

The Board of Directors of Hanny Holdings Limited (the "Company") has pleasure to present to the shareholders the Interim Report of the Company and its subsidiaries (the "Group") for the six months ended September 30, 2006.

The directors have resolved to declare an interim dividend of HK5 cents per share in cash with scrip option for the six months ended September 30, 2006 (2005: HK4 cents) to those shareholders whose names appear on the Register of Members of the Company on January 16, 2007. The relevant dividend warrants and/or share certificates will be despatched to the shareholders on or around February 13, 2007.

The Register of Members of the Company will be closed from Monday, January 15, 2007 to Tuesday, January 16, 2007, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all completed share transfers forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Friday, January 12, 2007.

Management Discussion and Analysis

RESULTS AND FINANCIAL REVIEW

Results

For the period ended September 30, 2006, the Group's unaudited consolidated profit before minority interests was HK\$1,340.1 million (9/30/2005: HK\$48.0 million), which comprised of profit after operating income and expenses from continuing operations of HK\$24.3 million (9/30/2005: HK\$39.3 million, as restated), increase in fair value of convertible note designated at fair value through profit or loss of HK\$5.5 million (9/30/2005: Nil), increase in fair value of investment properties of HK\$9.0 million (9/30/2005: Nil), discount on acquisition of subsidiaries of HK\$116.3 million (9/30/2005: Nil), net gain on disposals/dilution of interests in associates of HK\$5.1 million (9/30/2005: Nil), income tax credit from continuing operations of HK\$0.9 million (9/30/2005: Nil) and profit from discontinued operations of HK\$1,480.5 million (9/30/2005: HK\$67.0 million), but reduced by decrease in fair value of conversion options embedded in convertible notes of HK\$185.1 million (9/30/2005: increase of HK\$15.6 million), decrease in fair value of conversion options embedded in convertible notes from an associate of HK\$19.1 million (9/30/2005: Nil), decrease in fair value of investment in held-for-trading of HK\$1.2 million (9/30/2005: HK\$18.4 million), impairment loss on goodwill of HK\$6.6 million (9/30/2005: Nil), impairment loss on available-for-sale investments of HK\$28.0 million (9/30/2005: Nil), loss on disposal of subsidiaries of HK\$0.6 million (9/30/2005: gain of HK\$4.3 million), finance costs of HK\$38.8 million (9/30/2005: HK\$21.3 million, as restated), share of net losses of associates of HK\$22.1 million (9/30/2005: HK\$24.1 million). While there was an impairment loss on goodwill arising on acquisition of an associate of HK\$14.4 million for the period ended September 30, 2005, there was no such item for the period ended September 30, 2006.

錦興集團有限公司(「本公司」)董事會欣然向股東提呈本公司及其附屬公司(「本集團」)截至二零零六年九月三十日止六個月之中期報告。

董事議決宣派截至二零零六年九月三十日止六個月之中期股息每股現金5港仙(可選擇以股代息)(二零零五年:4港仙)予於二零零七年一月十六日名列本公司股東名冊內之股東。有關之股息單及/或股票將約於二零零七年二月十三日寄發予各股東。

本公司將於二零零七年一月十五日(星期一)至二零零七年一月十六日(星期二)(首尾兩天包括在內)期間暫停辦理股份過戶登記手續。股東為符合享有中期股息之資格,務請將所有填妥之股份過戶表格連同有關之股票,於二零零七年一月十二日(星期五)下午四時前交回本公司之股份過戶登記處香港分處秘書商業服務有限公司,地址為香港灣仔皇后大道東28號金鐘匯中心26樓,以便辦理登記手續。

管理層討論及分析

業績及財務回顧

業績

截至二零零六年九月三十日止期間,本集團之未經審核未計少數股東權益前之綜合溢利為1,340,100,000港元(二零零五年九月三十日:48,000,000港元),包括扣除經營收入及開支後之持續業務之溢利為24,300,000港元(二零零五年九月三十日:39,300,000港元,經重列),按公平價值並在損益表內處理之可兌換票據之公平價值增加為5,500,000港元(二零零五年九月三十日:無),投資物業公平價值之增加為9,000,000港元(二零零五年九月三十日:無),收購附屬公司之折讓為116,300,000港元(二零零五年九月三十日:無),出售/攤薄聯營公司權益之收益淨額為5,100,000港元(二零零五年九月三十日:無),持續業務所產生之所得稅抵免900,000港元(二零零五年九月三十日:無)及非持續業務之溢利為1,480,500,000港元(二零零五年九月三十日:67,000,000港元),但扣除可兌換票據中內在之可兌換權之公平價值減少為185,100,000港元(二零零五年九月三十日:增加15,600,000港元),一間聯營公司可兌換票據中內在之可兌換權之公平價值減少為19,100,000港元(二零零五年九月三十日:無),持作買賣投資之公平價值減少為1,200,000港元(二零零五年九月三十日:18,400,000港元),商譽減值虧損為6,600,000港元(二零零五年九月三十日:無),可供銷售投資減值虧損為28,000,000港元(二零零五年九月三十日:無),出售附屬公司之虧損為600,000港元(二零零五年九月三十日:收益4,300,000港元),財務費用為38,800,000港元(二零零五年九月三十日:21,300,000港元,經重列),應佔聯營公司虧損淨額為22,100,000港元(二零零五年九月三十日:24,100,000港元)。截至二零零五年九月三十日止期間,收購一間聯營公司之商譽減值虧損為14,400,000港元,而截至二零零六年九月三十日止期間並無此項項目。

Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

RESULTS AND FINANCIAL REVIEW (Continued)

Segment Results

During the period, the Group experienced a decline in growth as well as gross profit margin. This deterioration was mainly due to the disposal of the entire “trading of computer related products” and “trading of consumer electronic products” segments (Disposal of assets of Memorex International Inc. (“MII”). The disposal was completed on April 28, 2006. Accordingly, the turnover and results relating to MII were classified as “Discontinued Operations” for both the current and last periods.

For trading of computer related products, segment turnover amounted to HK\$237.2 million for the period, decreasing by HK\$1,661.6 million (87.5%) from the same interim period in 2005 and segment loss recorded HK\$75.9 million, decreasing by HK\$165.4 million (over 100%) from 2005.

