美國內華達州註冊成立之公司，其股份於美國場外電子交易板買賣。於全部轉換優先可換股後，本集團將持有Xact之40%普通股，而Xact持有勵安有限公司49%股權。勵安有限公司仍繼續為本集團之附屬公司。股份交換導致Xact持有本集團部份汽車業務，Xact之股份於美國場外電子交易板掛牌及買賣。此項交易將提供融資平台，為本集團汽車業務之擴展提供資金。

## Human Resources

As of June 30, 2006, the total number of employees of the Group, excluding associates, was 348 (2005: 281). Headcounts were added for the expansion of our car business including the opening of the new 3S Centre for our "Ferrari" and "Maserati" cars in Ap Lei Chau. With the continued expansion in PRC, we increase the recruitment of local staff. The management is committed to staff motivation and training so as to ensure our employees to remain stable and yet be competitive in the marketplace.

## PROSPECTS

Healthy economic growth in our key markets will continue in the second half year and 2007. Our car business of "Ferrari" and "Maserati" will grow strongly in both sales and profit. The addition of "Alfa Romeo" cars to our car business will broaden our customer base.

The air-conditioning business will remain profitable.

Adjustments in product strategy of our own audio-visual products "Rogers" and "Bodysonic" brands will lead to higher margins and development of more life-style oriented products.

With "Ferretti" motor yachts, our luxurious brands distribution business is furthered strengthened by the addition of "Horizon" motor yachts, which covers Hong Kong, Macau and the whole mainland China. In the meantime, more lifestyle brands will be secured in the second half of 2006. The management expects good business to be generated by the motor yachts and similar additional lifestyle products.

Also we expect increasing income from our property investments as this market continues to prosper and occupancy and rental rates of our Wo Kee Hong Building continue to climb.

The management would take further effort to improve the overall performance of the Group in the second half of 2006. The Group is embarking on a sustainable progress based on proven traditional business and a new platform of lifestyle brands.

## 人力資源

於二零零六年六月三十日，本集團之員工總數（聯營公司僱員除外）為348人（二零零五年：281人），主要乃汽車業務部擴張包括新開幕之鴨脷洲「法拉利」及「馬莎拉蒂」汽車3S服務中心增聘人手所致。隨著中國業務之持續擴展，本公司將增聘當地員工。管理層致力提高員工士氣及提供培訓，以確保本公司員工隊伍穩定及在市場上具有競爭力。

## 展望

本公司主要市場之穩健經濟增長將會於下半年及二零零七年持續。本公司「法拉利」及「瑪莎拉蒂」汽車業務之銷售及盈利將會強勁增長。新增之「愛快·羅蜜歐」汽車將會擴闊本公司汽車業務之客戶基礎。

空調業務將維持利潤水平。

本集團調整自身影音產品「樂爵士」及「先力」品牌之產品策略，將開發更多時尚生活產品，並會帶來更高毛利。

取得「法拉帝」機動遊艇的分銷權後，本公司高級品牌分銷業務隨著增加「Horizon」機動遊艇（覆蓋香港、澳門及整個中國大陸）而得到進一步增強。同時，於二零零六年下半年將會取得更多時尚生活品牌。管理層預期機動遊艇及其他類似的時尚生活產品業務將有良好表現。

此外，本集團預期物業投資收入將不斷增長，乃由於物業市場持續蓬勃及本公司和記行大廈之出租率及租金繼續攀升。

管理層將更努力改善本集團二零零六年下半年之整體業務。本集團穩健之傳統業務配合新的時尚生活品牌平台，將令業務持續發展。

# Condensed Consolidated Income Statement

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## 簡明綜合損益表

For the six months ended June 30, 2006  
截至二零零六年六月三十日止六個月

			2006 二零零六年 HK\$'000 港幣千元 (Unaudited) (未經審核)	2005 二零零五年 HK\$'000 港幣千元 (Unaudited) (未經審核) (Restated) (重列)
<b>Turnover</b>	<b>營業額</b>	2	<b>308,211</b>	324,610
Cost of sales	銷售成本		<b>(244,929)</b>	(261,026)
Gross profit	毛利		<b>63,282</b>	63,584
Other revenue	其他收入		<b>5,337</b>	4,487
Distribution costs	分銷費用		<b>(23,176)</b>	(23,922)
Administrative expenses	行政費用		<b>(51,244)</b>	(44,014)
Fair value gains on investment properties	投資物業公平值收益		—	6,707
Gain on settlement of a loan	債務清償收益		—	88,178
<b>(Loss)/profit from operations</b>	<b>經營(虧損)/盈利</b>	4	<b>(5,801)</b>	95,020
Finance costs	財務費用	5	<b>(4,925)</b>	(2,258)
Share of result of an associate	應佔一家聯營公司業績		<b>317</b>	(967)
(Loss)/profit before tax	除稅前(虧損)/盈利		<b>(10,409)</b>	91,795
Income tax expense	所得稅開支	6	<b>(6)</b>	(12,426)
			<b>(10,415)</b>	79,369
Loss for the period from non-current assets held for sale	持作買賣之非流動資產期內虧損	13	<b>(6,093)</b>	(3,008)
<b>(Loss)/profit for the period</b>	<b>期內(虧損)/盈利</b>		<b>(16,508)</b>	76,361
<b>Attributable to:</b>	<b>應佔：</b>			
Equity holders of the Company	本公司權益持有人		<b>(16,685)</b>	76,378
Minority interests	少數股東權益		<b>177</b>	(17)
			<b>(16,508)</b>	76,361
<b>(Losses)/earnings per share for (loss)/profit attributable to the equity holders of the Company – Basic and diluted</b>	<b>本公司權益持有人應佔之每股(虧損)/盈利 – 基本及攤薄</b>	7	<b>(7.53) cents仙</b>	34.46 cents仙
<b>Dividends</b>	<b>股息</b>	8	<b>NIL</b> <b>無</b>	NIL 無

## Condensed Consolidated Balance Sheet

## 簡明綜合資產負債表

			June 30 2006 二零零六年 六月三十日 HK\$'000 港幣千元 (Unaudited) (未經審核)	December 31 2005 二零零五年 十二月三十一日 HK\$'000 港幣千元 (Audited) (經審核)
<b>Non-current assets</b>	<b>非流動資產</b>			
Investment properties	投資物業	9	181,452	200,847
Property, plant and equipment	物業、廠房及設備	10	120,180	102,664
Goodwill	商譽		2,479	2,306
Interests in associates	聯營公司權益		8,072	60,545
Available-for-sale financial assets	可供出售金融資產		527	527
Deferred tax assets	遞延稅項資產		6,300	6,300
			<b>319,010</b>	<b>373,189</b>
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	11	133,772	81,157
Properties held for sale	持作出售物業		24,851	24,851
Trade and other receivables	貿易往來及其他應收賬款	12	87,276	103,942
Amounts due from associates	應收聯營公司款項		7,737	4,528
Other financial assets at fair value through profit or loss	其他以公平值計入損益的金融資產		20	20
Derivative financial instruments	衍生金融工具		—	3,910
Cash and bank balances	銀行結存及現金		8,717	24,009
			<b>262,373</b>	<b>242,417</b>
Non-current assets held for sale	持作買賣之非流動資產	13	172,138	—
			<b>434,511</b>	<b>242,417</b>
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易往來及其他應付賬款	14	126,359	118,832
Provision for a legal claim	司法索償撥備		30,656	30,656
Bills payable	應付票據		25,685	18,160
Tax payable	應付稅項		182	421
Amounts due to related companies	應付關連公司款項		2,544	4,100
Obligations under finance leases – due within one year	一年內到期之融資租賃債務		85	82
Borrowings – due within one year	一年內到期之貸款	15	86,766	69,333
			<b>272,277</b>	<b>241,584</b>

			June 30 2006 二零零六年 六月三十日 HK\$'000 港幣千元 (Unaudited) (未經審核)	December 31 2005 二零零五年 十二月三十一日 HK\$'000 港幣千元 (Audited) (經審核)
Liabilities directly associated with non-current assets classified as held for sale	直接與分類為持作買賣之非流動資產有關之負債	13	124,768	—
			<b>397,045</b>	241,584
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>37,466</b>	833
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>356,476</b>	374,022
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Convertible loan note	可換股貸款票據		29,950	28,951
Obligations under finance leases – due after one year	一年後到期之融資租賃債務		289	319
Borrowings – due after one year	一年後到期之貸款	15	10,670	13,727
Amount due to a related company	應付一間關聯公司款項		5,346	5,352
Deferred tax liabilities	遞延稅項負債		21,152	21,152
			<b>67,407</b>	69,501
<b>Net assets</b>	<b>資產淨值</b>		<b>289,069</b>	304,521
<b>Equity</b>	<b>權益</b>			
Capital and reserves attributable to the Company's equity holders	本公司權益持有人應佔資本及儲備			
Share capital	股本	16	221,615	221,615
Reserves	儲備		63,520	79,362
			<b>285,135</b>	300,977
Minority interests	少數股東權益		3,934	3,544
<b>Total equity</b>	<b>總權益</b>		<b>289,069</b>	304,521

# Condensed Consolidated Cash Flow Statement

## 簡明綜合現金流量表

For the six months ended June 30, 2006  
截至二零零六年六月三十日止六個月

		<b>2006</b>	2005
		<b>二零零六年</b>	二零零五年
		<b>HK\$'000</b>	HK\$'000
		<b>港幣千元</b>	港幣千元
		<b>(Unaudited)</b>	(Unaudited)
		<b>(未經審核)</b>	(未經審核)
Net cash (used in)/generated from operating activities	經營業務(所用)／所得現金淨額	<b>(20,665)</b>	11,607
Net cash used in investing activities	投資業務所用現金淨額	<b>(3,805)</b>	(857)
Net cash generated from/(used in) financing activities	融資業務所得／(所用)現金淨額	<b>2,644</b>	(5,973)
Net (decrease)/increase in cash and cash equivalents	現金及現金等值項目(減少)／增加淨額	<b>(21,826)</b>	4,777
Cash and cash equivalents at January 1	於一月一日之現金及現金等值項目	<b>18,603</b>	13,695
Effect of foreign currency exchange rate changes	外幣匯率變動之影響	<b>375</b>	(413)
Cash and cash equivalents at June 30	於六月三十日之現金及現金等值項目	<b>(2,848)</b>	18,059
<b>Analysis of the balances of cash and cash equivalents</b>	<b>現金及現金等值項目結餘分析</b>		
Being :	即 :		
Cash and bank balances	銀行結存及現金	<b>8,717</b>	21,753
Bank overdrafts	銀行透支	<b>(11,565)</b>	(3,694)
		<b>(2,848)</b>	18,059

# Condensed Consolidated Statement of Changes in Equity

## 簡明綜合權益變動表

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For the six months ended June 30, 2006  
截至二零零六年六月三十日止六個月

