

## **FINANCIAL REVIEW**

Gearing increased marginally to 31% in the period and remains well within the debt capacity of the group. At 30 June 2001 interest rates on 36% of the principal amount of net borrowings, after hedging, were fixed. This fixed ratio is lower than the long-term target of 50% fixed to 50% floating rate debt, following the maturity of fixed-rate bonds in January 2001.

At 30 June 2001 total available facilities amounted to HK\$9.1 billion, and 65% was drawn down. Net borrowings over the six months increased by 1.7%, to HK\$5.8 billion.

As at 30 June 2001 secured borrowings have increased to HK\$834 million compared to HK\$585 million at 31 December 2000. The directors are not aware of any other material changes from the information published in the report and accounts for the year ended 31 December 2000.