For trading of consumer electronic products, segment turnover amounted to HK\$59.8 million, decreasing by HK\$611.1 million (over 100%) from the same interim period in 2005 and segment result recorded HK\$1.1 million, decreasing by HK\$12.0 million (over 100%) from 2005.

For trading of securities, segment turnover amounted to HK\$79.4 million, decreasing by HK\$34.5 million (30.2%) from the same interim period in 2005 and segment result recorded HK\$2.5 million, decreasing by HK\$16.1 million (over 100%).

For property development and trading, there was no segment turnover for the interim period, decreasing by HK\$118.8 million (100%) from interim period 2005 and so was segment result, decreasing by HK\$10.7 million (100%).

During the period, sand mining segment was included as a result of the acquisition of an interest in Group Dragon Investments Limited (“GDI”), with segment turnover of HK\$0.9 million and segment loss of HK\$0.5 million.

Nonetheless, the disposal contributed HK\$1,527.1 million to the results of the Group for the period which critically increased from HK\$48.0 million for the period ended September 30, 2005 to HK\$1,340.1 million for the period. The Group also disposed of certain of its subsidiaries and associates during the period with a net gain of HK\$4.5 million while a gain of HK\$4.2 million was resulted from disposals during the period ended September 30, 2005. From acquisition of GDI, a discount on acquisition of subsidiaries of HK\$116.3 million was resulted. The Group had increased in fair value of investment properties of HK\$9.0 million and fair value of convertible notes designated at fair value through profit or loss by HK\$5.5 million. Decrease in fair value of investment in held-for-trading decreased by HK\$17.2 million as compared to the interim period 2005. There was an income tax credit from continuing operations during the period of HK\$0.9 million. Furthermore, there was an impairment loss on goodwill arising on acquisition of an associate of HK\$14.4 million during the period ended September 30, 2005 while there was nil during the period. The Group suffered less net losses under “Share of results of associates” during the period of HK\$2.0 million. Operating income from continuing operations dropped from HK\$39.3 million for the period ended September 30, 2005 to an operating income of HK\$24.3 million for the period.

業績及財務回顧 (續)

分類業績

期內，本集團業務增長以及毛利率下跌。此跌幅主要由於出售全部「電腦相關產品貿易」及「消費電子產品貿易」（出售Memorex International Inc.（「MII」）之資產）分類。出售事項已於二零零六年四月二十八日完成。因此，有關MII之營業額及業績於本期間及去年同期均分類為「非持續業務」。

就電腦相關產品貿易而言，期內分類營業額為237,200,000港元，較二零零五年中期同期減少1,661,600,000港元（87.5%），而分類虧損則錄得75,900,000港元，較二零零五年減少165,400,000港元（超過100%）。

消費電子產品貿易之分類營業額為59,800,000港元，較二零零五年中期同期減少611,100,000港元（超過100%），而分類業績則錄得1,100,000港元，較二零零五年減少12,000,000港元（超過100%）。

證券買賣之分類營業額為79,400,000港元，較二零零五年中期同期減少34,500,000港元（30.2%），而分類業績則錄得2,500,000港元，減少16,100,000港元（超過100%）。

物業發展及買賣於本中期間並無分類營業額，較二零零五年中期間減少118,800,000港元（100%），而分類業績亦減少10,700,000港元（100%）。

期內，採砂業務已計入因收購群龍投資有限公司（「群龍」）之權益，分類營業額為900,000港元，而分類虧損為500,000港元。

然而，出售事項為本集團期內業績貢獻1,527,100,000港元，本集團期內業績由截至二零零五年九月三十日止期間之48,000,000港元大幅增加至本期間之1,340,100,000港元。本集團亦於期內出售其若干附屬公司及聯營公司並錄得收益淨額為4,500,000港元，而截至二零零五年九月三十日止期間錄得出售收益為4,200,000港元。本集團因收購群龍錄得收購附屬公司之折讓為116,300,000港元。本集團於投資物業公平價值之增加為9,000,000港元，按公平價值並在損益表內處理之可兌換票據之公平價值增加5,500,000港元。持作買賣投資之公平價值較二零零五年中期間減少17,200,000港元。期內持續業務錄得所得稅抵免為900,000港元。此外，截至二零零五年九月三十日止期間收購一間聯營公司之商譽減值虧損為14,400,000港元，而期內則無此項項目。期內本集團「應佔聯營公司業績」虧損淨額收窄達2,000,000港元。持續業務經營收入由截至二零零五年九月三十日止期間之39,300,000港元下跌至本期間錄得經營收入24,300,000港元。

Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

RESULTS AND FINANCIAL REVIEW (Continued)

Segment Results (Continued)

However, such contributions were reduced by the decrease in fair value of conversion options embedded in convertible notes of HK\$200.6 million as compared to the interim period 2005. Profit from discontinued operations dropped from HK\$67.1 million for the period ended September 30, 2005 to a loss of HK\$46.6 million for the period. Finance costs incurred increased by HK\$17.6 million owing to the coupon interest in relation to the issue of convertible notes by the Company during the period. In addition, there were impairment loss on available-for-sale investments of HK\$28.0 million, decrease in conversion options embedded in convertible notes from an associate of HK\$19.1 million and impairment loss on goodwill of HK\$6.6 million during the period.

Investment in Convertible Notes

During the period, the Group acquired four unlisted convertible notes issued by companies listed on The Stock Exchange of Hong Kong for an aggregate consideration of HK\$389.0 million in addition to the existing three convertible notes acquired during the year ended March 31, 2006. A convertible note from an associate and convertible notes of an aggregated amount of HK\$305.0 million were acquired on acquisition of GDI during the period, with a decrease in fair value of HK\$19.1 million. The aggregate fair value decrease of HK\$185.1 million in respect of the conversion option element and increase of HK\$5.9 million in respect of the debt element were recognized in profit and loss and reserves, respectively. An aggregate of HK\$155.3 million was converted into available-for-sale investments during the period. In addition, the aggregate fair value increase in respect of two of the newly acquired convertible notes designated at fair value through profit or loss and accrued interest income of HK\$5.5 million and HK\$1.0 million were recognized in profit and loss.

