

Group Capital Resources and Other Information

CAPITAL RESOURCES AND LIQUIDITY

At the end of 2006, cash and cash equivalents together with other liquid listed investments totalled HK\$940.9 million (2005: HK\$1,153.4 million).

The Group's total borrowings at 31 December 2006 were HK\$947.0 million (2005: HK\$1,165.7 million) including the convertible loan notes due to a subsidiary of Hutchison Whampoa Limited of HK\$900.0 million (2005: HK\$877.3 million).

TREASURY POLICIES

As at 31 December 2006, the Group had no material exposure under foreign exchange contracts, interest or currency swaps or other financial derivatives.

CHARGES AND CONTINGENT LIABILITIES

As at 31 December 2006, available-for-sale financial assets of HK\$89.1 million (2005: HK\$360.7 million) were pledged to a bank to secure banking facilities of HK\$300.0 million (2005: HK\$300.0 million), of which no bank loan has been drawn as at year end (2005: HK\$241.8 million). In addition, certain of the shares of and loans to the Group's subsidiaries which have interests in The Center in Shanghai were pledged to a subsidiary of Hutchison Whampoa Limited as security for convertible loan notes.

The Group had provided guarantees for mortgage loan facilities granted to purchasers of certain of the Group's properties in the Mainland China which amounted to HK\$3.1 million at 31 December 2006 (2005: HK\$19.1 million).

HUMAN RESOURCES

Excluding associated companies, the Group employed 22,167 people at the end of 2006 (2005: 23,856). Total employee costs for the year, including directors' emoluments, amounted to HK\$544.5 million (2005: HK\$491.7 million).

The salary and benefit levels of Group employees are competitive and individual performance is rewarded through the Group's salary and bonus system. Remuneration packages are reviewed annually during the year.



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