

As at 31 December 2004, the total assets of the Group were HK\$2,541,678,000, of which the non-current portion and the current portion were HK\$1,472,372,000 and HK\$1,069,306,000 respectively. The total liabilities were HK\$1,570,944,000, of which the current and the non-current portion of bank loans were HK\$229,572,000 and HK\$586,611,000 respectively. In terms of contingent liabilities, there was about HK\$3,000,000 which was a little less than that of the end of 2003. As at 31 December 2004, the assets/liabilities ratio was 61.8% and the current ratio was 1.35. The latter was obviously improved comparing to the rate of 1.0 at the end of 2003.

The sources of funding of the Group mainly comes from its internal financial resources and banking facilities. The Group's cash on hand as at 31 December 2004 was HK\$392,662,000, most of which was in HK dollars and the rest in RMB and US dollars.

The Company had entered into an agreement with a fellow subsidiary in January 2005 to dispose of its entire 100% equity interest in and the entire shareholder's loan due from Astrotech Group Limited, which, in turn, holds 44.17% equity interest in CASIL Telecommunications Holdings Limited. The consideration was approximately HK\$143 million. The independent shareholders of the Company had approved the transaction at the Extraordinary General Meeting held on 15 March 2005. The transaction is expected to complete in mid 2005. By then, the Company will no longer hold any direct or indirect interest in CASIL Telecommunications Holdings Limited.

Certain Group's real estates and investments have been mortgaged to banks for financing with interest calculated at prime rate, and the remaining terms by instalment varying from 3 to 10 years.

Under the leadership of the management team of the Group, the structure of the Group had been rearranged. Besides, both the financial and human resources management had been strengthened in order to further improve the overall management of the Group. The Group now has more than 5,000 staff in both the Mainland and Hong Kong.