Liquidity

Bank and cash balances at September 30, 2006 increased significantly to HK\$61.7 million (3/31/2006: HK\$26.5 million), accounting for 2.1% (3/31/2006: 1.4%) of the net tangible asset value of the Group. Such dramatic increase was mainly attributable to the reclassification of bank and cash balances of HK\$26.0 million to "assets classified as held for sale" as at March 31, 2006. The cash was mainly used for daily operations and investments in financial instruments during the period. The current ratio of the Group at September 30, 2006 was 2.71 (3/31/2006: 1.43).

Financial Review

The current assets of the Group at September 30, 2006 decreased by HK\$685.4 million (28.1%) to HK\$1,752.0 million (3/31/2006: HK\$2,437.4 million, as restated).

業績及財務回顧 (續)

分類業績 (續)

然而，此等貢獻因以下項目減少。可兌換票據中內在之可兌換權之公平價值較二零零五年中期期間減少200,600,000港元。非持續業務之溢利由截至二零零五年九月三十日止期間之67,100,000港元下跌至期內之虧損46,600,000港元。由於本公司期內發行可兌換票據之票息，財務費用因而增加17,600,000港元。此外，期內之可供銷售投資減值虧損為28,000,000港元，一間聯營公司可兌換票據中內在之可兌換權減少19,100,000港元以及商譽減值虧損為6,600,000港元。

於可兌換票據之投資

期內，除截至二零零六年三月三十一日止年度購入之現有三份可兌換票據外，本集團已購入四份於由香港聯合交易所上市公司所發行之非上市可兌換票據，總代價為389,000,000港元。期內，本集團就收購群龍一間聯營公司一份可兌換票據以及可兌換票據總值305,000,000港元，而致公平價值減少19,100,000港元。有關可兌換權部份之公平價值總額減少185,100,000港元而就有關債務部份則增加5,900,000港元，並分別在損益及儲備中確認。期內，合共155,300,000港元兌換為可供銷售投資。此外，有關按公平價值並在損益表內處理之新收購兩份可兌換票據之公平價值及計入利息收入為數分別5,500,000港元及1,000,000港元已於損益中確認。

流動資金

於二零零六年九月三十日之銀行及現金結存大幅增加至61,700,000港元（二零零六年三月三十一日：26,500,000港元），佔本集團有形資產淨值之2.1%（二零零六年三月三十一日：1.4%）。該等款項大幅增加主要由於於二零零六年三月三十一日為數26,000,000港元之銀行及現金結存重新分類為「持作銷售資產」。期內該等現金主要用作日常營運及財務工具投資。本集團於二零零六年九月三十日之流動比率為2.71（二零零六年三月三十一日：1.43）。

財務回顧

本集團於二零零六年九月三十日之流動資產減少685,400,000港元（28.1%）至1,752,000,000港元（二零零六年三月三十一日：2,437,400,000港元，經重列）。

Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

RESULTS AND FINANCIAL REVIEW (Continued)

Financial Review (Continued)

Such decrease was mainly attributable to the decrease in inventories of HK\$4.1 million, available-for-sale investments of HK\$73.5 million, short-term loan receivables from related companies of HK\$129.1 million, margin loan receivables of HK\$10.2 million at period end as compared to the previous year. Furthermore, assets classified as held for sale of HK\$1,645.2 million as at March 31, 2006 were disposed of during the period. Such decrease outweighed the increase in other asset of HK\$229.2 million, trade and other receivables of HK\$283.7 million, investments held for trading of HK\$31.8 million, convertible notes designated at fair value through profit or loss of HK\$106.4 million, short-term loan receivables of HK\$474.1 million, loans to associates of HK\$15.5 million, amounts due from associates of HK\$0.8 million and bank balances and cash of HK\$35.2 million.

Other asset of HK\$229.2 million as at September 30, 2006 arose from the acquisition of GDI during the period.

Inventories decreased from HK\$8.6 million as at March 31, 2006 to HK\$4.4 million as at September 30, 2006. Such decrease was mainly attributable to the disposal of the trading of computer related products and trading of consumer electronic products segments as mentioned in the aforesaid "Segment results".

Trade and other receivables increased from HK\$59.7 million as at March 31, 2006 to HK\$343.5 million as at September 30, 2006. Such drastic increase was mainly attributable to the receivable of HK\$305.2 million from an acquirer of the Group's former subsidiaries. The number of days for debtors turnover decreased from 39 days last year to 24 days in current period as a result of the disposal of the trading of computer related products and trading of consumer electronic products segments as mentioned in the aforesaid "Segment results".

Short-term loan receivables, short-term loan receivables from related companies and loans to associates increased from HK\$179.7 million as at March 31, 2006 to HK\$540.2 million as at September 30, 2006. Such increase was mainly attributable to a number of loan agreements entered into with third parties for an aggregate principal amount of HK\$371.8 million during the period. An aggregate amount of short-term loan receivables of HK\$382.8 million was included on acquisition of GDI during the period, with a post-acquisition interest receivable of HK\$7.4 million and provision for loan receivable of HK\$12.8 million. During the period, an aggregate amount of HK\$388.7 million was repaid.

Deposit for acquisition of interest in properties of HK\$57.1 million were included in the Group on acquisition of GDI during the period. Deposits for acquisition of subsidiaries of HK\$50.0 million was made during the period.

Trade and other payables decreased from HK\$358.8 million as at March 31, 2006 to HK\$188.1 million as at September 30, 2006. Such decrease was mainly attributable to the decrease in trade payables of HK\$38.1 million as a result of the disposal of the trading of computer related products and trading of consumer electronic products segments as mentioned in the aforesaid "Segment results". The number of day for creditors turnover decreased from 44 days in 2005 to 21 days in current period.

