

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Review

Turnover of the Group for the period ended 30th September, 2001 was approximately HK\$629 million and net profit before tax and minority interest was approximately HK\$29 million.

### Financial Resources and Liquidity

As at 30th September, 2001, the Group had an aggregate composite banking facilities from banks of approximately HK\$520 million which amounted HK\$151 million being utilized (31st March, 2001: HK\$111 million), include trust receipt loan of HK\$107 million and bank overdrafts of HK\$4 million. The Group's interest-bearing debt to equity ratio as at 30th September, 2001 was 31.4% (31st March, 2001: 23.9%).

There was no material exposure to fluctuations in exchange rates, and therefore no related hedging financial instrument was applied during the six-month period ended 30th September, 2001. There was no charges on the Group's assets as at 30th September, 2001

### Partial Disposal of an Associate and other significant investment

The Group disposed part of the interest of the associated company – Data Systems Consulting Company Limited and obtained a gain on disposal of around HK\$15 million.

As at 30th September, 2001, the Group's equity interest in the associate, Data Systems Consulting Company Limited ("DSC") was 22.03%. The Group's share of profit from DSC was approximately HK\$6 million for the six-month period ended 30th September, 2001.

### Contingent Liabilities

Company corporate guarantees to banks and vendors as security for banking facilities and goods supplied to the Group amounted to approximately HK\$382 million. The performance bond issued by the Group to customers as security of contract was approximately HK\$14 million.

### Employee Relation

As at 30th September, 2001, the Group had a work force of about 1030, 987 worked for Hong Kong operations while 14 worked in Macau, 3 worked in Taiwan and 26 in Thailand. The Group provides in-house training programmes for staff to enhance their skills and job knowledge. Communication and unity among staff is also placed great emphasis within the Group. Certain of the employees of the Group are entitled to the share option scheme.