		(Unaudited) (未經審核)							Attributable to equity holders of the Company 本公司權益持有人應佔	
		Share capital	Capital redemption reserve	Exchange reserve	Equity component of convertible loan note 可換股貸款 票據之 權益部份	Other reserves	Accumulated losses	Minority interests	Total	
		股本	資本贖回儲備	匯兌儲備	可換股貸款 票據之 權益部份	其他儲備	累計虧損	少數股東權益	合計	
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	
At January 1, 2006	於二零零六年一月一日	221,615	916	(40)	185	151,236	(72,935)	3,544	304,521	
Minority interests arising from acquisition of subsidiaries	因收購附屬公司而產生之少數股東權益	-	-	-	-	-	-	241	241	
Acquisition of further interest in a subsidiary	進一步收購一家附屬公司之權益	-	-	-	-	-	-	(28)	(28)	
Exchange difference on translation of financial statements of overseas operations	換算海外業務之財務報表之匯兌差額	-	-	843	-	-	-	-	843	
(Loss)/profit for the period	期內(虧損)/盈利	-	-	-	-	-	(16,685)	177	(16,508)	
<b>At June 30, 2006</b>	<b>於二零零六年六月三十日</b>	<b>221,615</b>	<b>916</b>	<b>803</b>	<b>185</b>	<b>151,236</b>	<b>(89,620)</b>	<b>3,934</b>	<b>289,069</b>	
At January 1, 2005	於二零零五年一月一日	221,615	916	(2,052)	-	151,236	(108,396)	1,609	264,928	
Exchange difference on translation of financial statements of overseas operations	換算海外業務之財務報表之匯兌差額	-	-	604	-	-	-	-	604	
Profit/(loss) for the period	期內盈利/(虧損)	-	-	-	-	-	76,378	(17)	76,361	
At June 30, 2005	於二零零五年六月三十日	221,615	916	(1,448)	-	151,236	(32,018)	1,592	341,893	



For the six months ended June 30, 2006  
截至二零零六年六月三十日止六個月

### 1. Basis of preparation and accounting policies

The unaudited condensed consolidated financial statements have been prepared in accordance with the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”, other relevant HKASs, Interpretations and the Hong Kong Financial Report Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The accounting policies used in preparation of the condensed consolidated interim financial statements are consistent with those adopted in the annual financial statements for the year ended December 31, 2005 with addition of certain new standards and interpretations of HKFRSs issued and effective as at the time of preparing this report. These are:

HKAS 21 (Amendment)	The effects of change in foreign exchange rate – net investment in a foreign operation
HKAS 39 (Amendment)	Cash flow hedge accounting of forecast intragroup transactions
HKAS 39 (Amendment)	The fair value option
HKAS 39 & HKFRS 4 (Amendment)	Financial guarantee contracts

The adoption of such standards or interpretation does not result in substantial changes to the Group’s accounting policies and has no significant effect on the results reported for the six months ended June 30, 2006.

### 1. 編製基準及會計政策

本集團已根據香港會計師公會頒佈之香港會計準則（「香港會計準則」）第34號「中期財務報告」、其他相關之香港會計準則及詮釋及香港財務報告準則（「香港財務報告準則」），以及香港聯合交易所有限公司（「聯交所」）證券上市規則之適用披露規定，編製未經審核之簡明綜合財務報表。

用於編製簡明綜合中期財務報表之會計政策與編製截至二零零五年十二月三十一日止年度之年度財務報表所採納者貫徹一致，並採納於編製本報告時已公布並生效之若干香港財務報告準則之新訂準則及詮釋如下：

香港會計準則第21號 (修訂)	外幣匯率變動之影響－ 境外業務之投資淨值
香港會計準則第39號 (修訂)	預計集團間交易之現金 流量對沖會計
香港會計準則第39號 (修訂)	公平值認股權
香港會計準則第39號 及香港財務報告 準則第4號(修訂)	金融擔保合約

採納有關準則或詮釋並無對本集團之會計政策造成重大影響，且未對已呈報之截至二零零六年六月三十日止六個月之業績造成重大影響。

For the six months ended June 30, 2006  
截至二零零六年六月三十日止六個月**1. Basis of preparation and accounting policies***(continued)*

The Group has not early applied the following new standards, amendments and interpretations to standards that have been issued but are not yet effective.

HKAS 1 (Amendment)	Capital disclosures
HKFRS 7	Financial instruments: disclosures
HK(IFRIC)-Int 7 (effective for accounting period commencing on or after March 1, 2006)	Applying the Restatement Approach under HKAS 29 financial reporting in hyperinflationary economies
HK(IFRIC)-Int 8 (effective for accounting period commencing on or after May 1, 2006)	Scope of HKFRS 2
HK(IFRIC)-Int 9 (effective for accounting period commencing on or after June 1, 2006)	Reassessment of embedded derivatives

The HKAS 1 (Amendment) shall be applied for annual periods beginning on or after January 1, 2007. The revised standard will affect the disclosure about qualitative information about the Group's objective, policies and processes for managing capital; quantitative data about what company regards as capital; and compliance with any capital requirements and the consequences of any non-compliance.

HKFRS 7 will replace HKAS 32 and has modified the disclosure requirements of HKAS 32 relating to financial instruments. This HKFRS shall be applied for annual period beginning on or after January 1, 2007.

Except as stated above, the Group expects that the adoption of the other pronouncements listed above will not have any significant impact on the Group's financial statements in the period of initial application.

**1. 編製基準及會計政策 (續)**

本集團並無提前採用以下已公佈但尚未生效之新訂、經修訂準則及詮釋。

香港會計準則第1號(修訂)	資本披露
香港財務報告準則第7號	金融工具：披露
香港(國際財務報告詮釋 委員會)－詮釋第7號 (於二零零六年三月一日 或其後開始之會計期間 生效)	根據香港會計準則 第29號「於嚴重通貨 膨脹經濟中之財務 報告」採用重列法 生效)
香港(國際財務報告詮釋 委員會)－詮釋第8號 (於二零零六年五月一日或 其後開始之會計期間生效)	香港財務報告準則 第2號之範圍
香港(國際財務報告詮釋 委員會)－詮釋第9號 (於二零零六年六月一日或 其後開始之會計期間生效)	內置衍生產品之重估

香港會計準則第1號(修訂)將於二零零七年一月一日或之後開始之年度期間採用。該項經修訂準則將影響有關本集團資本管理之目標、政策及程序之定性資料，有關本公司視為資本項目之定量資料，以及有關遵守任何資本規定及未遵守有關規定之後果之披露。

香港財務報告準則第7號將取代香港會計準則第32號，並已修訂香港會計準則第32號有關金融工具的披露要求。該項香港財務報告準則將於二零零七年一月一日或之後開始之年度期間採用。

除上述者外，本集團預計採納上述之其他公告於其首次應用期間對本集團之財務報表概無重大影響。

For the six months ended June 30, 2006  
截至二零零六年六月三十日止六個月

## 2. Turnover

Turnover represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and maintenance service income during the period.

## 3. Business and geographical segments

### Business segments

For management purposes, the Group is currently organised into five operating divisions: air-conditioning products, audio-visual and other electrical products, cars and car accessories, direct marketing and property investment. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Air-conditioning products	Distribution and installation of air-conditioning products
Audio-visual and other electrical products	Distribution of audio-visual equipment, including car audio, and home appliances
Cars and car accessories	Trading of cars and related accessories and provision of car repairing services
Direct marketing	Retailing of consumer electronic products and home appliances
Property investment	Rental of investment properties and properties held for sale

## 2. 營業額

營業額指於期內扣除退貨及貿易折扣後已出售貨品之發票淨值以及維修服務收入。

## 3. 業務及地區分類

### 業務分類

就業務管理目的，本集團現時之業務可分為五個經營部份：空調產品、影音設備及其他電器產品、汽車及汽車配件、直銷及物業投資。該等部份為本集團呈報其主要分類資料之基準。

主要業務如下：

空調產品	分銷及安裝空調產品
影音設備及其他電器產品	分銷影音設備（包括汽車音響產品）及家用電器
汽車及汽車配件	買賣汽車及相關配件及提供汽車維修服務
直銷	零售消費電子產品及家用電器
物業投資	投資物業及持作出售物業之租賃

For the six months ended June 30, 2006  
截至二零零六年六月三十日止六個月

## 3. Business and geographical segments (continued)

## 3. 業務及地區分類 (續)

## Business segments (continued)

## 業務分類 (續)

2006

二零零六年

		Air- conditioning products	Audio-visual and other electrical products 影音設備 及其他	Cars and car accessories 汽車及 汽車配件	Direct marketing 直銷	Property investment 物業投資	Inter-segment elimination 業務之間 抵銷	Consolidated
		HK\$'000 港幣千元 (Unaudited) (未經審核)	HK\$'000 港幣千元 (Unaudited) (未經審核)	HK\$'000 港幣千元 (Unaudited) (未經審核)	HK\$'000 港幣千元 (Unaudited) (未經審核)	HK\$'000 港幣千元 (Unaudited) (未經審核)	HK\$'000 港幣千元 (Unaudited) (未經審核)	HK\$'000 港幣千元 (Unaudited) (未經審核)
<b>Turnover</b>	<b>營業額</b>							
External sales	外部銷售收益	41,329	73,063	192,936	883	-	-	308,211
Inter-segment sales	業務之間銷售收益	137	743	-	-	-	(880)	-
<b>Total turnover</b>	<b>營業總額</b>	<b>41,466</b>	<b>73,806</b>	<b>192,936</b>	<b>883</b>	<b>-</b>	<b>(880)</b>	<b>308,211</b>
<b>Results</b>	<b>業績</b>							
Segment results	分類業績	551	(1,564)	4,425	(16)	151	-	3,547
Unallocated corporate expenses	未分配之公司支出							(9,348)
Loss from operations	經營虧損							(5,801)
Finance costs	財務費用							(4,925)
Share of result of an associate	應佔一家聯營公司業績	-	-	317	-	-	-	317
Loss before taxation	除稅前虧損							(10,409)
Income tax expense	所得稅開支							(6)
								(10,415)
Loss for the period from non-current assets held for sale	持作買賣之非流動 資產期內虧損	-	(6,093)	-	-	-	-	(6,093)
Loss for the period	期內虧損							(16,508)

