

Financial Review

As of 31st December, 2000, shareholders' fund of the Group amounted to approximately HK\$19,307 million. Total net borrowings of the Group as of 31st December, 2000 amounted to HK\$1,178 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 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	819,107
After 1 year but within 2 years	500,000
After 2 years but within 5 years	<u>821,634</u>
Total Bank Loans and Borrowings	2,140,741
Less: Bank Deposits and Cash	<u>(962,866)</u>
Total Net Borrowings	<u><u>1,177,875</u></u>

The total net borrowings to shareholders' fund ratio was recorded at 6% as at 31st December, 2000 as compared with 9% 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 and such bank facilities are therefore of floating rate in nature. Operations of the Group are not exposed to any significant exchange rate risks.

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.