

FINANCIAL REVIEW

The Group has incurred a loss in the amount of approximately HK\$9,967,000 for the period under review. The loss was mainly due to the fact that most of the construction projects were at their initial stage and hence no substantial work has been performed. Also the performance of the manufacturing of printed circuit board undertaken by the associated company of the Group has been badly affected by the current sluggish economic climate.

The Group continued to adopt an effective cash flow management system so as to enable the Group to utilize its internal funding in a more effective and efficient manner. The Group is not relying on bank borrowing to finance its working capital. The solvency ratio for interest bearing loans to shareholders' funds as at September 30, 2001 was 0.2.