

Capital structure

As at 31st March, 2004, the shareholder's funds of the Group totalled HK\$333 million and total bank borrowings was HK\$403 million and the maturity profile of the Group's bank borrowings falling due within one year was 47% and more than one year was 53%.

Liquidity and financial resources

Total bank balance, pledged deposits and investment in unlisted securities were approximately HK\$52 million.

The Group maintains a reasonable level of cash resources and stand-by credit facilities to provide adequate liquid funds to finance its business activities.

Gearing Ratio

The Group's gearing ratio at 31st March, 2004 was 0.64 which is calculated based on the Group's long-term borrowings of HK\$213 million and shareholders' funds of HK\$333 million.

As at 31st March, 2003, the Group's gearing ratio was 0.68 which is calculated based on the Group's long-term borrowings of HK\$199 million and shareholders' funds of HK\$291 million.

As compared with the balance as at 31st March, 2003, the Group's gearings improved gradually.

Cashflow from Operating/Investing Activities

During the financial year, the Group generated net cash inflow from operating activities of approximately HK\$10 million (2003: HK\$22 million) and the net cash used in investing activities amounted to approximately HK\$84 million (2003: HK\$27 million)

Pledge of assets

Certain assets of the Group having a carrying value of approximately HK\$552 million as at 31st March, 2004 were pledged to secure banking facilities of the Group.

Treasury policy

The Group adopts a prudent treasury policy. The acquisition of investment properties and properties for development are financed partly by internal resources and partly by secured bank loans. Repayments of bank loans are scheduled to match asset lives and development project completion dates.

All borrowings are denominated in Hong Kong dollars, Japanese Yen, United States dollars or Canadian dollars and bear interest at floating rates. Foreign currency exposure is monitored closely by the management and hedged by forward foreign currency contracts and foreign currency borrowings to the extent desirable.

Employees and remuneration policies

The Group employs approximately 3,167 employees in Hong Kong, in other parts of the People's Republic of China ("PRC") and overseas. Remuneration is determined by reference to market terms and the qualifications and experience of the staff concerned. Salaries are reviewed annually with discretionary bonuses being paid depending on individual performance.

*O*utdoor multi-purpose digital watch for cyclist with cyclometer, altimeter, barometer, weather forecast, thermometer, compass, HRM (Heart Rate Meter) and time piece functions.



Cyclometer Mode



Altimeter Mode



Barometer Mode



Thermometer Mode



Compass Mode



Chronograph Mode