業績及財務回顧 (續)

財務回顧 (續)

流動資產減少主要由於與去年比較期末存貨減少4,100,000港元、可供銷售投資減少73,500,000港元、應收有關連公司之短期貸款129,100,000港元、應收孖展貸款10,200,000港元。此外，期內已出售於二零零六年三月三十一日為1,645,200,000港元之分類為持作銷售之資產。此減幅超逾其他資產之增加229,200,000港元、貿易及其他應收款項之增加283,700,000港元、持作買賣投資之增加31,800,000港元、按公平價值列賬並在損益表內處理之可兌換票據之增加106,400,000港元、應收短期貸款之增加474,100,000港元、給予聯營公司貸款之增加15,500,000港元、應收聯營公司款項之增加800,000港元、以及銀行結存及現金之增加35,200,000港元。

由於期內收購群龍，於二零零六年九月三十日之其他資產為229,200,000港元。

存貨由二零零六年三月三十一日之8,600,000港元減少至二零零六年九月三十日之4,400,000港元。誠如上文「分類業績」所述，存貨減少主要由於出售電腦相關產品貿易及消費電子產品貿易分類。

貿易及其他應收款項由二零零六年三月三十一日之59,700,000港元增加至二零零六年九月三十日之343,500,000港元。此大幅度增加主要由於應收本集團前附屬公司一名收購人305,200,000港元。誠如上文「分類業績」所述，由於出售電腦相關產品貿易及消費電子產品貿易分類，應收賬款之流轉期由去年之39日減少至本期間之24日。

應收短期貸款、應收有關連公司之短期貸款及給予聯營公司之貸款由二零零六年三月三十一日之179,700,000港元增加至二零零六年九月三十日之540,200,000港元。此增幅主要由於本集團期內與第三方訂立多份本金額共371,800,000港元之貸款協議。本集團期內收購群龍時已計入應收短期貸款合共382,800,000港元，而應收收購後利息及應收貸款撥備分別為7,400,000港元及12,800,000港元。期內已償還共388,700,000港元。

本集團期內收購群龍時已計入收購物業權益之按金57,100,000港元。期內，本集團已付收購附屬公司之按金50,000,000港元。

貿易及其他應付款項由二零零六年三月三十一日之358,800,000港元減少至二零零六年九月三十日之188,100,000港元。此減幅主要由於貿易應付款項減少38,100,000港元，誠如上文「分類業績」所述，貿易應付款項減少乃因出售電腦相關產品貿易及消費電子產品貿易分類所導致。應付賬款之流轉期由二零零五年之44日減少至本期間之21日。

Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

RESULTS AND FINANCIAL REVIEW (Continued)

Financial Review (Continued)

At September 30, 2006, total borrowings of the Group amounted to HK\$1,152.5 million (3/31/2006: HK\$720.5 million), of which HK\$725.2 million (3/31/2006: HK\$95.7 million) were not repayable within one year. The borrowings included bank and other borrowings of HK\$493.7 million (3/31/2006: HK\$687.3 million), overdrafts of HK\$19.6 million (3/31/2006: HK\$33.2 million). In addition, there were convertible notes payable of HK\$639.1 million as at September 30, 2006. The increase in borrowings was mainly due to the issue of convertible notes by the Company of HK\$770.9 million of which an amount attributable to the equity component of the convertible notes of HK\$143.4 million was classified under reserves. New borrowings totalling HK\$65.0 million were obtained during the period for the purposes of investment and daily operation. Repayment of HK\$311.5 million was made during the period. Furthermore, an amount of HK\$7.2 million was excluded from the Group as a result of disposal of a subsidiary in May 2006. Overdrafts decreased by HK\$13.6 million as compared to March 31, 2006.

Interests in associates

The increase in balance from HK\$616.9 million as at March 31, 2006 to HK\$714.4 million as at September 30, 2006 was mainly due to the disposal of the Group's 15.3% interest in China Strategic Holdings Limited ("CSHL") and interests in certain associates, and acquisition of GDI which contributed an aggregate amount of HK\$390.1 million and HK\$483.8 million, respectively. During the period, the Group had shared losses and decrease in reserves of associates of HK\$22.1 million and HK\$0.7 million, respectively, and currency translation reserve of HK\$4.2 million. In addition, an amount of HK\$30.8 million was classified as "assets classified as held for sale" as at March 31, 2006.

Pledge of assets

At September 30, 2006, certain assets of the Group amounting to HK\$235.4 million (3/31/2006: HK\$1,430.0 million) were pledged to banks and financial institutions for loan facilities granted to the Group.

Gearing ratio

The gearing ratio (borrowings/shareholders' funds) at September 30, 2006 significantly increased to 39.5% (3/31/2006: 38.6%) owing to the increase in bank and other borrowings and issue of convertible notes payable during the period 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 Dollar. The risk of foreign exchange fluctuation has not been significant to the Group. Interest rates of bank and other loans are at Prime plus. At the balance sheet date, the Group did not enter into any interest rate speculative and hedging contracts.

業績及財務回顧 (續)

財務回顧 (續)

於二零零六年九月三十日，本集團借款總額為1,152,500,000港元（二零零六年三月三十一日：720,500,000港元），其中725,200,000港元（二零零六年三月三十一日：95,700,000港元）毋須於一年內償還。有關借款包括銀行及其他借款493,700,000港元（二零零六年三月三十一日：687,300,000港元）及透支19,600,000港元（二零零六年三月三十一日：33,200,000港元）。此外，於二零零六年九月三十日應付可兌換票據為639,100,000港元。借款增加主要由於本公司發行為數770,900,000港元之可兌換票據，其中應佔可兌換票據權益部份143,400,000港元已分類為儲備。期內，本集團就投資及日常營運取得合共65,000,000港元之新增借款。期內，還款額為311,500,000港元。此外，由於在二零零六年五月出售一間附屬公司，本集團並無計入為數7,200,000港元。透支較二零零六年三月三十一日減少13,600,000港元。

聯營公司權益

結餘由二零零六年三月三十一日之616,900,000港元增加至二零零六年九月三十日之714,400,000港元，主要由於本集團出售中策集團有限公司（「中策」）15.3%權益及若干聯營公司權益及收購群龍，分別貢獻合共390,100,000港元及483,800,000港元。期內，本集團分別應佔聯營公司虧損及儲備減少22,100,000港元及700,000港元，而匯兌儲備則為4,200,000港元。此外，於二零零六年三月三十一日，為數30,800,000元已分類為「持作銷售資產」。

