

Interim Report 2000 / 2001

Financial Review

As of 31st December, 2000, shareholders' fund of the Group amounted to approximately HK\$59,598 million. Total net borrowings of the Group as of 31st December, 2000 amounted to HK\$10,748 million, the majority of which are obtained from commercial banks on a committed basis. Except for bank borrowing of a newly converted subsidiary of the Group, bank loans and borrowings are obtained by the Group on an unsecured basis. The 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	5,031,030
After 1 year but within 2 years	3,950,000
After 2 years but within 5 years	3,293,271
Total Bank Loans and Borrowings	12,274,301
Less: Bank Deposits and Cash	(1,526,606)
Total Net Borrowings	10,747,695

The total net borrowings to shareholders' fund ratio was recorded at 18% as at 31st December, 2000 as compared with 24% registered as at 30th June, 2000.

Interests on bank loans and borrowings of the Group are chargeable mainly based on certain agreed interest margins over the Hong Kong Interbank Offer Rate, which is therefore of floating rate in nature. The core operations of the Group are not exposed to any significant exchange rate risks. In respect of the Group's listed subsidiary, Henderson China Holdings Limited, bank loans are also obtained in Renminbi to reduce its foreign currency exposure.

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.