



As at 31 December 2005, the total assets of the Group were HK\$2,098,405,000, of which the non-current portion and the current portion were HK\$957,080,000 and HK\$1,141,325,000 respectively. The total liabilities was about HK\$1,018,081.00, of which the non-current and the current portion were HK\$203,721,000 and HK\$814,360,000 respectively. As at 31 December 2005, the Group had no contingent liabilities except for the litigation as disclosed on this report. As at 31 December 2005, the gearing ratio was 48.5%, representing an improvement compared to that of 69.4% at the end of last year and the current ratio was 1.40, which was relatively greater than that of 1.09 at the end of last year.

The source of funding of the Group is mainly from its internal financial resources and banking facilities. The Group's cash on hand as at 31 December 2005 (included pledged deposit of HK\$110,560,000) was about HK\$585,327,000, mainly in HK dollars and the rest in RMB and US dollars. The Group reviews its cash flow and financial position periodically and does not engage into any financial instruments or derivatives to hedge the exchange and the interest rate risks.

The Group had continued to the betterment of assets allocation during last year, including the disposal of the interest in Astrotech and Conic Investment Building, as well as the further loan restructuring with the Bank of China, and so on. Such effort had effectively further reduced the debt level, and the finance cost was reduced by approximately 21.6% over the same period of last year.

The Company announced in July 2005 to conduct a proposed reorganisation of the share capital. Approvals to the reorganisation had been obtained by the shareholders of the Company at the Extraordinary General Meeting in August 2005 and by the High Court in November 2005. For details of the proposed reorganisation of the share capital, please refer to the Company's announcements dated 13 July 2005, 25 August 2005, 2 November 2005 and 11 November 2005 and a circular sent to its shareholders dated 28 July 2005.

A couple of the Group's real estates have been mortgaged to banks for financings with interest calculated at prime rate minus margin rate, and their remaining terms by installment are about 5 to 6 years.

As at 31 December 2005, the Group has a total staff of around 6,000 in Mainland China and Hong Kong respectively.