資產抵押

於二零零六年九月三十日，本集團將235,400,000港元（二零零六年三月三十一日：1,430,000,000港元）之若干資產抵押予銀行及財務機構以取得授予本集團之貸款融資。

資本與負債比率

由於期內就本集團之投資提供資金而增加銀行及其他借款及發行應付可兌換票據，於二零零六年九月三十日之資本與負債比率（借款／股東資金）大幅上升至39.5%（二零零六年三月三十一日：38.6%）。

匯率及利率風險

本集團大部份業務交易、資產及負債均以港元計值。外匯波動風險對本集團而言並不重大。銀行及其他貸款之利率以最優惠利率以上水平計算。於結算日，本集團並無訂立任何利率投機及對沖合約。

Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

RESULTS AND FINANCIAL REVIEW (Continued)

Contingent liabilities

As at September 30, 2006, the Group had guarantee given to a bank in respect of banking facilities utilized by a third party of HK\$27.0 million. The Group also shared from an associate's contingent liabilities in relation to guarantees given to banks in respect of bank facilities amounted to HK\$0.1 million (3/31/2006: guarantees given to banks and other guarantees amounted to HK\$11.5 million).

Employees and remuneration policies

As at September 30, 2006, there were approximately 84 staff members (3/31/2006: 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, a mandatory provident fund scheme, medical insurance and discretionary bonuses. Share options are awarded to employees on a merit basis. However, no share options were granted during the period.

BUSINESS AND OPERATIONS REVIEW

During the six months ended September 30, 2006, the Group underwent several corporate developments, comprised mainly of the disposal of its then 45.2% interest in the Memorex® business in April 2006 and the acquisition of a 98.92% interest in GDI in June 2006.

Upon the disposal of Memorex® business, the Group captured a significant gain during the interim period. This handsome gain brought about working capital and provided the company with an opportunity to actively look for meaningful investments in viable businesses.

Subsequent to the disposal of Memorex® business, the Group completed the acquisition of GDI and took control over all the businesses under GDI. The Group then began the integration process within the combined businesses so as to consolidate the common or related businesses and enjoy the synergistic results as much as practical. These businesses include property development and trading, trading of securities, investment in convertible notes issued by listed companies in Hong Kong and holding of strategic investments. By utilizing the Group's strong business network, professional expertise and diverse management resources, the integration has been quite successful and is progressing well. Moreover, the Group has extended the business portfolio to include those businesses carrying out by GDI. The diverse investments of GDI include China Enterprises Limited, whose shares are traded on the OTC Bulletin Board and MRI Holdings Limited, whose shares are listed on the Australian Securities Exchange.

Up to September 30, 2006, the Group has subscribed into convertible notes of listed companies with an aggregate nominal value over Hong Kong Dollars One Billion. Such listed companies are Asia Standard International Group Limited, Macau Prime Properties Holdings Limited, Mei Ah Entertainment Group Limited, Golden Harvest Entertainment (Holdings) Limited, Wing On Travel (Holdings) Limited, See Corporation Limited and Wo Kee Hong (Holdings) Limited. The subscriptions serve as part of the Group's strategy to diversify its investment portfolio into the growing industries.

業績及財務回顧 (續)

或然負債

於二零零六年九月三十日，本集團就第三方動用之銀行信貸而給予銀行之擔保為27,000,000港元。本集團亦攤佔一間聯營公司關於就銀行信貸而給予銀行之擔保之或然負債為100,000港元（二零零六年三月三十一日：給予銀行之擔保及其他擔保達11,500,000港元）。

僱員及薪酬政策

於二零零六年九月三十日，本集團僱用約84名員工（二零零六年三月三十一日：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，期內並無授出購股權。

業務及經營回顧

截至二零零六年九月三十日止六個月，本集團進行多項企業發展，主要包括於二零零六年四月出售集團當時於Memorex®業務所持有之45.2%權益，以及於二零零六年六月收購群龍之98.92%權益。

在出售Memorex®業務後，本集團於本中期間獲得重大收益。此筆可觀收益為本公司帶來營運資金，以及為本公司於具發展潛力之業務中提供機會，藉以積極尋求具意義的投資。

於出售Memorex®業務後，本集團已完成收購群龍，並管理群龍旗下全部業務。其後，本集團開始為合併業務進行整合過程，藉此鞏固共同或相關業務，並於實際可行情況下享有最大之協同效益。該等業務包括物業發展及買賣、證券買賣、投資於香港上市公司發行的可兌換票據及持有策略性投資。憑藉本集團陣容強大之業務網絡、專業人才及分散管理資源，整合過程十分成功，進度亦相當理想。此外，本集團已擴充旗下之業務組合，以納入由群龍經營之業務。群龍之投資範圍廣泛，包括China Enterprises Limited（其股份乃於美國場外交易議價板買賣）及MRI Holdings Limited（其股份乃於澳洲證券交易所上市）。

截至二零零六年九月三十日，本集團已認購上市公司之可兌換票據，總面值逾十億港元。該等上市公司為泛海國際集團有限公司、澳門祥泰地產集團有限公司、美亞娛樂資訊集團有限公司、嘉禾娛樂事業（集團）有限公司、永安旅遊（控股）有限公司、漢傳媒集團有限公司及和記行（集團）有限公司。認購事項為本集團分散其於增長行業中投資組合之部份策略。

Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

BUSINESS AND OPERATIONS REVIEW (Continued)

For the current period, the Group recorded a significant loss as a result of the change in fair value of conversion options embedded in such convertible notes.

The profit/loss mainly depends on factors, like market price of the shares underlying in such convertible notes and the prevailing market interest rates, as compared with the conversion price of the shares and the coupon interest rates of the convertible notes. The Group will perform up to date professional valuation of such convertible notes when preparing its periodic interim and annual accounts and will take into account the resulting profit/loss due to the change in fair value of conversion options embedded in such convertible notes. The resulting profit/loss on preparing the Group's periodic interim and annual accounts are non-cash items and, due to the factors stated above, may or may not be changed substantially from period to period.

