

## **FUTURE PROSPECTS**

Our adopted strategy since our listing two years ago of being an one-stop financial service provider prove to be successful. The continuous expanded arms of businesses such as assets management and corporate finance have compensated for the slowdown of activities of the traditional securities brokerage business.

In future, we expect the increased synergies among our different services segments would further strengthen our competitive edge over brokerage houses of similar size. After the abolishment of the minimum brokerage in April 2003, the market will be more competitive and income from the traditional brokerage business will likely to be affected. However we are confident that an one-stop financial service provider and our listing status on the main board, we will surely not be negatively affected.

## **FINANCIAL REVIEW**

### **Liquidity and Financial Resources**

As at 30 September 2002, the Group had bank balances and cash of approximately HK\$76 million (31 March 2002: HK\$82 million) of which HK\$62 million (31 March 2002: HK\$61 million) were pledged to banks for facilities granted to the Group.

As at 30 September 2002, the Group had available aggregate banking facilities of HK\$115 million (31 March 2002: HK\$84 million) of which HK\$23 million (31 March 2002: HK\$29 million) was not utilized.

### **Gearing Ratio**

As at 30 September 2002, the amount of total bank borrowings was approximately HK\$92 million (31 March 2002: HK\$55 million), being equal to approximately 65% (31 March 2002: 41%) of the net assets of approximately HK\$142 million (31 March 2002: HK\$135 million).

### **Capital Structure**

There was no change to the Group's capital structure for the six months ended 30 September 2002.

## **EMPLOYMENT AND REMUNERATION POLICIES**

Employees' remuneration are fixed and determined with reference to the market remuneration.