

## LIQUIDITY AND FINANCIAL RESOURCES

Operations of the Group are generally financed through internal cash resources. As at 30 June 2002, cash and bank balances of the Group were approximately HK\$35 million. The Group had no borrowings and its operations were financed entirely by shareholders' equity.

## CAPITAL STRUCTURE

During the Period, the share capital structure of the Company remained the same as that as at 31 December 2001.

## DIRECTORS' INTERESTS IN EQUITY OR DEBT SECURITIES

As at 30 June 2002, none of the directors nor any of their associates had any interests in the issued share capital of the Company or any of its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance")) as recorded in the register maintained by the Company pursuant to Section 29 of the SDI Ordinance.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURE

The Company has adopted an employee share option scheme on 10 December 2001 under which the Board may grant to eligible employees, including the executive directors, the officers and the full or part-time employees of the Company or its subsidiaries, options to subscribe for shares of the Company. No option was granted, exercised, lapsed or cancelled during the Period or remained outstanding as at 30 June 2002.

Save as aforesaid, at no time during the Period was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate and neither the directors nor the chief executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company.