
FINANCIAL RESOURCES REVIEW

Financial Position

As at 31 December 2007, the Group's cash and cash equivalents amounted to approximately HK\$787 million which were mostly denominated in Renminbi, Hong Kong dollars and United States dollars.

As at 31 December 2007, the Group's bank loans and other borrowings amounted to approximately HK\$1,977 million, of which approximately HK\$1,160 million arose from the issue of US\$200m Senior Notes in September 2004, approximately HK\$206 million from the Group's issue of 5-year convertible bonds in April 2003 and approximately HK\$194 million from HKCG. The Group ended the period under review with a current ratio of approximately 1.3 times and a gearing ratio (net debt excluding the loan from HKCG to equity attributable to shareholders of the Company) of approximately 17.4%.

Total assets pledged had a net book value of approximately HK\$15 million as at 31 December 2007 securing bank loans amounting to HK\$29 million. Shares of certain BVI incorporated companies have been pledged to secure the US\$200m Senior Notes.

Please refer to notes 5 (Capital Risk Management), 6 (Financial Instruments) and 26 (Borrowings) to the financial statements for additional details.

Contingent Liabilities

The Group had no contingent liabilities as at the balance sheet date.

Available for Sale Investments

Available for sale investments are mainly made up of the Group's investment in Chengdu City Gas Co., Ltd. Dividends paid from Chengdu City Gas Co., Ltd to the Group amounted to approximately HK\$32.9 million.