
THE HONG KONG PARKVIEW GROUP LTD.

Interim Report 2001-2002**FINANCIAL POSITION**

The financial position of the Group remained healthy as bank and cash balances exceeded total bank borrowings. The gearing ratio, representing the ratio of total bank borrowings to total assets, was 5.58% (31st March, 2001: 3.26%).

All financial borrowings of the Group and the majority of income and expenses of the Group are dominated either in Yuan, Hong Kong Dollar or US Dollar. Hence the Group's exposure to fluctuations in the exchange rate is considered to be minimal and there is seldom the need to make use of financial instruments for hedging purposes.

As 30th September, 2001, the Group had HK\$189 million net current assets in hand. This forms a solid foundation for the Group's forthcoming expansion and development.