

Management Discussion and Analysis

During the year of 2005, turnover of the Group was approximately HK101.5 million as compared to approximately HK\$77.0 million in 2004, representing an increase of approximately 31.8%.

The profit attributable to shareholders of the parent for the year of 2005, amounted to approximately HK\$30.6 million, representing a decrease of 41.6% from approximately HK\$52.4 million in 2004.

In 2004, the Company disposed of a subsidiary, which held an exclusive advertising right to a financial newspaper, China Business Post, with a gain on disposal of approximately HK\$30.7 million. Excluding the effect of this non-recurring item, the profit for the year in 2005 increased to approximately HK\$39.5 million from approximately HK\$25.6 million in 2004.

Liquidity and Financial Resources

The Group's daily operating activities were financed by internal sources. As at 31st December, 2005, the Group's equity attributable to equity holders of the parent was approximately HK\$268.8 million (2004: HK\$254.2 million). The Group had no long term debt as at 31st December, 2005 and 31st December, 2004. The gearing ratio, which was computed by current liabilities over equity attributable to equity holders of the parent was 13.8% (2004: 9.9%).

As at 31st December, 2005, the Group had cash and time deposits amounted to approximately HK\$172.8 million (2004: HK\$102.5 million)

As at 31st December, 2005, the Group had investments of value approximately HK\$10.4 million (2004: HK\$26.2 million)

Contingent Liabilities

The Group and the Company did not have any significant contingent liability as at 31st December, 2005. (2004: Nil)

Charges on Assets

As at 31st December, 2005, the Group and the Company did not have any charges on assets. (2004: Nil)

Foreign Currencies and Treasury Policy

Most of the Group's business transactions, assets and liabilities are denominated in Hong Kong Dollars, United States Dollars or Renminbi. It is the Group's treasury policy to manage its foreign currency exposure whenever its financial impact is material to the Group. During the year, the Group did not have any fixed interest rate borrowings and had not engaged in any financial instruments for hedging or speculative activities.

Employees

As at 31st December, 2005, the Group had approximately 121 (2004: 126) employees in Hong Kong and the PRC. Salaries, bonuses and benefits were decided in accordance with market conditions and performance of the respective employees.

Share Option Schemes

The Company's share option scheme was adopted on 26th August, 2002. As at 31st December, 2005, the number of shares issuable under share options granted under this share option scheme was 35,900,000.