

outlook

The intensification of competition, where competitive behaviour at times defies near term market economics in attempts to unsettle the Group's market position, did not come as a surprise to us.

For the past several years and in anticipation of changing market conditions, the Group has been undergoing regeneration. As a result, our different operating units, spanning from content production and distribution, service provision, marketing and sales, to customer service and network operations, have been sharpened, each with clear business objectives. They have responded to the changes swiftly and effectively.

Our decision to readjust programming investment to move away from relying on a single programming genre will see further enhancement on our own-produced news and entertainment platforms in the first half of 2007. The Group is confident that its programming offers remain competitive in the market place.

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i-CABLE News anchor Carmen Tsang Mei-wa.

The Group's various new market ventures are progressing well on track. Our content distribution beyond Hong Kong are beginning to gain a foothold in the Mainland as well as in other overseas markets and our movie production projects have been a success at the box office as well as at industry forums around the world.

Tougher times are lying ahead as competition further intensifies but the Group is well prepared to take the challenges head on.

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i-CABLE News cameraman Lau Chi-ping.