For the six months ended June 30, 2006  
截至二零零六年六月三十日止六個月

## 3. Business and geographical segments (continued)

## 3. 業務及地區分類 (續)

## Business segments (continued)

## 業務分類 (續)

2005

二零零五年

		Air- conditioning products	Audio-visual and other electrical products 影音設備 及其他	Cars and car accessories 汽車及 汽車配件	Direct marketing 直銷	Property investment 物業投資	Inter-segment elimination 業務之間 抵銷	Consolidated
		HK\$'000 港幣千元 (Unaudited) (未經審核)	HK\$'000 港幣千元 (Unaudited) (未經審核)	HK\$'000 港幣千元 (Unaudited) (未經審核)	HK\$'000 港幣千元 (Unaudited) (未經審核)	HK\$'000 港幣千元 (Unaudited) (未經審核)	HK\$'000 港幣千元 (Unaudited) (未經審核)	HK\$'000 港幣千元 (Unaudited) (未經審核) (Restated) (重列)
Turnover	營業額							
External sales	外部銷售收益	54,620	116,106	152,107	1,777	-	-	324,610
Inter-segment sales	業務之間銷售收益	31	45	-	31	-	(107)	-
Total turnover	營業總額	<u>54,651</u>	<u>116,151</u>	<u>152,107</u>	<u>1,808</u>	<u>-</u>	<u>(107)</u>	<u>324,610</u>
Results	業績							
Segment results	分類業績	<u>2,814</u>	<u>3,332</u>	<u>1,381</u>	<u>(979)</u>	<u>8,440</u>	<u>130</u>	15,118
Gain on settlement of a loan	債務清償收益							88,178
Unallocated corporate expenses	未分配之公司支出							(8,276)
Profit from operations	經營盈利							95,020
Finance costs	財務費用							(2,258)
Share of result of an associate	應佔一家聯營公司業績	-	-	(967)	-	-	-	(967)
Profit before taxation	除稅前盈利							91,795
Income tax expense	所得稅開支							(12,426)
								79,369
Loss for the period from non-current assets held for sale	持作買賣之非流動 資產期內虧損	-	(3,008)	-	-	-	-	(3,008)
Profit for the period	期內盈利							<u>76,361</u>

For the six months ended June 30, 2006  
截至二零零六年六月三十日止六個月**3. Business and geographical segments (continued)****3. 業務及地區分類 (續)****Geographical segments**

The Group's operations are mainly located in Hong Kong, Singapore, Malaysia, The People's Republic of China (other than Hong Kong and Macau) (the "PRC") and Macau. The following table provides an analysis of the Group's turnover by geographical market, irrespective of the origin of the goods/services:

**地區分類**

本集團之業務主要分佈於香港、新加坡、馬來西亞、中華人民共和國(香港及澳門除外) (「中國」) 及澳門。下表按市場地區分析本集團之營業額(不論商品/服務之原產地)：

		<b>Turnover by geographical market</b>		<b>Contribution to operating results</b>	
		<b>地區分類之營業額</b>		<b>對經營業績之貢獻</b>	
		<b>Six months ended June 30</b>		<b>Six months ended June 30</b>	
		<b>截至六月三十日止六個月</b>		<b>截至六月三十日止六個月</b>	
		<b>2006</b>	2005	<b>2006</b>	2005
		<b>二零零六年</b>	二零零五年	<b>二零零六年</b>	二零零五年
		<b>HK\$'000</b>	HK\$'000	<b>HK\$'000</b>	HK\$'000
		<b>港幣千元</b>	港幣千元	<b>港幣千元</b>	港幣千元
		<b>(Unaudited)</b>	(Unaudited)	<b>(Unaudited)</b>	(Unaudited)
		<b>(未經審核)</b>	(未經審核)	<b>(未經審核)</b>	(未經審核)
Hong Kong	香港	<b>257,383</b>	260,480	<b>(2,688)</b>	10,676
Singapore	新加坡	<b>25,802</b>	29,668	<b>877</b>	673
Malaysia	馬來西亞	<b>13,533</b>	14,260	<b>784</b>	721
The PRC	中國	<b>3,746</b>	7,198	<b>(871)</b>	(2,229)
Macau	澳門	<b>7,747</b>	12,447	<b>108</b>	679
Others	其他	-	557	-	111
		<b>308,211</b>	324,610	<b>(1,790)</b>	10,631
Other revenue	其他收入			<b>5,337</b>	4,487
Unallocated corporate expenses	未分配之公司支出			<b>(9,348)</b>	(8,276)
Gain on settlement of a loan	債務清償收益			-	88,178
(Loss)/profit from operations	經營(虧損)/盈利			<b>(5,801)</b>	95,020

For the six months ended June 30, 2006  
截至二零零六年六月三十日止六個月

#### 4. (Loss)/profit from operations

(Loss)/profit from operations has been arrived at after charging and (crediting):

#### 4. 經營(虧損)/盈利

經營(虧損)/盈利已扣除及(計入):

		<b>Six months ended June 30</b>	
		<b>截至六月三十日止六個月</b>	
		<b>2006</b>	2005
		<b>二零零六年</b>	二零零五年
		<b>HK\$'000</b>	HK\$'000
		<b>港幣千元</b>	港幣千元
		<b>(Unaudited)</b>	(Unaudited)
		<b>(未經審核)</b>	(未經審核)
Cost of inventories	存貨成本		
(included in cost of sales)	(已計入銷售成本之內)	<b>244,173</b>	261,051
Depreciation of:	折舊:		
– owned assets	– 自置資產	<b>3,580</b>	2,728
– assets held under finance leases	– 融資租賃資產	<b>76</b>	87
Staff cost, including directors' emoluments	僱員成本(包括董事酬金)		
– salaries and allowances	– 薪金及津貼	<b>31,132</b>	31,327
– contribution to retirement benefits scheme	– 退休福利計劃供款	<b>1,336</b>	1,130
Bank interest income	銀行利息收入	<b>(77)</b>	(5)

For the six months ended June 30, 2006  
截至二零零六年六月三十日止六個月

## 5. Finance costs

## 5. 財務費用

		<b>Six months ended June 30</b>	
		<b>截至六月三十日止六個月</b>	
		<b>2006</b>	2005
		<b>二零零六年</b>	二零零五年
		<b>HK\$'000</b>	HK\$'000
		<b>港幣千元</b>	港幣千元
		<b>(Unaudited)</b>	(Unaudited)
		<b>(未經審核)</b>	(未經審核)
Interest expenses on:	利息支出於：		
Bank loans, trust receipts loans and overdrafts wholly repayable within five years	五年內全數償還之銀行貸款、信託收據貸款及透支	<b>3,367</b>	2,003
Other loans wholly repayable within five years	五年內全數償還之其他貸款	<b>1,388</b>	—
		<b>4,755</b>	2,003
Finance lease charges	融資租賃費用	<b>7</b>	7
Bank charges	銀行費用	<b>163</b>	248
		<b>4,925</b>	2,258



For the six months ended June 30, 2006  
截至二零零六年六月三十日止六個月

## 6. Income tax expense

## 6. 所得稅開支

		<b>Six months ended June 30</b>	
		<b>截至六月三十日止六個月</b>	
		<b>2006</b>	<b>2005</b>
		<b>二零零六年</b>	<b>二零零五年</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>港幣千元</b>	<b>港幣千元</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>(未經審核)</b>	<b>(未經審核)</b>
The tax expense comprises :	稅項開支包括 :		
Current tax for the period :	本期間稅項 :		
Hong Kong Profits Tax	香港利得稅	-	-
Overseas taxation	海外稅項	<b>(6)</b>	(6)
		<b>(6)</b>	(6)
Deferred tax :	遞延稅項 :		
Current period	本期間	-	(12,420)
		<b>(6)</b>	(12,426)

No provision for Hong Kong Profits Tax has been provided for the period ended June 30, 2006 as the Group had tax losses brought forward to set off the estimated assessable profit for the period (Six months ended June 30, 2005: Nil).

Overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

由於本集團有承前結轉稅項虧損以抵銷本期間之估計應課稅盈利，故截至二零零六年六月三十日止期間內並無作出香港利得稅撥備（截至二零零五年六月三十日止六個月：無）。

海外稅項乃按有關司法權區通用之稅率計算。

For the six months ended June 30, 2006  
截至二零零六年六月三十日止六個月**7. (Losses)/earnings per share**

The calculation of the basic (losses)/earnings per share is based on the loss attributable to equity holders of approximately HK\$16,685,000 (2005: profit of approximately HK\$76,378,000) and on the weighted average number of 221,615,433 (2005: (restated) 221,615,433) ordinary shares in issue during the period.

Diluted (losses)/earnings per share for each of the six months ended 30 June 2006 and 2005 have not been calculated as no diluting events existed during these two periods.

**8. Dividends**

The directors do not recommend the payment of any interim dividend for the six months ended June 30, 2006 (Six months ended June 30, 2005: Nil).

**9. Investment properties**

At January 1	於一月一日	<b>200,847</b>	172,305
Disposals	出售	-	(9,176)
Transfer (to)/from property, plant and equipment	轉(為)／自物業、廠房及設備	<b>(19,395)</b>	24,990
Increase in fair value recognised in the income statement	於損益表確認之公平值增加	-	12,728
		<b>181,452</b>	<b>200,847</b>

**7. 每股(虧損)／盈利**

每股基本(虧損)／盈利之計算方法，乃根據權益持有人應佔虧損約港幣16,685,000元(二零零五年：盈利約港幣76,378,000元)及期內已發行普通股之加權平均數221,615,433股普通股(二零零五年：(重列)221,615,433股普通股)計算。

並無計算截至二零零五年及二零零六年六月三十日止期間各每股攤薄(虧損)／盈利，因該兩個期間內並無攤薄事項。

**8. 股息**

董事議決就截至二零零六年六月三十日止六個月不宣派任何股息(截至二零零五年六月三十日止六個月：無)。

**9. 投資物業**

<b>June 30</b>	December 31
<b>2006</b>	2005
<b>二零零六年</b>	二零零五年
<b>六月三十日</b>	十二月三十一日
<b>HK\$'000</b>	HK\$'000
<b>港幣千元</b>	港幣千元
<b>(Unaudited)</b>	(Audited)
<b>(未經審核)</b>	(經審核)
<b>200,847</b>	172,305
-	(9,176)
<b>(19,395)</b>	24,990
-	12,728
<b>181,452</b>	<b>200,847</b>

## Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended June 30, 2006  
截至二零零六年六月三十日止六個月

## 10. Property, plant and equipment

## 10. 物業、廠房及設備

		June 30 2006 二零零六年 六月三十日 HK\$'000 港幣千元 (Unaudited) (未經審核)	December 31 2005 二零零五年 十二月三十一日 HK\$'000 港幣千元 (Audited) (經審核)
At January 1	於一月一日	102,664	117,528
Exchange difference	匯兌差額	122	(13)
Additions	添置	1,776	18,883
Acquisition of a subsidiary	收購一間附屬公司	76	-
Disposals	出售	(147)	(3,063)
Disposal of a subsidiary	出售一間附屬公司	(50)	-
Transfer from/(to) investment properties	轉自/(為)投資物業	19,395	(24,990)
Depreciation charge	折舊	(3,656)	(5,681)
		<b>120,180</b>	<b>102,664</b>

## 11. Inventories

## 11. 存貨

		June 30 2006 二零零六年 六月三十日 HK\$'000 港幣千元 (Unaudited) (未經審核)	December 31 2005 二零零五年 十二月三十一日 HK\$'000 港幣千元 (Audited) (經審核)
Finished goods	製成品	124,560	74,034
Spare parts	零件	15,532	14,592
		<b>140,092</b>	<b>88,626</b>
Less: Provision for impairment loss on inventories	減：存貨減值虧損 撥備	(6,320)	(7,469)
		<b>133,772</b>	<b>81,157</b>