Significant Investments

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

During the period under review, CEL continues to be an investment holding company. CEL is engaged in the business of property investment and development in the People's Republic of China ("PRC") and has substantial interests in Hangzhou Zhongce Rubber Company Limited and Wing On Travel (Holdings) Limited, which are principally engaged in manufacturing and marketing of tires in the PRC and other countries abroad, and the business of providing package tour, travel, and other related services and hotel operations, respectively.

MRI Holdings Limited ("MRI")

During the period under review, MRI completed the acquisition of Zest Health Clubs ("ZHC"), Australia's second largest health and fitness chain, and number 1 in market share in 3 of Australia's 5 largest fitness markets. MRI has been actively participating in the operations of ZHC and continued to penetrate its markets and grow in market shares.

Major Strategic Investments

PSC Corporation Ltd ("PSC")

At September 30, 2006, the Group is holding an effective interest of 24.26% in PSC, which is principally engaged in manufacturing of food and other products, distribution of food and other fast moving consumer goods, logistics and franchising, healthcare consultancy and services, and education.

Intraco Limited ("Intraco")

At September 30, 2006, the Group is holding an effective interest of 7.25% in Intraco, which focuses on four core businesses, which include commodities trading, projects, info-communications and the distribution of semiconductors.

業務及經營回顧 (續)

由於該等可兌換票據中內在之可兌換權之公平價值變動，本集團於期內錄得大幅虧損。

溢利／虧損主要視乎該等可兌換票據之相關股份之市場價格及現時市場利率等因素與股份之兌換價及可兌換票據之票息利率之比較等因素。本集團於編製定期中期及年度賬目時將就該等可兌換票據進行最新專業估值，並計入該等可兌換票據中內在之可兌換權之公平價值變動所產生之最終溢利／虧損。編製本集團定期中期及年度賬目之最終溢利／虧損為非現金項目，基於上述因素，於各期間可能或不可能出現重大變動。

重大投資

China Enterprises Limited (「CEL」，以China Tire Holdings Limited之名義在香港經營業務)

於回顧期間，CEL一直為一間投資控股公司。CEL於中華人民共和國(「中國」)從物業投資及發展業務，並分別於杭州中策橡膠有限公司(主要於中國及其他海外國家主要從事輪胎製造及銷售業務)及永安旅遊(控股)有限公司(主要從事提供旅行團、旅遊及其他相關服務及酒店營運業務)擁有重大的權益。

MRI Holdings Limited (「MRI」)

於回顧期間，MRI完成收購Zest Health Clubs(「ZHC」)，為澳洲第二大健身連鎖店，並在澳洲五大健身市場當中的三個之市場佔有率排名第一。MRI一直積極參與ZHC之營運，並持續滲透市場及增加市場佔有率。

主要策略性投資

普威集團有限公司(「普威集團」)

於二零零六年九月三十日，本集團持有普威集團之24.26%實際權益，其主要從事食品及其他產品之製造、食品及其他快速流通消費品之分銷、物流及特許經營、保健諮詢及服務，以及教育。

新加坡國際貿易有限公司(「新加坡國際貿易」)

於二零零六年九月三十日，本集團持有新加坡國際貿易之7.25%實際權益，其集中四大核心業務，包括商品貿易、工程項目、資訊通信及半導體分銷。

Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

BUSINESS AND OPERATIONS REVIEW (Continued)

Major Strategic Investments (Continued)

Tat Seng Packaging Group Ltd. (“Tat Seng”)

At September 30, 2006, the Group is holding an effective interest of 15.51% in Tat Seng, which is one of Singapore's leading manufacturers of corrugated paper packaging product with operations in Singapore, Suzhou and Hefei in the PRC. The Tat Seng Packaging group designs, manufactures and sells corrugated paper packaging products for the packing of diverse range of products according to customers' specifications. Its key products include corrugated paper boards, corrugated paper cartons, die-cut boxes, assembly cartons, heavy duty corrugated paper products and other packaging related products.

Wing On Travel (Holdings) Limited (“Wing On Travel”)

At September 30, 2006, the Group is holding an effective interest of 11.14% in Wing On Travel, which is principally engaged in the business of providing package tours, travel and other related services, and hotel operation including a hotel chain branded under the name of “Rosedale” in Hong Kong and the Mainland.

Major Acquisitions & Disposals

Disposal of 15.3% interests in CSHL and acquisition of interests in GDI

On March 10, 2005, the Company and PYI Corporation Limited entered into a share sale agreement (the “Share Sale Agreement”) with Nation Field Limited for the disposal of approximately 15.3% interests in CSHL at a consideration of approximately HK\$26 million. The Share Sale Agreement was completed on May 24, 2006. On May 26, 2006, Somerley Limited, on behalf of Well Orient Limited (“Well Orient”) made a voluntary offer to the shareholders of GDI (“GDI Offer”). The GDI Offer closed on June 16, 2006 and Well Orient received a total of 306,622,223 GDI shares. Together with 129,409,897 GDI shares (representing approximately 29.36% of the 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.

Disposal of assets of MII

On January 19, 2006, MII entered into a sale and purchase agreement (“S&P Agreement”) with Imation Corp. for the sale and purchase of certain 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 and 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 April 28, 2006. Details of the transaction are set out in the circular of the Company dated April 10, 2006.

業務及經營回顧 (續)

主要策略性投資 (續)

達成包裝集團有限公司 (「達成包裝」)

於二零零六年九月三十日，本集團持有達成包裝之15.51%實際權益，其為新加坡其中之一家最主要的瓦楞紙包裝產品製造商，在新加坡、中國蘇州及合肥均設有工場。達成包裝集團負責設計、製造和銷售瓦楞紙包裝產品，並按客戶的特定規格生產，務求為各類不同產品提供包裝。達成包裝之主要產品包括瓦楞紙板、瓦楞紙箱、模切紙箱、普通開槽箱、重型瓦楞紙製品及其他包裝相關產品。

永安旅遊 (控股) 有限公司 (「永安旅遊」)

於二零零六年九月三十日，本集團持有永安旅遊之11.14%實際權益，其主要從事提供旅行團、旅遊及其他相關服務，以及酒店營運業務，包括在香港及中國內地以「珀麗」為品牌經營之連鎖式酒店。

