

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st March 2003, sales attributable to the largest and the five largest customers accounted for 18.2% (2002: 37.5%) and 57.8% (2002: 64.9%) of the total turnover respectively. Purchases attributable to the largest and the five largest suppliers accounted for 26.4% (2002: 19.6%) and 50.2% (2002: 45.8%) of the total purchases respectively.

None of the Directors, their respective associates (as defined in the Listing Rules), or any shareholder of the Company (who or which, to the knowledge of the Directors, own more than five per cent of the issued share capital of the Company) has any interest in any of the Group's five largest customers or suppliers.

LIQUIDITY AND CAPITAL RESOURCES

The Group generally finances its operations with internally generated cash flows and banking facilities. As at 31st March 2003, the Group had available aggregate banking facilities of HK\$69.8 million of which approximately HK\$42.3 million was utilized. The Group's cash deposits and bank balances as at that date amounted to HK\$131.3 million. The Board believes that the Group has sufficient financial resources to discharge its debts and to finance its operations and capital expenditures.

Further, the Group has maintained a sound capital structure. It achieved a current ratio of 3.1 and has no long-term liabilities as of the year end date.

HUMAN RESOURCES

As of 31st March 2003, the Group has more than 120 full-time employees. The Group's employees are remunerated according to the nature of their duties and market trends, with incentives offered in the form of bonuses and share options based on individual performance.