

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2001, the Group had a total outstanding bank borrowings and obligations under finance leases of HK\$30,914,000 (31 March 2001: HK\$24,528,000), of which HK\$29,187,000 (31 March 2001: HK\$21,681,000) was secured bank loan, HK\$781,000 (31 March 2001: HK\$1,531,000) was secured overdrafts, and HK\$946,000 (31 March 2001: HK\$1,316,000) was obligations under finance leases. Our gearing ratio was at a healthy level of 0.2% (31 March 2001: 0.4%). The computation is based on long term borrowings of the Group divided by shareholder's fund as at 30 September 2001.

The Group's financial position remains strong, which will provide us with good financial capacity to either expand our existing operation or to diversify into other strategic growth business.