主要收購及出售事項

出售中策15.3%權益及收購群龍權益

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%中策權益。售股協議於二零零六年五月二十四日完成。於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（「群龍收購建議」）。群龍收購建議已於二零零六年六月十六日截止及威倫合共收到306,622,223股群龍股份。連同威倫已持有之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%。

出售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MII與Hanny Magnetics Europe Limited、Memorex Canada Ltd.、Memorex Products Europe Limited、Memorex Products S.A.S.、Memorex Products GmbH、美瑞思科技股份有限公司及Memorex Products, Inc.所從事的電子數據儲存所用硬件、媒體及配件之設計、開發、市場推廣、分銷及銷售業務有關之MII若干資產，總代價為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。

Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

BUSINESS AND OPERATIONS REVIEW (Continued)

Major Acquisitions & Disposals (Continued)

The Underwriting Agreement and Subscription of rights shares of See Corporation Limited ("SCL")

On April 22, 2006, the Company, Success Securities Limited and SCL entered into an underwriting agreement pursuant to which the Company agreed to underwrite up to 329,037,330 rights shares of SCL at a subscription price of HK\$0.014 per rights share. On the same day, the Company executed an undertaking to SCL to take up its entitlement in full under the rights issue of SCL. On June 30, 2006, a total of 1,991,487,330 rights shares of SCL were subscribed by the Company. Details of the underwriting agreement are set out in the circular of the Company dated May 17, 2006.

Subscription of convertible note of Macau Prime Properties Holdings Limited ("MPP")

On April 27, 2006, the Company and MPP entered into a subscription agreement ("MPP Subscription Agreement") regarding the subscription of 1% convertible note of MPP with the principal amount of HK\$270 million. The MPP Subscription Agreement was completed on June 15, 2006. Details of the transaction are set out in the circular of the Company dated May 26, 2006.

The Subscription Agreements and the proposed issue of convertible exchangeable note of the Company

On June 27, 2006, the Company entered into five conditional subscription agreements with each of five subscribers (including ITC Corporation Limited ("ITC") and four other fund subscribers) in relation to the subscription by the subscribers of 1% convertible exchangeable notes with an aggregate principal amount of US\$150 million (equivalent to approximately HK\$1,164.9 million) to be issued by the Company at par ("Convertible Notes"). Pursuant to the subscription agreements, the Company was required after the signing of the subscription agreements to enter into a contract ("CEL Agreement") with CEL for the subscription of 1% convertible note of CEL with the principal amount of US\$100 million. The CEL Agreement was entered into by the Company and CEL on August 29, 2006. On August 30, 2006, each of the subscribers of Convertible Notes and the Company entered into the supplemental agreement pursuant to which the parties agreed that the completion of the subscription of Convertible Notes would be conditional on the closing or lapse (whichever is earlier) of the offers made by Famex Investment Limited ("Famex"), an indirect wholly-owned subsidiary of ITC. The subscription agreements (as amended by the supplemental agreements) and the CEL Agreement were approved by the shareholders of the Company on September 25, 2006 but yet to be completed as at the date of this interim report. Details of the transaction are set out in the circular of the Company dated September 8, 2006.

業務及經營回顧 (續)

主要收購及出售事項 (續)

包銷協議及認購漢傳媒集團有限公司 (「漢傳媒」) 供股股份

於二零零六年四月二十二日，本公司、實德證券有限公司及漢傳媒訂立一份包銷協議，據此，本公司同意按每股供股股份之認購價0.014港元包銷最多至329,037,330股漢傳媒供股股份。於同日，本公司向漢傳媒作出承諾，以悉數認購漢傳媒供股項下之配額。於二零零六年六月三十日，本公司認購漢傳媒合共1,991,487,330股供股股份。包銷協議之詳情載於本公司日期為二零零六年五月十七日之通函內。

認購澳門祥泰地產集團有限公司 (「澳門祥泰地產」) 可兌換票據

於二零零六年四月二十七日，本公司與澳門祥泰地產訂立一份認購協議 (「澳門祥泰地產認購協議」)，以認購澳門祥泰地產本金額270,000,000港元之1%可兌換票據。澳門祥泰地產認購協議已於二零零六年六月十五日完成。認購事項之詳情載於本公司日期為二零零六年五月二十六日之通函內。

認購協議及建議發行本公司可兌換可交換票據

於二零零六年六月二十七日，本公司各自與五位認購人 (包括德祥企業集團有限公司 (「德祥」) 及另外四名基金認購者) 訂立五份認購協議，以認購由本公司按面值將予發行本金總額為150,000,000美元 (相等於約1,164,900,000港元) 之1%可兌換可交換票據 (「可兌換票據」)。根據認購協議，本公司須在簽訂認購協議後與CEL訂立合約 (「CEL認購協議」)，以認購CEL本金額為100,000,000美元之1%可兌換票據。本公司與CEL於二零零六年八月二十九日訂立CEL認購協議。於二零零六年八月三十日，可兌換票據認購人各自與本公司訂立補充協議，據此，訂約各方均同意，認購可兌換票據之完成亦須待其威投資有限公司 (「其威」) (為德祥之間接全資附屬公司) 提出之收購建議截止或失效 (以較早者為準) 時方告完成。認購協議 (經補充協議修訂) 及CEL認購協議於二零零六年九月二十五日獲本公司股東批准，惟於截至本中期報告日期止仍尚未完成。認購事項之詳情載於本公司日期為二零零六年九月八日之通函內。

Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

BUSINESS AND OPERATIONS REVIEW (Continued)

Major Acquisitions & Disposals (Continued)

Subscription of convertible note of Mei Ah Entertainment Group Limited ("Mei Ah")

On June 28, 2006, the Company and Mei Ah entered into a subscription agreement ("Mei Ah Subscription Agreement") regarding the subscription of 4% convertible note of Mei Ah with the principal amount of HK\$50 million. The Mei Ah Subscription Agreement was completed on August 11, 2006. Details of the transaction are set out in the circular of the Company dated July 21, 2006.

