

FINANCING

As at 30th June 2002, the Group had current assets of HK\$127,376,000 (31st December 2001: HK\$125,612,000) and current liabilities of HK\$177,862,000 (31st December 2001: HK\$120,861,000). The Group's cash and bank balances as at 30th June 2002 amounted to HK\$4,985,000 (31st December 2001: HK\$8,751,000).

As at 30th June 2002, the Group has pledged the properties in Hong Kong with carrying value of approximately HK\$121,950,000 (31st December 2001: HK\$43,000,000) as securities for the bank loans and amounted to HK\$77,222,000 (31st December 2001 : HK\$25,458,000). The gearing ratio, as a ratio of total borrowings to shareholders' funds, was 76% (31st December 2001: 25%).

As most of the cash reserves has been placed in HK dollars short-term deposits with major banks in Hong Kong, exposure to exchange fluctuation is minimal.