

Financial Position

The Group continued to maintain healthy financial position with low level of borrowings. The Group, as well as its key operating companies, were in net cash position. The ratio of current assets to current liabilities was more than 2.4 times. Despite the repayment of the second instalment of the US\$300 million syndication loan during the period, the Group was still able to maintain a strong cash balance of approximately HK\$3,180 million.

Net business profit of the Group have increased over the same period last year. The interest coverage ratio of the Group's profit before interest, tax, depreciation and amortization to total interest expenses was more than 16 times. As interest rate entered its downward cycle, the management capitalised on the falling capital costs and investment opportunities, invested substantially in the IT sector during the period under review. This investment would, in the short term, reduce the Group's interest income, but is expected to bring in handsome return to the Group within the next two years.

Net profit of the Group was made up of earnings in US dollars, Hong Kong dollars and Renminbi in appropriate portion, thus greatly reducing foreign exchange risks.

During the period under review, the Company bought a total of 1,571,000 shares of its own shares for approximately HK\$20.11 million in cash and, after the period, it bought back another 1,568,000 shares for approximately HK\$20.51 million.