For the six months ended June 30, 2006  
截至二零零六年六月三十日止六個月

## 12. Trade and other receivables

The Group allows an average credit period of 7 to 90 days to its customers. The aged analysis of trade receivables is as follows:

## 12. 貿易往來及其他應收賬款

本集團給予客戶平均七至九十天之信貸期。其貿易往來應收賬款之賬齡分析如下：

		<b>June 30</b>	December 31
		<b>2006</b>	2005
		<b>二零零六年</b>	二零零五年
		<b>六月三十日</b>	十二月三十一日
		<b>HK\$'000</b>	HK\$'000
		<b>港幣千元</b>	港幣千元
		<b>(Unaudited)</b>	(Audited)
		<b>(未經審核)</b>	(經審核)
Within 30 days	三十天以內	<b>30,295</b>	52,173
31 to 60 days	三十一天至六十天	<b>10,768</b>	11,175
61 to 90 days	六十一天至九十天	<b>3,246</b>	4,377
91 days to 1 year	九十一天至一年	<b>2,391</b>	2,084
Over 1 year	一年以上	<b>6,017</b>	6,393
		<b>52,717</b>	76,202
Less: Provision for impairment loss on trade receivables	減：貿易往來應收賬款 減值虧損撥備	<b>(5,864)</b>	(6,547)
		<b>46,853</b>	69,655
Deposits, prepayments and other receivables	訂金、預付款及其他 應收賬款	<b>40,423</b>	34,287
		<b>87,276</b>	103,942

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### 13. Non-current assets held for sale

On June 30, 2006, Metro Global Limited, a wholly owned subsidiary of the Company entered into a Share Purchase and Subscription Agreement (the "Agreement") with JM Washing Machine Factory and Candy Elettrodomestici S.r.l. in relation to the disposal of 50% of equity interests in Jinling Electrical Company Limited ("Jinling"), an associate of the Group. The date of completion of Agreement shall be no later than October 18, 2006. The principal activities of Jinling are engaged in manufacturing and trading of washing machines in the PRC.

Since the Agreement has not been completed as at June 30, 2006, in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the Group's share of assets of Jinling have been classified as non-current assets held for sale separately from the other assets in the balance sheet. The Group's share of liabilities of Jinling have been classified as liabilities directly associated with non-current assets classified as held for sale. The share of results of Jinling for the period ended June 30, 2006 has been re-classified as "loss for the period from non-current assets held for sales" instead of "share of results of associates", the corresponding figure for the period ended June 30, 2005 has been retrospectively restated as required.

### 13. 持作買賣之非流動資產

於二零零六年六月三十日，本公司之全資附屬公司和記電業(環球)有限公司與江門市洗衣機廠及Candy Elettrodomestici S.r.l. 訂立購股及認購協議(「協議」)，內容為有關出售於本集團聯營公司金羚電器有限公司(「金羚」)之50%股本權益。完成協議日期不得遲於二零零六年十月十八日。金羚主要在中國從事製造及買賣洗衣機。

由於協議於二零零六年六月三十日尚未完成，根據香港財務報告準則第5號「持作買賣之非流動資產及已終止經營業務」，本集團分佔金羚之資產被列為持作買賣之非流動資產，在資產負債表與其他資產分開呈列。本集團分佔金羚之負債被列作直接分類為持作買賣之非流動資產有關之負債。金羚截至二零零六年六月三十日止期間之應佔業績已重新列為「持作買賣之非流動資產期內虧損」而非「應佔聯營公司業績」，截至二零零五年六月三十日止期間之相應數字已按規定追溯重列。

For the six months ended June 30, 2006  
截至二零零六年六月三十日止六個月**14. Trade and other payables**

The aged analysis of trade payables is as follows:

**14. 貿易往來及其他應付賬款**

貿易往來應付賬款之賬齡分析如下：

		<b>June 30</b>	December 31
		<b>2006</b>	2005
		<b>二零零六年</b>	二零零五年
		<b>六月三十日</b>	十二月三十一日
		<b>HK\$'000</b>	HK\$'000
		<b>港幣千元</b>	港幣千元
		<b>(Unaudited)</b>	(Audited)
		<b>(未經審核)</b>	(經審核)
Within 30 days	三十天以內	<b>23,179</b>	5,598
31 to 60 days	三十一天至六十天	<b>4,507</b>	2,924
61 to 90 days	六十一天至九十天	<b>3,851</b>	4,404
91 days to 1 year	九十一天至一年	-	719
Over 1 year	一年以上	<b>726</b>	536
		<hr/>	<hr/>
Total trade payables	貿易往來應付賬款總額	<b>32,263</b>	14,181
Customers' deposits, accruals and other payables	客戶訂金、應付費用及其他應付賬款	<b>94,096</b>	104,651
		<hr/>	<hr/>
		<b>126,359</b>	118,832
		<hr/> <hr/>	<hr/> <hr/>

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截至二零零六年六月三十日止六個月

## 15. Borrowings

## 15. 貸款

		June 30 2006 二零零六年 六月三十日 HK\$'000 港幣千元 (Unaudited) (未經審核)	December 31 2005 二零零五年 十二月三十一日 HK\$'000 港幣千元 (Audited) (經審核)
Bank overdrafts	銀行透支	11,565	5,406
Bank loans	銀行貸款	85,871	77,654
		<b>97,436</b>	<b>83,060</b>
Secured	有抵押	89,568	75,751
Unsecured	無抵押	7,868	7,309
		<b>97,436</b>	<b>83,060</b>
The maturity of the above loans is as follows:	上述貸款之屆滿期如下：		
Within one year	一年內	86,766	69,333
More than one year, but not exceeding two years	一年以上，但不超過兩年	6,150	6,134
More than two years, but not exceeding five years	兩年以上，但不超過五年	4,520	7,593
		<b>97,436</b>	83,060
Less : Amounts due within one year shown under current liabilities	減：一年內到期之款項 (列於流動負債下)	<b>(86,766)</b>	(69,333)
Amounts due after one year	一年後到期之款項	<b>10,670</b>	13,727

## 16. Share capital

## 16. 股本

		Number of shares	Nominal value
		股份數目	面值
			HK\$'000
			港幣千元
<b>Authorised :</b>	<b>法定股本 :</b>		
Ordinary shares of HK\$1.00 each (2005: HK\$0.10 each)	每股面值港幣1.00元之 普通股(二零零五年 : 每股面值港幣0.10元)		
At January 1, 2006	於二零零六年一月一日	3,500,000,000	350,000
Effect of share consolidation	股份合併影響	<u>(3,150,000,000)</u>	<u>—</u>
At June 30, 2006	於二零零六年六月三十日	<u>350,000,000</u>	<u>350,000</u>
<b>Issued and fully paid :</b>	<b>已發行及繳足股本 :</b>		
Ordinary shares of HK\$1.00 each (2005: HK\$0.10 each)	每股面值港幣1.00元之 普通股(二零零五年 : 每股面值港幣0.10元)		
At January 1, 2006	於二零零六年一月一日	2,216,154,331	221,615
Effect of share consolidation	股份合併影響	<u>(1,994,538,898)</u>	<u>—</u>
At June 30, 2006	於二零零六年六月三十日	<u>221,615,433</u>	<u>221,615</u>

Pursuant to a resolution passed by the shareholders of the Company at a special general meeting held on June 15, 2006, every ten issued and unissued ordinary shares of HK\$0.10 each in the share capital of the Company were consolidated into one share of HK\$1.00 each.

依據本公司股東於二零零六年六月十五日舉行之股東特別大會上通過之一項決議案，本公司股本中已發行及未發行股份，每十股面值港幣0.10元之普通股合併為一股面值港幣1.00元之普通股。



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### 17. Contingent liabilities

- (a) The Company had provided corporate guarantees to certain banks for banking and other facilities made available to subsidiaries in the amount of approximately HK\$222,783,000 (December 31, 2005: HK\$218,207,000).
- (b) The Company had provided other guarantees issued for subsidiaries in the amount of approximately HK\$5,885,000 (December 31, 2005: HK\$5,615,000).
- (c) At June 30, 2006, the Group had a contingent liability of approximately HK\$1,300,000 (December 31, 2005: approximately HK\$1,300,000) in respect of proceedings involving a subsidiary of the Company in India.
- (d) During the period, an option agreement granted to a connected person as per the announcement of the Company dated May 5, 2004 was terminated, the contingent liabilities in relating to such option was nil at June 30, 2006 (December 31, 2005: approximately HK\$10,333,000).
- (e) A subsidiary of the Company had entered into a Labour Compensation Agreement relating to the payment of Labour Compensation, under which the subsidiary shall be responsible for an amount of not exceeding RMB15 million (equivalent to approximately HK\$14.6 million).
- (f) Under a share purchase and subscription agreement ("agreement") signed on June 30, 2006, a subsidiary of the Company was obliged to issue a bank guarantee amounting to RMB11 million (equivalent to approximately HK\$10.7 million) to the purchaser upon the date of the closing of the agreement to guarantee the performance of its obligations in respect of the agreement to dispose of our investment in Jiangmen.

### 17. 或然負債

- (a) 本公司為附屬公司獲取若干銀行信貸及其他貸款作出金額約為港幣222,783,000元之公司擔保(二零零五年十二月三十一日: 港幣218,207,000元)。
- (b) 本公司已就附屬公司作出金額約為港幣5,885,000元之其他擔保(二零零五年十二月三十一日: 港幣5,615,000元)。
- (c) 於二零零六年六月三十日, 本集團就涉及本公司一間位於印度之附屬公司之訴訟而產生或然負債約港幣1,300,000元(二零零五年十二月三十一日: 約港幣1,300,000元)。
- (d) 於本期間, 根據本公司日期為二零零四年五月五日之公佈向一名關連人士授予之期權協議已終止, 於二零零六年六月三十日有關期權之或然負債為港幣零元(二零零五年十二月三十一日: 約港幣10,333,000元)。
- (e) 本公司之一間附屬公司已就有關職工補償款項訂立一項職工補償協議, 據此該附屬公司應負責不超過人民幣15,000,000元之補償額(相當於約港幣14,600,000元)。
- (f) 根據一份於二零零六年六月三十日訂立之購股及認購協議(「協議」), 本公司之一間附屬公司須於協議完成日期向買方發出一份金額為人民幣11,000,000元之銀行擔保(相當於約港幣10,700,000元), 藉以為其於出售本集團於江門之投資履行其責任提供擔保。

**18. Commitments****(a) Capital commitments**

Capital commitments as at the balance sheet date are as follows:

Contracted but not provided for in respect of: 已訂約但未撥備

– purchase of investment properties	– 購入投資物業
– decoration contract	– 裝修合約

**(b) Financial commitments**

At June 30, 2006, the Group had outstanding commitments in respect of forward contracts against the Group's exposure in foreign currencies from its operations as follows:

Sell Hong Kong dollars for Japanese Yen	兌換港元至日元
Sell Singapore dollars for United States dollars	兌換新加坡元至美元
Sell Singapore dollars for Japanese Yen	兌換新加坡元至日元

