

## Liquidity and Financial Condition

During the first half of the year, the Group recorded a consolidated turnover of HK\$1,376,860,000, representing a 37% increase over the corresponding period in 2000. This is mainly attributable to higher volume of trading of securities.

The Group maintains its centralised funding management for all its operations at the corporate level. Tight control on credit policies has enabled the Group to achieve an overall receivables position where over 85% receivables as at 30th June, 2001 were less than 3 months old vis-a-vis 83% as at 31st December, 2000. Nearly 90% of the Group's creditors grant credit of less than 90 days to the Group.

The gearing ratio of the Group continued to remain at the relatively low level of 37% (31st December, 2000: 33%) which was calculated on the basis of the Group's total debt of approximately HK\$762,706,000 (31st December, 2000: HK\$665,256,000) and the shareholders' funds of approximately HK\$2,051,121,000 (31st December, 2000: HK\$2,045,736,000).

It is worth noting that the Group's total debt included certain shareholder loans advanced to the Group's non-wholly owned subsidiary companies by their minority shareholders on a proportional basis, which amounted to approximately HK\$383,307,000 (31st December, 2000: HK\$375,319,000). If such shareholder loans advanced by minority shareholders were excluded, the gearing ratio of the Group would be no more than 19% (31st December, 2000: 15% as restated).

The Group is able to satisfy its commitments and working capital requirements through its internally generated cash flows and banking facilities. As at 30th June, 2001, total banking facilities amounted to HK\$466,347,000 of which HK\$321,814,000 remained unutilized.

## Charges on Assets

As at 30th June, 2001, assets of the Group pledged to secure loan facilities totalled HK\$244,122,000 (31st December, 2000: HK\$186,046,000).

## Employees

### *Number of Employees*

As at 30th June, 2001, the Group had approximately 2,000 employees. The pay levels of these employees are commensurate with their responsibilities, contribution and performance.

### *Share Option Scheme (the "Scheme")*

Pursuant to the Share Option Scheme which became effective in May 1994, options under the Scheme were offered to directors and the employees. No option was granted and none of the grantees exercised his/her options under the Scheme during the first half of 2001.

In addition to the above, the Group's co-operative joint venture companies in Mainland China provided employment to approximately 4,000 people.