

## FINANCIAL REVIEW

As of 30 June 2001, shareholders' fund of the Group, amounting to approximately HK\$2,949 million after prior periods adjustments as required by the revised accounting standards, showed a decrease of 2% from that restated as of 31 December 2000.

Bank borrowings, included under current liabilities, of the Group as of 30 June 2001 amounted to HK\$600 million which will be repaid in full out of the remaining proceeds receivable from the disposal of the redevelopment at 201 Tai Kok Tsui Road.

Interests on bank borrowings of the Group are chargeable based on agreed margins over the Hong Kong Interbank Offer Rate and such bank facilities are therefore at floating rate. Operations of the Group are not exposed to any significant exchange rate risk.

The Group's capital and retained profits will continue to be put to good use to develop its business. The Group has adequate capital resources and abundant unutilized banking facilities for funding its ongoing operations and future expansion.