

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group generally finances its operations with internally generated cash flows and facilities granted by its principal bankers. As at 30 September 2004, the Group had banking facilities of HK\$1,233,994,000 of which 39% had been utilised. The Group had a gearing ratio of 0.82 as at 30 September 2004. This is expressed as total bank borrowings to shareholders' funds. Bank borrowings of the Group, denominated in either Hong Kong dollar, Japanese Yen or US dollar currencies, mainly comprise trust receipts loans and bank loans (the "Interest-Bearing Bank Borrowings") at prevailing market interest rates. The Interest-Bearing Bank Borrowings which are classified as current liabilities are repayable within one year and the Interest-Bearing Bank Borrowings in non-current liabilities are repayable between two to five years. As at 30 September 2004, the Group held cash and cash equivalents of HK\$398,143,000. During the period, the Group placed excess short-term funds in short-term currency-link deposits with banks and recorded a net loss of HK\$5,759,000. There were no significant changes in the Group's contingent liabilities and no charges on the Group's assets during the period under review.

## **STAFF EMPLOYMENT**

The total number of employees of the Group as at 30 September 2004 was approximately 2,292. Remuneration packages are generally structured by reference to market terms and individual qualifications. Salaries and wages are normally reviewed on an annual basis based on performance appraisals and other relevant factors. The Group operates a mandatory provident fund scheme which covers all the employees of the Group in Hong Kong.

The Company adopted a share option scheme on 2 September 2002. 2,400,000 and 3,700,000 share options were granted to the directors (including executive directors and independent non-executive directors) and employees, respectively, on 11 February 2003 at the exercise price of HK\$2.955. As at 30 September 2004, 900,000 share options granted to the employees were lapsed. Of the 900,000 share options, 300,000 were lapsed during the period under review. Save as disclosed above, no share options were granted, lapsed, cancelled or exercised during the period.

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the period under review.