**18. 承擔****(a) 資本承擔**

以下為於結算日之資本承擔：

June 30 2006 二零零六年 六月三十日 HK\$'000 港幣千元 (Unaudited) (未經審核)	December 31 2005 二零零五年 十二月三十一日 HK\$'000 港幣千元 (Audited) (經審核)
3,890	–
431	–
<b>4,321</b>	<b>–</b>

**(b) 財務承擔**

於二零零六年六月三十日，本集團為對沖其營運所帶來之外幣匯兌風險而簽訂遠期合約之承擔如下：

June 30 2006 二零零六年 六月三十日 HK\$'000 港幣千元 (Unaudited) (未經審核)	December 31 2005 二零零五年 十二月三十一日 HK\$'000 港幣千元 (Audited) (經審核)
3,227	–
722	3,209
<b>1,315</b>	<b>718</b>

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**18. Commitments (continued)****(c) Operating lease commitments**

At June 30, 2006 the Group had commitments under non-cancellable operating leases, which fall due as follows:

Within one year	一年內
In the second to fifth year inclusive	第二年至第五年

**18. 承擔 (續)****(c) 經營租賃承擔**

於二零零六年六月三十日，本集團根據以下不可撤銷經營租賃之承擔及屆滿期如下：

June 30 2006 二零零六年 六月三十日 HK\$'000 港幣千元 (Unaudited) (未經審核)	December 31 2005 二零零五年 十二月三十一日 HK\$'000 港幣千元 (Audited) (經審核)
9,909	8,974
4,198	8,273
<b>14,107</b>	<b>17,247</b>

**19. Related party transactions**

(a) During the period, the Group entered into the following transactions with related parties:

Management and agency fee paid to:	
– a related company	
– a related company which received on behalf of a building management fund	
Sales of goods to a related company	
Purchase of goods from a related company	
Acquisition of further interest in a subsidiary from a related party	

**19. 關聯人士交易**

(a) 期內，本集團曾與關聯人士進行下列交易：

Six months ended June 30 截至六月三十日止六個月 2006 二零零六年 HK\$'000 港幣千元 (Unaudited) (未經審核)	2005 二零零五年 HK\$'000 港幣千元 (Unaudited) (未經審核)
–	44
2,095	2,099
20	–
50	–
200	–
<b>2,365</b>	<b>2,143</b>

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### 19. Related party transactions (continued)

#### (b) Key management personnel remuneration

Total remuneration of Non-executive Directors and senior management, which includes six Executive Directors of the Company (June 30, 2005: five Executive Directors of the Company), is as follows:

Short term employee benefits	短期僱員福利
Mandatory provident fund contributions	強制性公積金供款

### 19. 關聯人士交易 (續)

#### (b) 重要管理人員之酬金

非執行董事及高級管理人員(包括本公司六名執行董事)之酬金總額(二零零五年六月三十日:本公司五名執行董事)如下:

Six months ended June 30	
截至六月三十日止六個月	
2006	2005
二零零六年	二零零五年
HK\$'000	HK\$'000
港幣千元	港幣千元
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)

	<b>3,454</b>	5,138
	<b>23</b>	20
	<b>3,477</b>	5,158

#### (c) Amounts due from / (to) related parties

Amounts due from/(to):
– associates
– related companies

#### (c) 應收/(應付)關聯人士款項

June 30	December 31
2006	2005
二零零六年	二零零五年
六月三十日	十二月三十一日
HK\$'000	HK\$'000
港幣千元	港幣千元
(Unaudited)	(Audited)
(未經審核)	(經審核)

應收/(應付)款項:		
– 聯營公司	<b>7,737</b>	4,528
– 關聯公司	<b>(7,890)</b>	(9,452)

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## 20. Pledge of assets

Land and buildings	土地及樓宇
Inventories	存貨
Investment properties	投資物業
Trade receivables	貿易往來應收帳款
All assets of a subsidiary	一間附屬公司之全部資產

The amount represents assets pledged to banks to secure banking facilities granted to the Group. The pledged assets will be released upon the settlement of relevant bank borrowings.

## 21. Events after balance sheet date

On July 15, 2006, Corich Enterprises Inc. ("Corich"), an indirect wholly-owned subsidiary of the Company and Mr. Herbert Adamczyk ("Mr. Adamczyk") as sellers ("Sellers") entered into a share exchange agreement ("Share Exchange Agreement") with Xact Aid, Inc. ("Xact"), as the purchaser, Mr. Fred De Luca, a shareholder of Xact, and Technorient Limited ("Technorient") in relation to the sale of an aggregate of 49% of the issued share capital of Technorient in consideration for the issue by Xact of an aggregate of 972,728 preference convertible shares ("Preference Convertible Shares") convertible into an aggregate of 89,689,881 Xact shares. The Share Exchange Agreement replaced and superseded the share exchange agreement dated June 9, 2006 entered into among the same parties in relation to the exchange of the entire issued share capital of Technorient for Preference Convertible Shares convertible into such number of Xact Shares as representing 95% of the issued share capital of Xact upon conversion. Immediately before closing of the transaction, Technorient was owned as to approximately 90% by Corich and as to approximately 10% by Mr. Adamczyk. The details of transaction are set out in the announcement of the Company dated July 21, 2006.

## 20. 資產抵押

	June 30 2006 二零零六年 六月三十日 HK\$'000 港幣千元 (Unaudited) (未經審核)	December 31 2005 二零零五年 十二月三十一日 HK\$'000 港幣千元 (Audited) (經審核)
	<b>102,542</b>	84,347
	<b>19,267</b>	2,930
	<b>177,804</b>	197,199
	-	2,390
	<b>21,918</b>	18,759

金額乃本集團就取得銀行信貸所抵押之資產。受抵押資產將於相關銀行貸款償還後解除。

## 21. 結算日後事項

於二零零六年七月十五日，Corich Enterprises Inc. (「Corich」) (本公司之間接全資附屬公司) 和 Herbert Adamczyk 先生 (「Adamczyk 先生」) (同作為賣方「賣方」) 與 Xact Aid, Inc. (「Xact」) (作為買方)、Xact 之一名股東 Fred De Luca 先生及勵安有限公司 (「勵安」) 就出售勵安合共 49% 之已發行股本訂立股份交換協議 (「股份交換協議」)，代價為由 Xact 發行合共 972,728 股可轉換為合共 89,689,881 股 Xact 股份之優先可換股 (「優先可換股」)。股份交換協議取代及替代日期為二零零六年六月九日由相同訂約方訂立之股份交換協議，據此，勵安以其全部已發行股本交換優先可換股，該優先可換股於緊接交易結束前轉換時可轉換為若干數目之 Xact 股份 (相當於 Xact 已發行股本之 95%)。緊接交易完成前，勵安由 Corich 持有約 90% 及由 Adamczyk 先生持有約 10%。交易詳情刊載於本公司日期為二零零六年七月二十一日之公佈。

**22. Financial risk management****Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk (including currency risk), credit risk, liquidity risk and cash flow and fair value interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

**(a) Market risk***Foreign exchange risk*

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Hong Kong dollars. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. In order to mitigate the foreign exchange risk, foreign currency forward contracts are entered into in respect of highly probable foreign currency forecast sales in accordance with Group's risk management policies. In addition, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

**22. 金融風險管理****金融風險因素**

本集團之業務使其面臨若干金融風險：市場風險(包括貨幣風險)、信貸風險、流動資金風險，以及現金流量及公平值利率風險。本集團之整體風險管理方案重點關注金融市場之不可預測性並致力將對本集團金融資產之負面影響降至最低。

**(a) 市場風險***外匯風險*

本集團經營國際業務，須承受不同貨幣所產生的外匯風險，主要為與港幣有關的風險。未來商業交易、已確認資產及負債及海外業務的淨投資，均產生外匯風險。為減少外匯風險，本集團依據集團風險管理政策，就高度可能之外匯預期銷售訂立外匯遠期合約。此外，管理層密切監察外匯風險，並將於需要時考慮對沖重大外匯風險。

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## 22. Financial risk management (continued)

### Financial risk factors (continued)

#### (b) Credit risk

The carrying amounts of trade and other receivables represent the Group's maximum exposure to credit risk in relation to financial assets.

The credit risk of the Group's other financial assets, which mainly comprise cash and cash equivalents and other receivables, the Group's exposure to credit risk arises from default of the other party, with a maximum exposure equal to the carrying amount of these instruments. There are no significant concentrations of credit risk within the Group in relation to the other financial assets. It has policies in place to perform periodic credit evaluations of its customers and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverability of individual debtors and determines the impairment loss to be provided on an ongoing basis.

#### (c) Liquidity risk

The Group's liquidity risk management includes diversifying the funding sources. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

#### (d) Cash flow and fair value interest rate risk

Borrowings at variable interest rates expose the Group to cash flow interest rate risk and those at fixed rates expose the Group to fair value interest rate risk. The Group monitors the interest rate risk exposure on a continuous basis and adjusts the portfolio of borrowings where necessary.

## 22. 金融風險管理 (續)

### 金融風險因素 (續)

#### (b) 信貸風險

貿易往來及其他應收款項之賬面值即為本集團金融資產所面臨之最大信貸風險。

至於本集團其他金融資產(主要包括現金及現金等值項目及其他應收款項)，本集團面臨之信貸風險主要源自其他方之拖欠，其最大風險等於此等工具之賬面值。本集團內並無與其他金融資產有關之任何重大信貸集中風險。本集團有對應政策對其客戶進行定期信貸評估，並輔以其他監控程序，以確保採取措施收回過期債項。此外，本集團審核個別債務人之可收回金額並持續確定須撥備之減值虧損金額。

#### (c) 流動資金風險

本集團的流動資金風險管理包括分散資金來源。本集團定期檢討其主要資金來源狀況，確保擁有足夠財務資源以應付其財務承擔。

#### (d) 現金流量及公平值利率風險

本集團因採用浮息貸款而面臨現金流量利率風險，且因定息貸款而面臨公平值利率風險。本集團持續監察利率風險，並於需要時調整貸款組合。

For the six months ended June 30, 2006  
截至二零零六年六月三十日止六個月

### 23. Comparative figures

Certain comparative figures have been restated to conform with the current period's presentation.

### 24. Approval of interim financial report

The interim financial report was approved by the Board of the Directors on September 19, 2006.

