

Notes to the Financial Statements

For the year ended 30 June 2016

5. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to the approval from board of directors. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient amount of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table shows the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay.

Specifically, for term loan which contains a repayment on demand clause which can be exercised at the bank's sole discretion, the analysis shows the cash outflow based on the contractual repayment schedule and, separately, the impact to the timing of the cash outflows if the lenders were to invoke their unconditional rights to call the loans with immediate effect.

	Contractual undiscounted cash outflows				Total carrying amount HK\$'000
	Within 1 year or on demand HK\$'000	After 1 year but less than 5 years HK\$'000	More than 5 years HK\$'000	Total HK\$'000	
At 30 June 2016					
Non-derivative financial liabilities					
Bank borrowing, secured	2,876	11,504	3,596	17,976	16,448
Other payables	8,998	–	–	8,998	8,998
	11,874	11,504	3,596	26,974	25,446
Adjustments to disclose cash flows on bank borrowing based on the lender's right to demand repayment	13,572	(11,504)	(3,596)	(1,528)	
	25,446	–	–	25,446	