

Capital Structure

	2000	1999
	HK\$'000	HK\$'000
Shareholders' funds	970,260	740,284
Total debts	2,109,389	2,252,698
Total borrowing costs	197,098	242,503
Gearing Ratio (included all borrowings)	217%	304%
Average cost of borrowings	10.2%	11.8%

Share capital and share premium increased as a result of the issuance of 173,150,339 shares through the exercise of warrants and placements of 1,083,750,500 shares.

On 8 May 2000, a Debt Restructure Agreement was reached by the Group with its principal bankers. The repayment terms of the Group's bank loans are subject to the Debt Restructure Agreement (Note 24 to the financial statements).

The Group improved its gearing ratio from 304% in 1999 to 217% in 2000 through an increase in its capital base and repayment of bank loans. The Group will continue with its policy of reducing its gearing.