

**GROUP FINANCIAL POSITION, LIQUIDITY AND FINANCIAL RESOURCES**

Subsequent to the dilution of interests in Jing Yuan, the total liabilities of the Group has decreased from HK\$2,355,534,000 at 31st December, 2000 to HK\$522,831,000 at 30th June, 2001. The Group had cash at banks and in hand of HK\$116,505,000 at 30th June, 2001 (2000: HK\$511,304,000). The ratio of total liabilities to total assets was approximately 19% (2000: 52%). At 30th June, 2001, the aggregate amount of bank loans and bank overdrafts was HK\$343,847,000 (2000: HK\$1,576,482,000) and the amount of shareholders' funds was HK\$2,155,448,000 (2000: HK\$2,150,758,000), and therefore the capital gearing ratio was 16% (2000: 73%). Of the total borrowings, HK\$185,207,000 is repayable within one year and HK\$163,125,000 is repayable within two to five years. For the six months ended 30th June, 2001, the Group has no exposure to fluctuations in exchange rates and related hedges and there was no contingent liabilities.