

### LIQUIDITY AND FINANCIAL RESOURCES

As at 31st December 2002, the Group's cash and bank balances were approximately HK\$260,251,000, which was approximately HK\$36,222,000 more than the balance at the end of last year. During the year, the Group's net cash inflow mainly derived from operating activities of approximately HK\$70,436,000 and proceeds from the issue of new shares upon exercise of share options of HK\$18,739,000. Major cash outflow during the year included the addition of fixed assets mainly for renovation in respect of the "Goldlion Commercial Building" in Shenyang of approximately HK\$27,773,000 and the payment of dividends of HK\$23,428,000.

The Group had a current ratio of 4.0 as at 31st December 2002. Total liabilities were HK\$105,274,000. Gearing ratio of the Group was maintained at a low level of 0.06 based on the average shareholders' equity of HK\$1,627,074,000.

Currently the Group has sufficient cash on hand and does not have any bank loans or overdrafts. The bank loans of HK\$3,371,000 at the year end of 2001 were fully repaid during the year.

As at 31st December 2002, the Group did not have any substantial capital commitments, contingent liabilities or charges on assets.