

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st March, 2005, the Group's bank balances and cash amounted to approximately HK\$41 million (2004: HK\$32 million) while the bank borrowing was HK\$22 million (2004: HK\$30 million). The long term bank borrowing is denominated in Hong Kong dollars and was fully repaid in April 2005. The gearing ratio was 9% (2004: 16 %) which is expressed as a percentage of total borrowings to the shareholders' funds.

As substantial portion of transactions are denominated in Hong Kong dollar, the Group's exposure to exchange fluctuation is low.

CAPITAL EXPENDITURE

The Group invested HK\$3 million in property, plant and equipment during the year. This was financed from internal resources.

EMPLOYEES

As at 31st March, 2005, the total number of employees of the Group was approximately 300 (2004: 300) and the remuneration of employees (excluding directors' emoluments) amounted to HK\$45 million (2004: HK\$40 million). The remuneration and bonus packages are based on the individual merits and performance of each employee and are reviewed at least annually. There is a share option scheme in place designed to award employees for their performance at the discretion of the Directors. The Group maintains a good relationship with its employees.

PLEDGE OF ASSETS

At 31st March, 2005, certain leasehold land and buildings and investment properties with aggregate carrying values of HK\$4 million (2004: HK\$4 million) and HK\$66 million (2004: HK\$55 million) respectively were pledged to banks to secure banking facilities granted to the Group.

CONTINGENT LIABILITIES

Corporate guarantees totalling HK\$87 million (2004: HK\$97 million) have been executed to secure banking facilities granted to the subsidiaries.

DIVIDEND

The Directors recommend the payment of a final dividend of HK\$0.01 (2004: HK\$0.01) per ordinary share payable to shareholders whose names appear on the Register of Members of the Company on Friday, 9th September, 2005. Subject to the approval of shareholders at the forthcoming Annual General Meeting, the dividend will be paid on or before 16th September, 2005.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 7th September, 2005 to 9th September 2005, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify for the final dividend, all transfers, accompanied by the relevant share certificates, should be lodged with the Company's Share Registrars in Hong Kong, Pilare Limited, 10th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong not later than 4:30 p.m. on 6th September 2005.

APPRECIATION

We would like to extend our sincere gratitude to all the staff members of the Group for their contribution and continued support during the year.