### 23. 比較數字

若干比較數字已經重列以符合本期間之呈列方式。

### 24. 批准中期財務報告

董事會已於二零零六年九月十九日批准本中期財務報告。



## DISCLOSURE OF DIRECTORS' INTERESTS

As at June 30, 2006, the interests and short positions of each Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO; or are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange are as follows:

- (a) Beneficial interest and short positions in Shares as at June 30, 2006:

## 董事權益披露

於二零零六年六月三十日，本公司各董事及主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債權證中擁有根據證券及期貨條例第352條須記入登記冊之權益及淡倉；或根據上市公司董事進行證券交易之標準守則須知會本公司及聯交所之權益及淡倉如下：

- (a) 於二零零六年六月三十日，股份之實益權益及淡倉：

## Number of ordinary shares of HK\$1.00 each ("Share")

## 每股面值港幣1.00元普通股股份(「股份」)數目

Directors 董事	Long or short position 好倉或淡倉	Personal Interests 個人權益	Family Interests 家族權益	Corporate Interests 公司權益	Total Interests 權益總計
Mr. Richard Man Fai LEE 李文輝先生	Long position 好倉	3,556,438	673,873 (Note 1) (附註1)	117,133,570 (Note 2) (附註2)	121,363,881
Mr. Jeff Man Bun LEE 李文彬先生	Long position 好倉	471,900	–	118,579,289 (Notes 2 & 3) (附註2及3)	119,051,189
Ms. Kam Har YUE 余金霞女士	Long position 好倉	5,209,716	–	117,133,570 (Note 2) (附註2)	122,343,286
Mr. Sammy Chi Chung SUEN 孫志冲先生	Long position 好倉	47,190	–	–	47,190
Mr. Raymond Cho Min LEE 李卓民先生	Long position 好倉	–	–	1,920,200 (Note 4) (附註4)	1,920,200

## DISCLOSURE OF DIRECTORS' INTERESTS (continued)

## 董事權益披露 (續)

## Notes:

1. The 673,873 Shares are owned by Ms. Siew Yit HOH, the spouse of Mr. Richard Man Fai LEE.
2. The 117,133,570 Shares are held by Modern Orbit Limited, which is wholly owned by Cyber Tower Inc. as trustee of The WS Lee Unit Trust. 99% of the units of The WS Lee Unit Trust are held by a discretionary trust of which Mr. Wing Sum LEE's family members including Ms. Kam Har YUE, Mr. Richard Man Fai LEE and Mr. Jeff Man Bun LEE are the beneficiaries. The remaining 1% of the units of The WS Lee Unit Trust is held by Skylink International Asset Corporation, a company incorporated in the British Virgin Islands and owned by Ms. Kam Har YUE, Mr. Richard Man Fai LEE and Mr. Jeff Man Bun LEE.
3. Out of the 118,579,289 Shares, 1,445,719 Shares are held by Fisherman Enterprises Inc., a company incorporated in the British Virgin Islands and wholly owned by Mr. Jeff Man Bun LEE.
4. The 1,920,200 Shares are beneficially owned by ODE Asia Limited, 100% owned by M.W. Lee & Sons Enterprises Limited which is controlled by Mr. Raymond Cho Min LEE.
5. All interests in the Shares are long positions. None of the Directors held any short position in the Shares.

(b) Beneficial interests and short positions in underlying shares of equity derivatives of the Company as at June 30, 2006 are disclosed in the section headed "Movement of share options" of this report.

## 附註：

1. 該673,873股股份由李文輝先生之配偶何秀月女士擁有。
2. 該117,133,570股股份由Modern Orbit Limited擁有。Modern Orbit Limited由Cyber Tower Inc.全資擁有，作為The WS Lee Unit Trust之信託人。The WS Lee Unit Trust之99%權益由一項全權信託所持有，其中李永森先生之家庭成員，包括余金霞女士、李文輝先生及李文彬先生為該全權信託之受益人。The WS Lee Unit Trust其餘1%權益由Skylink International Asset Corporation持有，該公司於英屬處女群島註冊成立，由余金霞女士、李文輝先生及李文彬先生擁有。
3. 該118,579,289股股份當中，1,445,719股股份由Fisherman Enterprises Inc.持有，該公司於英屬處女群島註冊成立，由李文彬先生全資擁有。
4. 該1,920,200股股份由M.W. Lee & Sons Enterprises Limited全資擁有之ODE Asia Limited實益擁有，而M.W. Lee & Sons Enterprises Limited則由李卓民先生所控制。
5. 股份中所有權益均為好倉。各董事概無於股份中持有任何淡倉。

(b) 於二零零六年六月三十日，本公司股票衍生工具之相關股份之實益權益及淡倉在本報告「優先認股權變動」一節內予以披露。

## DISCLOSURE OF DIRECTORS' INTERESTS (continued)

## 董事權益披露 (續)

(c) Beneficial interests and short positions in shares in associated corporations as at June 30, 2006:

(c) 於二零零六年六月三十日，於相聯法團之股份之實益權益及淡倉：

Directors 董事	Long or short position 好倉或淡倉	Name of associated corporation 相聯法團名稱	Number of shares or equity interests held or interested in 持有或擁有之股份數目或股本權益	Class and/or description of shares/interests 股份／權益類別及／或概況
Mr. Wing Sum LEE 李永森先生	Long position 好倉	Stoneycroft Estates Limited	15,750,000	non-voting deferred shares 無投票權遞延股
	Long position 好倉	Wo Kee Hong Limited 和記電業有限公司	8,500	non-voting deferred shares 無投票權遞延股
	Long position 好倉	Wo Kee Services Limited 和記電器服務有限公司	1	non-voting deferred shares 無投票權遞延股
Ms. Kam Har YUE 余金霞女士	Long position 好倉	Rogers Entertainment International Limited 樂爵士娛樂國際有限公司 (Formerly known as Forward International Corporation, Limited 前稱福和貿易有限公司)	34,335	non-voting deferred shares 無投票權遞延股
	Long position 好倉	Shinwa Engineering Company, Limited 信和工程有限公司	3,850,000	non-voting deferred shares 無投票權遞延股
	Long position 好倉	Stoneycroft Estates Limited	340,000	non-voting deferred shares 無投票權遞延股
	Long position 好倉	Wo Kee Hong Limited 和記電業有限公司	400	non-voting deferred shares 無投票權遞延股

**SUBSTANTIAL SHAREHOLDERS' INTERESTS**

Save as disclosed below and in the section headed "Disclosure of directors' interests", as at June 30, 2006, so far as is known to the Directors, no other person had, or was deemed or taken to have an interest or short position of 5% or more of the interests in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 as the SFO:

- (a) Beneficial interests and short positions in the shares of the Company as at June 30, 2006:

Company Name 公司名稱	Long or short position 好倉或淡倉	Number of Shares 股份數目	Approximate % of the total issued Shares 佔已發行股份總額 之概約百分比
Modern Orbit Limited	Long position 好倉	117,133,570	52.85%

Note: The 117,133,570 Shares are held by Modern Orbit Limited, which is wholly owned by Cyber Tower Inc. as trustee of The WS Lee Unit Trust. 99% of the units of The WS Lee Unit Trust are held by a discretionary trust of which Mr. Wing Sum LEE's family members including Ms. Kam Har YUE, Mr. Richard Man Fai LEE and Mr. Jeff Man Bun LEE are the beneficiaries. The remaining 1% of the units of The WS Lee Unit Trust are held by Skylink International Asset Corporation, a company incorporated in the British Virgin Islands and owned by Ms. Kam Har YUE, Mr. Richard Man Fai LEE and Mr. Jeff Man Bun LEE.

- (b) Beneficial interests and short positions in underlying shares of equity derivatives of the Company at June 30, 2006:

Company Name 公司名稱	Long or short position 好倉或淡倉	Number of Shares to be issued upon conversion 換股時將予 發行股份數目	Conversion Price 換股價 HK\$ 港幣	Approximate % of the total issued Shares 佔已發行股份 總額之概約百分比
Hanny Holdings Limited 錦興集團有限公司	Long position 好倉	30,000,000	1.00元	13.54%

**主要股東權益**

除下文及於「董事權益披露」一節披露者外，於二零零六年六月三十日，就董事所知，概無其他人士於本公司股份或相關股份中擁有或被視為或當作擁有5%或以上之權益或淡倉，而根據證券及期貨條例第336條須記入登記冊內：

- (a) 於二零零六年六月三十日，本公司股份之實益權益及淡倉：

附註：該117,133,570股股份由Modern Orbit Limited擁有。Modern Orbit Limited由Cyber Tower Inc.全資擁有，作為The WS Lee Unit Trust之信託人。The WS Lee Unit Trust之99%權益由一項全權信託所持有，其中李永森先生之家庭成員，包括余金霞女士、李文輝先生及李文彬先生為該全權信託之受益人。The WS Lee Unit Trust其餘1%權益由Skylink International Asset Corporation持有，該公司於英屬處女群島註冊成立，由余金霞女士、李文輝先生及李文彬先生擁有。

- (b) 於二零零六年六月三十日，本公司股票衍生工具之相關股份之實益權益及淡倉：

**SUBSTANTIAL SHAREHOLDERS' INTERESTS** (continued)

## Notes:

1. The HK\$30,000,000 convertible redeemable note is held by Cross Profit Capital Limited, which is 100% indirectly controlled by Hanny Holdings Limited.
2. After the Share Consolidation had become effective on June 15, 2006, the conversion price of the Convertible Note was adjusted from HK\$0.10 to HK1.00 and a total of 30,000,000 Consolidated Shares will be issued upon full exercise of the Convertible Note.

**SHARE OPTIONS****1991 Scheme**

The Company's share option scheme was adopted on June 22, 1991 ("1991 Scheme") for the primary purpose of providing incentives to Directors and eligible employees and expired on June 21, 2001. The Directors may, at their discretion, grant options to all eligible employees, including executive Directors of the Company and its subsidiaries.

The total number of shares in respect of which options may be granted under the 1991 Scheme is not permitted to exceed 10% of the issued share capital of the Company at any point of time. The number of shares in respect of which options may be granted to any individual is not permitted to exceed 25% of the maximum aggregate number of shares of the Company for the time being issued and issuable under the 1991 Scheme.

Options granted must be taken up within 28 days of the date of grant, upon payment of HK\$1 per grant. Options are exercisable within a period of 6 years commencing one month from the date of acceptance of options.

The subscription price is determined by the Directors, and will not be less than the higher of a price being not less than 80% of the average of the closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the date of grant, and the nominal value of a share of the Company.

**主要股東權益 (續)**

## 附註：

1. Cross Profit Capital Limited持有是項港幣30,000,000元之可換股可贖回票據，該公司乃由錦興集團有限公司100%間接控制。
2. 在二零零六年六月十五日股份合併生效後，可換股票據之換股價已由港幣0.10元調整為港幣1.00元，而於可換股票據全數行使後，將發行合共30,000,000股合併股份。

**優先認股權****一九九一年計劃**

本公司於一九九一年六月二十二日採納優先認股權計劃（「一九九一年計劃」），主要目的是獎勵董事及合資格僱員。該計劃於二零零一年六月二十一日屆滿。董事可酌情授出優先認股權予所有合資格僱員，包括本公司及其附屬公司之執行董事。

根據一九九一年計劃可授出之優先認股權所涉及之股份總數，在任何時候不得超逾本公司已發行股本之10%。根據一九九一年計劃，向任何個別人士授出之優先認股權所涉及之股份數目，不得超逾按該計劃當時已發行及可予發行之本公司股份總數上限25%。

參與人必須於每次授出優先認股權日起計28日內支付港幣1元，以接納該等優先認股權。優先認股權可於接納日期後一個月起計之6年內行使。

認購價由董事釐定，不會低於股份在緊接授出日期前五個交易日在聯交所之平均收市價80%及本公司股份面值兩者中較高之價格。



**SHARE OPTIONS** (continued)**2001 Scheme**

Another share option scheme ("2001 Scheme") was subsequently adopted pursuant to a resolution passed on June 28, 2001 for the primary purpose of providing incentives to Directors and eligible employees, and was terminated on May 30, 2002 pursuant to a resolution passed on that date.

