



LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2001, the Group's total assets and borrowings were approximately HK\$520.8 million and HK\$386.6 million, respectively. The borrowing of the Group were made in Hong Kong dollar, and thus, there is no exposure to fluctuations in exchange rate. The gearing ratio (total borrowings/total assets) was approximately 74%.

The Group's principal source of funds from operating activities is generated from rental income. In addition, the Group has disposed of certain other investments for cash during the period and proceeds were used for operating activities.