

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2005, the Group had net current assets of approximately HK\$66,412,000 (31 March 2005: approximately HK\$69,927,000). As at 30 September 2005, the Group had cash and bank deposits of approximately HK\$13,164,000 (31 March 2004: approximately HK\$16,593,000). The Group did not raise any bank borrowing during the Period and its gearing ratio was nil as at 30 September 2005 (31 March 2005: Nil), based on the interest-bearing debts to total assets.

For the six months ended 30 September 2005, the Group was not subject to any significant exposure to foreign exchange rates risk. Hence, no financial instrument for hedging was employed. As at 30 September 2005, the Group was free from any mortgage charge on the Group's assets.

EMPLOYEES

As at 30 September 2005, the Group had 110 employees. The employees are remunerated based on their work performance, work and professional experiences and the prevailing industry practice. The Group operates a Mandatory Provident Fund Scheme (the "Scheme") under the Mandatory Provident Fund Scheme Ordinance for those employees who are eligible to participate in the Scheme.

USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The proceeds from the Company's issue of new shares at the time of its listing on the Stock Exchange in November 2002, after deduction of related issuance expenses, amounted to approximately HK\$28.1 million. These proceeds were fully applied up to 31 March 2005 in accordance with the proposed applications set out in the Company's listing prospectus dated 23 October 2002 (the "Prospectus").