Subscription of convertible note of Golden Harvest Entertainment (Holdings) Limited ("Golden Harvest")

On July 10, 2006, Quick Target Limited, an indirect wholly-owned subsidiary of the Company, and Golden Harvest entered into a subscription agreement ("GH Subscription Agreement") regarding the subscription of 4% convertible note of Golden Harvest with the principal amount of HK\$50 million. The GH Subscription Agreement was completed on August 22, 2006. Details of the transaction are set out in the circular of the Company dated July 28, 2006.

Conditional mandatory cash offers by Kingston Securities Limited for and on behalf of Famex

On September 1, 2006, ITC and the Company jointly announced that on August 17, 2006, Famex entered into an agreement with an independent third party pursuant to which Famex conditionally agreed to acquire 22,812,359 sale shares at a consideration of HK\$86,686,964.20 at HK\$3.8 per sale share. Completion of the agreement took place on November 7, 2006. Immediately upon completion, Famex and parties acting in concert with it were, in aggregate, interested in approximately 38.67% of the voting rights of the Company. Accordingly, Famex was required to make a conditional mandatory cash offer to acquire all the issued shares and outstanding convertible bonds of the Company (other than those already owned by or agreed to be acquired by Famex and parties acting in concert with it (except Cobbleford Limited)) under the Hong Kong Code on Takeovers and Mergers (the "Offers"). Details of the Offers are set out in the offer document of ITC dated November 13, 2006. The Offers closed at 4:00 p.m. on December 13, 2006. Famex received a total of 53,080,585 shares (representing approximately 21.02% of the issued share capital of the Company) and convertible bonds with face value of HK\$5,775,870 (representing approximately 0.75% of the outstanding convertible bonds of the Company). Together with the shares held by (i) Famex; and (ii) Famex and parties acting in concert with it, Famex was interested in (i) 161,589,501 shares (representing approximately 63.98% of the issued share capital of the Company) and the convertible bonds with face value of HK\$5,775,870; and (ii) 174,871,892 shares (representing approximately 69.24% of the issued share capital of the Company) and the convertible bonds with face value of HK\$141,441,885.

業務及經營回顧 (續)

主要收購及出售事項 (續)

認購美亞娛樂資訊集團有限公司 ("美亞") 可兌換票據

於二零零六年六月二十八日，本公司與美亞訂立一份認購協議（「美亞認購協議」），以認購美亞本金額為50,000,000港元之4%可兌換票據。美亞認購協議已於二零零六年八月十一日完成。認購事項之詳情載於本公司日期為二零零六年七月二十一日之通函內。

認購嘉禾娛樂事業 (集團) 有限公司 ("嘉禾") 可兌換票據

於二零零六年七月十日，Quick Target Limited（為本公司之間接全資附屬公司）與嘉禾訂立一份認購協議（「嘉禾認購協議」），以認購嘉禾本金額為50,000,000港元之4%可兌換票據。嘉禾認購協議已於二零零六年八月二十二日完成。認購事項之詳情載於本公司日期為二零零六年七月二十八日之通函內。

金利豐證券有限公司代表其威提出有條件強制性現金收購建議

於二零零六年九月一日，德祥與本公司聯合公佈，其威與一名獨立第三者於二零零六年八月十七日訂立一份協議，據此，其威有條件同意按每股出售股份3.8港元收購22,812,359股出售股份，代價為86,686,964.20港元。該協議已於二零零六年十一月七日完成。緊接完成時，其威及其一致行動人士合共擁有本公司約38.67%投票權，據此，根據香港收購及合併守則，其威須提出有條件強制性現金收購建議，以收購本公司全部已發行股份及尚未償還之可兌換債券（其威及其一致行動人士已擁有或同意將予收購者除外，惟不包括Cobbleford Limited）（「收購建議」）。收購建議之詳情已載於德祥日期為二零零六年十一月十三日之收購建議文件內。收購建議於二零零六年十二月十三日下午四時正截止。其威合共收到53,080,585股股份（佔本公司已發行股本約21.02%）及面值為5,775,870港元之可兌換債券（佔本公司尚未償還之可兌換債券約0.75%）。連同(i)其威已持有之股份；及(ii)其威及其一致行動人士已持有之股份，其威持有(i)161,589,501股股份（佔本公司已發行股本約63.98%）及面值為5,775,870港元之可兌換債券；及(ii)174,871,892股股份（佔本公司已發行股本約69.24%）及面值為141,441,885港元之可兌換債券。

Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

OUTLOOK

The Group has set its investment focus on the Asian markets, especially the PRC, a market place proven to show tremendous opportunities for investors seeking fruitful returns on their investments. In furtherance of the Group's plans to expand its existing presence in the PRC, the Group will concentrate its efforts on mergers and acquisitions and to use this platform to broaden its PRC portfolio. The Group believes this approach will enable it reach exponential growth in revenue and operating profits.

Looking ahead, the Group believes that the Renminbi is a currency worth noting with a high potential for appreciation. With a significant amount of the Group's assets located in the PRC, it hopes to take advantage of an increase in value of its net assets located in the PRC should the Renminbi continue to rise.

As the Group moves forward, we are optimistic about our investments in the PRC. We have proven our ability to identify businesses that can be enhanced in value through proper planning, restructuring and growth. Our successful sale of the Memorex® business and the huge gain captured under the current management has proven the Group's abilities. The Group will continue to strive for further legendary achievements to come.

展望

本集團已專注在亞洲市場之投資，尤以中國為甚，蓋因中國市場商機處處，投資者可從中爭取豐厚之投資回報。本集團除了計劃擴展中國之現有據點外，亦將集中力量進行併購活動，藉此擴大集團於中國之業務組合。本集團相信，此舉將可令本集團之收入及經營溢利達致理想增長。

展望將來，本集團相信人民幣之升值潛力甚高，值得再三留意。本集團大部分資產乃位於中國，本集團相信隨著人民幣不斷升值，其位於中國之資產淨值將會有所增加而因而受惠。

本集團正積極努力向前，對於中國之投資深感樂觀。本集團在物色業務方面眼光獨到，透過適當規劃、重組及發展以提升具價值之業務。本集團成功出售 Memorex® 業務，加上在現行管理層之領導下取得之龐大收益，可見本集團之不懈努力。本集團將會繼續全力以赴，務求再創高峰。