Under the 2001 Scheme, the Directors may grant options to any full-time employees, including executive and non-executive Directors of the Company and its subsidiaries, to subscribe for shares in the Company.

The total number of shares in respect of which options may be granted under the 2001 Scheme is not permitted to exceed 10% of the issued share capital of the Company at any point of time. The number of shares in respect of which options may be granted to any individual is not permitted to exceed 25% of the maximum aggregate number of shares of the Company for the time being issued and issuable under the 2001 Scheme.

Options granted must be taken up within 28 days of the date of grant, upon payment of HK\$1 per grant. Options are exercisable within a period of 6 years commencing one month from the date of acceptance of options.

The subscription price is determined by the Directors, and will not be less than the higher of a price being not less than 80% of the average of the closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the date of grant, and the nominal value of a share of the Company.

Upon termination of the 2001 Scheme, no further options will be granted but in all other respects, the provisions of the 2001 Scheme shall remain in force and all granted prior to such termination shall continue to be valid and exercisable in accordance therewith.

**優先認股權 (續)****二零零一年計劃**

本公司其後於二零零一年六月二十八日通過決議案採納另一項優先認股權計劃(「二零零一年計劃」)，主要目的是獎勵董事及合資格僱員。該計劃於二零零二年五月三十日根據該日通過之決議案終止。

根據二零零一年計劃，董事可授出優先認股權予任何全職僱員，包括本公司及其附屬公司之執行及非執行董事，以認購本公司股份。

根據二零零一年計劃可授出之優先認股權所涉及之股份總數，在任何時候不得超逾本公司已發行股本之10%。根據二零零一年計劃，向任何個別人士授出之優先認股權所涉及之股份數目，不得超逾按該計劃當時已發行及可予發行之本公司股份總數上限25%。

參與人必須於每次授出優先認股權日起計28日內支付港幣1元，以接納該等優先認股權。優先認股權可於接納日期後一個月起計之6年內行使。

認購價由董事釐定，不會低於股份在緊接授出日期前五個交易日在聯交所之平均收市價80%及本公司股份面值兩者中較高之價格。

二零零一年計劃終止後，將不再授出優先認股權，惟在所有其他方面，二零零一年計劃之條款仍將有效，而所有於終止計劃前授出之優先認股權將根據有關計劃條款繼續有效及可予行使。

**SHARE OPTIONS** (continued)**2002 Scheme**

On August 23, 2001, the Stock Exchange has announced amendments to Chapter 17 of the Listing Rules, which has come into effect on September 1, 2001. In compliance with the amendments to the Listing Rules and the announcement of the Stock Exchange, the Company adopted a new share option scheme ("2002 Scheme") and terminated the 2001 Scheme on May 30, 2002 pursuant to a resolution passed on that date. The purpose of the 2002 Scheme is to provide incentives or rewards to participants for their contribution to the Group and enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any companies in which the Group holds any equity interest. The 2002 Scheme will expire on the 10th anniversary of date of adoption.

Under the 2002 Scheme, the Board of Directors of the Company may at their discretion grant options to the following participants of the Company, its subsidiaries and any companies in which the Group holds any equity interest, to subscribe for shares in the Company:

1. eligible employees, including Directors; or
2. suppliers or customers; or
3. any person or entity that provides research, development or other technological support; or
4. shareholders; or
5. employees, partners or Directors of any business partners, joint venture partners, financial advisers and legal advisers.

Options granted to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the Independent Non-executive Directors of the Company (excluding any Independent Non-executive Director who is the grantee).

**優先認股權 (續)****二零零二年計劃**

於二零零一年八月二十三日，聯交所宣佈修訂上市規則第17章並於二零零一年九月一日起生效。為符合上市規則修訂及聯交所之公佈內容，本公司於二零零二年五月三十日採納另一新優先認股權計劃（「二零零二年計劃」）及根據於該日通過之決議案終止二零零一年計劃。二零零二年計劃旨在鼓勵或嘉獎對本集團有所貢獻之參與人，同時使本集團可招攬及挽留能幹之員工，並吸引重要之人才為本集團及本集團持有任何股份權益之任何公司作出貢獻。二零零二年計劃將自採納日期起計第十週年屆滿。

根據二零零二年計劃，本公司董事會可酌情決定向與本公司、其附屬公司及本集團持有任何股份權益之任何公司有關之以下參與人士授予優先認股權，以認購本公司股份：

1. 合資格僱員，包括董事；或
2. 供應商或客戶；或
3. 提供研究、開發或其他技術支援之任何人士或公司；或
4. 股東；或
5. 任何業務合夥人、合營企業合夥人、財務顧問及法律顧問之任何僱員、合夥人或董事。

授出優先認股權予本公司董事、主要行政人員或主要股東或彼等各自之聯繫人士，必須經本公司獨立非執行董事（不包括同時為承授人之任何獨立非執行董事）批准。

**SHARE OPTIONS** (continued)**2002 Scheme** (continued)

The total number of shares in respect of which options may be granted under the 2002 Scheme and any other schemes is not permitted to exceed 30% of the issued share capital of the Company from time to time. Subject to the above rule, the total number of shares in respect of which options may be granted under the 2002 Scheme and any other schemes must not in aggregate, exceed 10% of the issued share capital of the Company at the adoption date of the 2002 Scheme without prior approval from the Company's shareholders.

The number of shares in respect of which options may be granted to any participant in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point of time, without prior approval from the Company's shareholders. Options granted to a substantial shareholder, or an Independent Non-executive Director of the Company, or any of their respective associates under the 2002 Scheme and any other schemes in any one year in excess of 0.1% of the Company's issued share capital or with a value, based on the closing price of the shares of the Company at the date of each grant, in excess of HK\$5 million must be approved in advance by the Company's shareholders.

Options granted must be taken up within 28 days of the date of grant upon payment of HK\$1 per each grant of options. The exercise period of the share options granted under the 2002 Scheme shall be determined by the Board of Directors when such options are granted, provided that such period shall not end later than 6 years from the date of grant. The subscription price is determined by the Board of Directors of the Company, and will not be less than the higher of the closing price of the Company's shares on the date of grant, or the average closing price of the shares for the five trading days immediately preceding the date of grant, or the nominal value of a share of the Company.

No Share Options were exercised or granted for the six months ended June 30, 2006.

At June 30, 2006, the number of shares in respect of which options had been granted and remained outstanding under the 1991, 2001 and 2002 Schemes were 1,142,110, 11,861,598 and 8,414,686 representing 0.52%, 5.35% and 3.80% of the issued share capital of the Company at that date respectively.

**優先認股權** (續)**二零零二年計劃** (續)

按二零零二年計劃及任何其他優先認股權計劃可授出之優先認股權涉及之最高股份總數，合共不得超過本公司不時已發行股本之30%。除上述規則外，如未經本公司股東事先批准，按二零零二年計劃及任何其他計劃可授出之優先認股權涉及之股份總數，合共不得超過本公司於採納二零零二年計劃當日已發行股本之10%。

如未經本公司股東事先批准，於任何一年向任何參與人授出之優先認股權涉及之股份數目不得超過本公司在任何時候之已發行股份1%。任何一年根據二零零二年計劃及任何其他計劃向本公司一名主要股東、獨立非執行董事或彼等各自之聯繫人士授出優先認股權，如超過本公司已發行股本0.1%，以及按授出當日本公司股份收市價計算超過港幣5,000,000元，則須經本公司股東事先批准。

參與人必須於每次授出優先認股權日起計28日內支付港幣1元，以接納該等優先認股權。根據二零零二年計劃授出之優先認股權之行使期於授出時由董事會決定，惟不得遲於董事會提出授予優先認股權日期起計之6年屆滿之日。股份認購價由本公司董事會釐定，惟認購價不得低於下列三者中之最高者：於授出日期本公司之股份收市價；於緊接授出日期前五個交易日的股份收市價平均數；或本公司股份面值。

截至二零零六年六月三十日止六個月，概無行使或授出任何優先認股權。

於二零零六年六月三十日，有關根據一九九一年、二零零一年及二零零二年計劃授出惟尚未行使之優先認股權之股份數目分別為1,142,110股、11,861,598股及8,414,686股，分別佔本公司當日之已發行股本之0.52%、5.35%及3.80%。



## MOVEMENT OF SHARE OPTIONS

## 優先認股權變動

The following table discloses movement in the Company's share options for the six months ended June 30, 2006:

下表披露本公司之優先認股權於二零零六年六月三十日止六個月之變動情況：

Eligible person 合資格人士	Scheme type 計劃類別	Date of grant 授出日期	Outstanding at January 1, 2006	Lapsed during the period 期內失效	Outstanding at June 30, 2006	Exercisable period 行使期	Exercise price 行使價	
			Before Adjustment 於二零零六年 一月一日 尚未行使 調整前		After Adjustment# 於二零零六年 六月三十日 尚未行使 調整後#		Before Adjustment 調整前	After Adjustment# 調整後#
							HK\$	HK\$
							港幣元	港幣元
Mr. Wing Sum LEE (Director) 李永森先生(董事)	1991	December 21, 1999	10,225,519	10,225,519	-	February 11, 2000 – February 10, 2006	0.2325	-
	一九九一年	一九九九年十二月二十一日				二零零零年二月十一日至二零零六年二月十日		
	1991	February 11, 2000	4,719,470	4,719,470	-	March 21, 2000 – March 20, 2006	0.5422	-
	一九九一年	二零零零年二月十一日				二零零零年三月十一日至二零零六年三月十日		
	2001	August 10, 2001	55,060,504	-	5,506,050	September 16, 2001 – September 15, 2007	0.1661	1.6610
二零零一年	二零零一年八月十日				二零零一年九月十六日至二零零七年九月十五日			
2002	September 24, 2002	640,640	-	64,064	September 24, 2002 – September 23, 2008	0.1000	1.0000	
二零零二年	二零零二年九月二十四日				二零零二年九月二十四日至二零零八年九月二十三日			
			70,646,133	14,944,989	5,570,114			
Mr. Richard Man Fai LEE (Director) 李文輝先生 (董事)	1991	December 21, 1999	10,540,150*	10,540,150*	-	February 7, 2000 – February 6, 2006	0.2325	-
	一九九一年	一九九九年十二月二十一日				二零零零年二月七日至二零零六年二月六日		
	1991	February 11, 2000	5,506,048	5,506,048	-	March 18, 2000 – March 17, 2006	0.5422	-
	一九九一年	二零零零年二月十一日				二零零零年三月十八日至二零零六年三月十七日		
	1991	May 28, 2001	6,292,629	-	629,262	June 29, 2001 – June 28, 2007	0.1661	1.6610
	一九九一年	二零零一年五月二十八日				二零零一年六月二十九日至二零零七年六月二十八日		
	2001	August 10, 2001	55,060,504	-	5,506,050	September 16, 2001 – September 15, 2007	0.1661	1.6610
	二零零一年	二零零一年八月十日				二零零一年九月十六日至二零零七年九月十五日		
2001	August 29, 2001	786,575*	-	78,657*	September 30, 2001 – September 29, 2007	0.1661	1.6610	
二零零一年	二零零一年八月二十九日				二零零一年九月三十日至二零零七年九月二十九日			
2002	September 24, 2002	22,159,280	-	2,215,928	September 24, 2002 – September 23, 2008	0.1000	1.0000	
二零零二年	二零零二年九月二十四日				二零零二年九月二十四日至二零零八年九月二十三日			
			100,345,186*	16,046,198*	8,429,897*			
Mr. Jeff Man Bun LEE (Director) 李文彬先生 (董事)	2002	June 4, 2002	3,146,314	-	314,631	June 4, 2002 – June 3, 2008	0.1000	1.0000
	二零零二年	二零零二年六月四日				二零零二年六月四日至二零零八年六月三日		
2002	September 24, 2002	1,430,000	-	143,000	September 24, 2002 – September 23, 2008	0.1000	1.0000	
二零零二年	二零零二年九月二十四日				二零零二年九月二十四日至二零零八年九月二十三日			
			4,576,314	-	457,631			

