

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cashflow and banking facilities provided by its principal bankers in Hong Kong and Shanghai. As at 30 June 2001, the Group had available aggregate banking facilities of approximately HK\$815 million, out of which HK\$715 million had been utilized and were secured by legal charges on certain investment properties and properties held for sale in Hong Kong and Shanghai. As at 30 June 2001, out of the total bank borrowings of approximately HK\$715 million (out of which HK\$606 million were denominated in Hong Kong dollars and the remaining balance in Renminbi), HK\$31 million are repayable within one year with the remaining balance repayable beyond the first year. The Group's cash and bank balances and short term bank deposits as at 30 June 2001 amounted to approximately HK\$38 million. The Group's gearing ratio as at 30 June 2001 was approximately 40% based on the total bank borrowings of approximately HK\$715 million and the aggregate of the shareholders' funds, minority interests and total bank borrowings of approximately HK\$1,775 million.