

LIQUIDITY AND FINANCIAL RESOURCES

	2001	2000
	<i>HK\$million</i>	<i>HK\$million</i>
Cash on hand	224	272
Bank loans and overdrafts	3	14
Total banking facilities	205	284
Debt equity ratio	0.6%	0.7%

The Group's cash and bank balances was approximately HK\$224,000,000 as at 31st December 2001, which is approximately HK\$47,900,000 lower than last year. During the year, the Group has net cash inflow from operating activities of approximately HK\$49,887,000, and was set off by fixed assets addition of approximately HK\$60,000,000 including projects of "Goldlion Commercial Center" in Guangzhou and "Goldlion Commercial Building" in Shenyang and the payment of dividends of HK\$35,085,000.

The Group has a current ratio of 3.6 as at 31st December 2001. Total liabilities including bank loans and overdrafts of HK\$3,371,000 amounted to HK\$107,730,000. The debt equity ratio was 0.06 based on the average shareholders' equity of HK\$1,734,000,000.

As at 31st December 2001, the Group did not have any capital commitments apart from those contracted but not provided for in respect of interior decoration project for "Goldlion Commercial Building" in Shenyang of HK\$19,201,000. With sufficient capital, the Group will finance the above capital commitments with its internal funds.

With extensive businesses in China Mainland and Singapore, the Group is exposed to exchange rate fluctuations in foreign currencies of these regions. To minimize risks associated with the relevant currencies, the Group has overweighted direct purchases from local suppliers. The Group did not hedge against foreign exchange risks during the year.

As at 31st December 2001, the Group neither had any charge on assets nor contingent liabilities.