

As at 31st March, 2001, the Group's total net asset amounted to approximately HK\$401,585,000 (2000: HK\$410,066,000), a decrease of HK\$8,481,000 or 2.07% when compared with 2000.

Total debt to equity ratio was 0.45% (2000: 0.04%) and net debt to equity ratio was Nil (2000: Nil), which are expressed as a percentage of bank and other borrowings, and net borrowings respectively, over the total net asset of HK\$401,585,000 (2000: HK\$410,066,000).

At the balance sheet date, the Group's bank and other borrowings amounted to HK\$1,812,000 (2000: HK\$145,000). Cash and deposit at bank amounted to HK\$235,531,000 (2000: HK\$255,695,000) and there is no net borrowings (2000: Nil). The Group's bank and other borrowings are wholly denominated in Hong Kong dollars. Most of the borrowings are carrying floating interest rates based on Hong Kong Interbank Offering Rates, with a small portions based on Prime Rate.

Finance costs for the year amounted to HK\$1,402,000 (2000: HK\$372,000), an increase of HK\$1,030,000 as compared with 2000.

The Company has provided guarantees in respect of loan facilities granted to subsidiary companies amounting to HK\$5,271,000 (2000: HK\$7,025,000).

The Group adopts conservative treasury policies in cash and financial management. To achieve better risk control and minimise cost of funds, the Group's treasury activities are centralised. Cash is generally placed in short-term deposits mostly denominated in Hong Kong or US dollars. The Group's liquidity and financing requirements are frequently reviewed. In anticipating new investments or maturity of bank loans, the Group will consider new financing while maintaining an appropriate level of gearing.