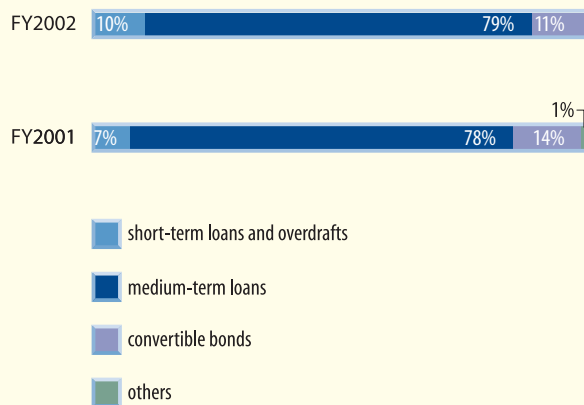
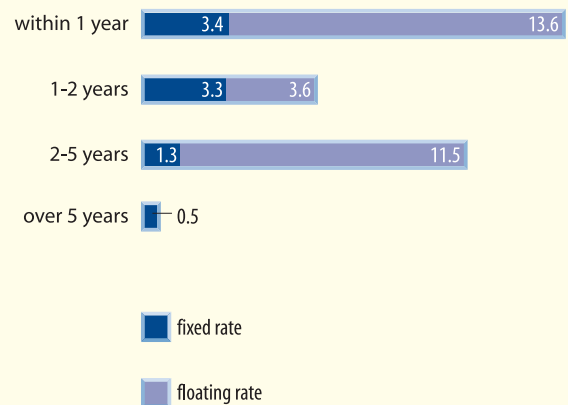


Source of borrowings



Interest rate and maturity profile

HK\$ billion



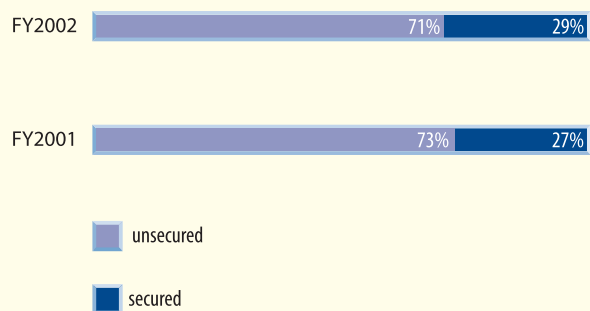
As at 30 June 2002, the Group's cash and bank deposits decreased from last year's HK\$9,809.6 million to HK\$7,093.9 million. Its consolidated net debt amounted to HK\$30,135.0 million (2001: HK\$27,332.1 million), translating into a gearing ratio of 56% (FY2001: 47%).

Net debts	FY2002 HK\$m	FY2001 HK\$m
Consolidated net debts	30,135	27,332
– New World Infrastructure	8,641	6,583
– New World China Land	4,017	2,524
– New World Telephone	70	1,478
– New World Services	112	36
Gross debts excluding major subsidiaries	17,295	16,711

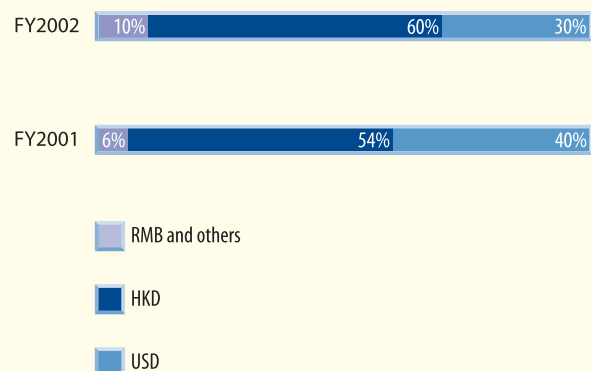
Gross debts	FY2002 HK\$m	FY2001 HK\$m
Consolidated gross debts	37,229	37,142
– New World Infrastructure	10,436	11,530
– New World China Land	5,468	3,777
– New World Telephone	137	1,552
– New World Services	2,751	1,883
Gross debts excluding major subsidiaries	18,437	18,400

The Group maintained a balanced debt profile with adequate risk diversification through specifying the preferred mix of fixed and floating rate debt.

Nature of debt



Currency profile of borrowings



Source of Borrowings

As at 30 June 2002, less than one-third of the total outstanding loans were secured by the Group's assets.

Interest Rate and Maturity Profile

Amount of debt due within the FY2003 amounts to HK\$17,059.0 million. Our cash on hand as of 30 June 2002 was HK\$7,093.9 million and a syndicated term loan of HK\$3,130 million was closed in August 2002.

These, together with the operating cash inflow and the remaining undrawn banking facilities, should enable the Group to satisfy its commitments and working capital requirements.

Over 77% (FY2001: 82%) of the Group's total debts are on a floating rate basis, whilst fixed rate borrowings mainly related to the RMB loan facilities and convertible bonds. With a larger portion of floating rate debts, our interest outlay is set to drop further in line with falling interest rates.

Interest Coverage

The interest cover was 1.8 times as compared to 1.1 times in FY2001.