## MOVEMENT OF SHARE OPTIONS (continued)

## 優先認股權變動(續)

Eligible person 合資格人士	Scheme type 計劃類別	Date of grant 授出日期	Outstanding at January 1, 2006	Lapsed during the period 期內失效	Outstanding at June 30, 2006	Exercisable period 行使期	Exercise price 行使價	
			Before Adjustment 於二零零六年 一月一日 尚未行使 調整前		After Adjustment# 於二零零六年 六月三十日 尚未行使 調整後#		Before Adjustment 調整前	After Adjustment# 調整後#
							HK\$ 港幣元	HK\$ 港幣元
Ms. Kam Har YUE (Director) 余金霞女士(董事)	2001 二零零一年	August 29, 2001 二零零一年八月二十九日	786,575	-	78,657	September 30, 2001 – September 29, 2007 二零零一年九月三十日至二零零七年九月二十九日	0.1661	1.6610
Mr. Sammy Chi Chung SIJEN (Director) 孫志冲先生 (董事)	1991 一九九一年	December 21, 1999 一九九九年十二月二十一日	471,944	471,944	-	February 6, 2000 – February 5, 2006 二零零零年二月六日至二零零六年二月五日	0.2325	-
	1991 一九九一年	February 11, 2000 二零零零年二月十一日	786,575	786,575	-	March 22, 2000 – March 21, 2006 二零零零年三月二十二日至二零零六年三月二十一日	0.5422	-
	1991 一九九一年	January 18, 2001 二零零一年一月十八日	409,019	-	40,901	March 6, 2001 – March 5, 2007 二零零一年三月六日至二零零七年三月五日	0.1661	1.6610
	2001 二零零一年	August 10, 2001 二零零一年八月十日	1,573,156	-	157,315	September 19, 2001 – September 18, 2007 二零零一年九月十九日至二零零七年九月十八日	0.1661	1.6610
	2002 二零零二年	June 4, 2002 二零零二年六月四日	6,292,629	-	629,262	June 4, 2002 – June 3, 2008 二零零二年六月四日至二零零八年六月三日	0.1000	1.0000
	2002 二零零二年	September 24, 2002 二零零二年九月二十四日	2,002,000	-	200,200	September 24, 2002 – September 23, 2008 二零零二年九月二十四日至二零零八年九月二十三日	0.1000	1.0000
			11,555,323	1,258,519	1,027,678			
Mr. Raymond Cho Min LEE (Director) 李卓民先生 (董事)	2002 二零零二年	June 4, 2002 二零零二年六月四日	2,202,418	-	220,241	June 4, 2002 – June 3, 2008 二零零二年六月四日至二零零八年六月三日	0.1000	1.0000
	2002 二零零二年	September 24, 2002 二零零二年九月二十四日	11,440	-	1,144	September 24, 2002 – September 23, 2008 二零零二年九月二十四日至二零零八年九月二十三日	0.1000	1.0000
			2,213,858	-	221,385			
Mr. Boon Seng TAN (Director) 陳文生先生 (董事)	2002 二零零二年	June 4, 2002 二零零二年六月四日	2,202,418	-	220,241	June 4, 2002 – June 3, 2008 二零零二年六月四日至二零零八年六月三日	0.1000	1.0000
	2002 二零零二年	September 24, 2002 二零零二年九月二十四日	11,440	-	1,144	September 24, 2002 – September 23, 2008 二零零二年九月二十四日至二零零八年九月二十三日	0.1000	1.0000
			2,213,858	-	221,385			

## MOVEMENT OF SHARE OPTIONS (continued)

## 優先認股權變動 (續)

Eligible person 合資格人士	Scheme type 計劃類別	Date of grant 授出日期	Outstanding at January 1, 2006 Before Adjustment 於二零零六年 一月一日 尚未行使 調整前	Lapsed during the period 期內失效	Outstanding at June 30, 2006 After Adjustment# 於二零零六年 六月三十日 尚未行使 調整後#	Exercisable period 行使期	Exercise price 行使價	
							Before Adjustment 調整前 HK\$ 港幣元	After Adjustment# 調整後# HK\$ 港幣元
Continuous contract employees 持續合約僱員	1991	December 21, 1999 一九九九年十二月二十一日	1,653,315	1,653,315	-	February 1, 2000 – March 21, 2006 二零零零年二月一日至二零零六年三月二十一日	0.2325	-
	1991	February 11, 2000 二零零零年二月十一日	519,136	519,136	-	March 18, 2000 – March 21, 2006 二零零零年三月十八日至二零零六年三月二十一日	0.5422	-
	1991	September 8, 2000 二零零零年九月八日	4,719,470	-	471,947	November 5, 2000 – November 4, 2006 二零零零年十一月五日至二零零六年十一月四日	0.2347	23470
	2001	August 29, 2001 二零零一年八月二十九日	3,775,562	-	377,554	September 30, 2001 – September 30, 2007 二零零一年九月三十日至二零零七年九月三十日	0.1661	1.6610
	2001	November 23, 2001 二零零一年十一月二十三日	1,573,156	-	157,315	December 23, 2001 – December 22, 2007 二零零一年十二月二十三日至二零零七年十二月二十二日	0.1661	1.6610
	2002	June 4, 2002 二零零二年六月四日	44,048,379	-	4,404,831	June 4, 2002 – June 3, 2008 二零零二年六月四日至二零零八年六月三日	0.1000	1.0000
				56,289,018	2,172,451	5,411,647		
				248,606,265	34,422,157	21,418,394		

\* Share options granted to Mr. Richard Man Fai LEE's spouse were included.

\* 包括授予李文輝先生之配偶之優先認股權。

# The number and respective subscription prices of share options have been adjusted for the Share Consolidation took place on June 15, 2006

# 優先認股權之數目及相關認購價已按二零零六年六月十五日之股份合併作出調整。

## PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the six months ended June 30, 2006, the Company and its subsidiaries have not repurchased, sold or redeemed any of the Company's securities.

## CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") during the six months ended June 30, 2006 except in relation to the separation of the role of chairman and chief executive officer under the code provision A.2.1.

Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Richard Man Fai LEE is the Executive Chairman and Chief Executive Officer. The Board considers that this structure will not impair the balance of power and authority between the Board and the management. This is because the Board has adopted clear guideline as to the power and authority of the Board and the management and a guideline as to the power and duties of Chief Executive Officer. In addition, the Board which comprises experienced and high caliber individuals meets regularly to discuss issues and operation of the Group. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Group to make and implement decisions promptly and efficiently.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE "MODEL CODE")

The Company has adopted a code of conduct for transactions in the Company's securities by the Directors that complies with the Model Code as set out in Appendix 10 of the Listing Rules. Following specific enquiry by the Company, all Directors have confirmed that they have complied with the required standards as set out in the Model Code throughout the six months ended June 30, 2006.

## 證券之購買、出售或贖回

於截至二零零六年六月三十日止六個月，本公司及其附屬公司在期內並無回購、出售或贖回本公司任何證券。

## 企業管治

董事認為，除守則條文第A.2.1條規定主席及行政總裁之職責分工外，於截至二零零六年六月三十日止六個月期間，本公司一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治常規守則之守則條文。

守則第A.2.1條規定，主席與行政總裁的角色應有區分，並不應由一人同時兼任。李文輝先生為執行主席兼行政總裁。董事會認為，此架構不會影響董事會與管理層之間之權力及授權均衡，因為董事會已就董事會與管理層之權力及職權和行政總裁的權責採納清晰指引。此外，董事會成員經驗豐富、具卓越才幹，且定期開會討論本集團之業務及經營。董事會相信，此結構有助於加強及維持一貫之領導，使本集團得以迅速和有效地制定及實施決策。

## 遵守上市發行人董事進行證券交易之標準守則（「標準守則」）

本公司已採納一套董事進行本公司證券交易之行為守則，該守則符合上市規則附錄十所載之標準守則。在本公司作出特定查詢後，所有董事確認，於截至二零零六年六月三十日止六個月期間內，彼等一直遵守標準守則所載之規定標準。

**AUDIT COMMITTEE**

The Company set up an Audit Committee comprising Mr. Raymond Cho Min LEE (Chairman), Mr. Boon Seng TAN and Mr. Ying Kwan CHEUNG, all of whom are Independent Non-executive Directors of the Company. In establishing the terms of reference for this Committee, the Directors have had regard to "A Guide for Effective Audit Committee" issued by the Hong Kong Society of Accountants (now known as the Hong Kong Institute of Certified Public Accountants) in February 2002 and the Code on Corporate Governance Practices.

The Audit Committee of the Company has reviewed the interim accounts and the Interim Report 2006, and was content that the accounting policies of the Group are in accordance with the current best practice in Hong Kong.

By order of the Board

**WO KEE HONG (HOLDINGS) LIMITED**

**Richard Man Fai LEE**

*Executive Chairman & CEO*

Hong Kong, September 19, 2006

**審核委員會**

本公司之審核委員會由本公司獨立非執行董事李卓民先生(主席)、陳文生先生及張應坤先生組成。在確立該委員會之職權範圍時，董事已參考香港會計師公會於二零零二年二月刊發之「審核委員會有效運作指引」及企業管治常規守則。

本公司審核委員會已審閱中期業績及二零零六年中期報告，並對本集團會計政策符合香港目前之最佳應用守則感到滿意。

承董事會命

**和記行(集團)有限公司**

*執行主席兼行政總裁*

**李文輝**

香港，二零零六年九月十九日





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