



## **CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES**

As at 30th September, 2002, the total external borrowings (excluding intra-group liabilities, trade payables and accruals, bills payable and tax liabilities) amounted to approximately HK\$1,028 million and the Group maintained a debt to equity ratio of 43% (measured by total external borrowings as a percentage to the net asset value of the Group). In addition to its share capital and reserves, the Group continued to make use of cash flow generated from operation, bank borrowings and unsecured loans from a shareholder to finance its operations. The Group's bank borrowings were mainly denominated in Hong Kong Dollars and interest rates followed the market rates and no material exposure to fluctuations in exchange rates was expected. The Group had contingent liabilities in respect of the guarantees given by the Group to banks as security for banking facilities granted to independent third parties and as at the end of the Period, the total amount of facilities utilized was HK\$31 million.

## **STAFF COSTS**

The total cost incurred for staff, including directors' remuneration, for the Period amounted to HK\$78 million as compared with HK\$58 million in the last corresponding period. The increase in staff costs was mainly due to the printing and publishing business which was acquired by the Group on 22nd July, 2002. The number of staff was approximately 1,200 as at the end of the Period. In early November 2002, approximately 160 staff were laid off due to the discontinuance of publication of Eastweek.

## **ASSETS PLEDGED**

Assets with carrying value of HK\$2,590 million were pledged as security for banking facilities.

## **INTERIM DIVIDEND**

The board of directors of the Company ("Directors") did not recommend the payment of an interim dividend for the Period (2001: *nil*).

## **PROSPECTS**

Economy remained slack subsequent to the Period. Most of the businesses of the Group were adversely affected by the depression which was likely to persist in the near future. While the management would continue to cautiously look for good investment opportunities for the Group, it would also review its various operations at the same time and implement cost cutting measures when appropriate to improve the competitiveness of its businesses.

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## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

As at 30th September, 2002, save for the interests of Ms. Luk Siu Man, Semon ("Ms. Semon Luk") as disclosed in the section headed "Substantial Shareholders", none of the directors, chief executives and their associates had any interests in any securities of the Company or any of its associated corporations according to the register required to be maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance").

## SUBSTANTIAL SHAREHOLDERS

As at 30th September, 2002, according to the register kept by the Company under Section 16(1) of the SDI Ordinance, the following parties had notified the Company that they were interested in 10% or more of the issued share capital of the Company:

Name of shareholder	Number of shares
Charron Holdings Limited ("Charron") (Note 1)	643,911,297
Jumbo Wealth Limited ("Jumbo Wealth") (Note 1)	643,911,297
Yeung Sau Shing, Albert ("Mr. Albert Yeung") (Notes 1 and 2)	644,571,770
Ms. Semon Luk (Note 3)	644,571,770

### Notes:

1. The entire issued share capital of Charron was held by Jumbo Wealth on trust for The A&A Unit Trust, a unit trust under the discretionary trust of Mr. Albert Yeung. Accordingly, Jumbo Wealth and Mr. Albert Yeung were deemed to be interested in the 643,911,297 shares held by Charron.
2. Mr. Albert Yeung was also deemed to be interested in 660,473 shares held by his spouse, Ms. Semon Luk.
3. Ms. Semon Luk has personal interests in 660,473 shares and she was also deemed to be interested in the 643,911,297 shares held by Charron in which her spouse, Mr. Albert Yeung was deemed to be interested.

Save as disclosed above, the Company has not been notified of any other interests representing 10% or more of the Company's issued share capital as at 30th September, 2002.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

## CORPORATE GOVERNANCE

The Company had complied throughout the Period with the Code of Best Practice as set out in Appendix 14 of the Listing Rules.