

ASSETS AND LIABILITIES

As at 30 June 2002, the Group had total liabilities of about HK\$302,341,000, of which HK\$73,971,000 were bank & other loans repayable within one year and HK\$15,239,000 were bank and other loans repayable after one year. The Group settled bank and other loans of HK\$3,990,000 and obtained new other loans of HK\$2,189,000 during the period.

The Group's assets/liabilities ratio is calculated on its total liabilities divided by total tangible assets. As at 30 June 2002, the Group's assets/liabilities ratio was 66%, a slight increase over the figure of 63% at the end of the previous year.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2002, the current assets and current liabilities of the Group were HK\$72,035,000 and HK\$287,102,000 respectively, and the bank and other loans totalled HK\$89,210,000.

EXCHANGE RISK

As the Group's operations are principally in the PRC and all assets and liabilities are denominated either in Renminbi, HK dollars or US dollars, the Directors believe that the operations of the Group are not subject to significant exchange risk.

HUMAN RESOURCES

Employees' remuneration is determined in accordance with the nature of their duties and remains competitive under current market situation. The Group has participated in the Mandatory Provident Fund Scheme.