

### LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a healthy cash balance of HK\$186.7 million at the end of the period, most of the Group's surplus funds have been placed in time deposits with reputable financial institutions.

The Group's short-term borrowing decreased from approximately HK\$67.5 million as at 31st March, 2001 to approximately HK\$61.2 million as at 30th September, 2001. Long-term borrowing decreased from approximately HK\$2.5 million as at 31st March, 2001 to HK\$Nil million as at 30th September, 2001. As a result, the Group's total borrowing decreased from approximately HK\$70 million as at 31st March, 2001 to approximately HK\$61.2 million as at 30th September, 2001. The total debt-to-equity ratio was maintained at a low level of 17.3% (At 31st March, 2001: 20.3%).

The Group has little foreign exchange exposure and the Group's borrowings were all denominated in Hong Kong dollars.