

## Interim Report 2000 / 2001

### Financial Review

As of 31st December, 2000, shareholders' funds of the Group amounted to approximately HK\$7,253.34 million. Total net borrowings of the Group as of 31st December, 2000 amounted to HK\$1,448.76 million, which are mainly unsecured borrowings obtained from commercial banks on a committed basis. The loan maturity profile of the Group's bank loans and borrowings which were outstanding as at 31st December, 2000 is shown below:

	HK\$'000
Bank Loans and Borrowings Repayable:	
Within 1 year	924,443
After 1 year but within 2 years	700,000
After 2 years but within 5 years	<u>64,097</u>
Total Bank Loans and Borrowings	1,688,540
Less: Bank Deposits and Cash	<u>239,779</u>
Total Net Borrowings	<u><u>1,448,761</u></u>

The total net borrowings to shareholders' funds ratio was recorded at 20.0% as at 31st December, 2000 as compared with 17.5% registered as at 30th June, 2000.

The majority of bank loans are obtained by the Group in Hong Kong Dollars and to an increased degree recently, the Group has also obtained bank loans in Renminbi. Such borrowings in Renminbi will be of use to reduce the foreign currency exposure of the Group. For bank loans which are obtained in the local currency by the Group, loan interests are chargeable mainly based on certain agreed interest margins over the Hong Kong Interbank Offer Rate and such bank facilities are therefore of floating rate in nature. As for bank borrowings which are denominated in Renminbi, these are linked to interest rates for commercial loans as announced by The People's Bank of China from time to time.

Capital of the Company and retained profits of the Group will continue to be put to good use to develop the Group's business. The Group has adequate capital resources and abundant unutilised banking facilities for funding its ongoing operations and further expansion.