

LIQUIDITY AND FINANCIAL RESOURCES

The Group finances its operations through internally generated income and through implementing monetary managing facilities provided by bankers. As at 30 September 2000, the Group had total assets of HK\$141,667,000 which were financed by current liabilities of HK\$91,013,000, long term liabilities of HK\$36,477,000 and shareholders' equity of HK\$14,177,000. The current ratio and the gearing ratio (a ratio of total debts to total assets) of the Group were approximately 0.98 and 89.99%, respectively. The Board has confidence to improve these ratios and to maintain sufficient working capital for its operation and future expansion for the year ending 31 March 2001.

By order of the Board
Chu Chun Man, Augustine
Chairman

Hong Kong, 28 December 2000