

## ACQUISITION OF PRINCIPAL SUBSIDIARY

During the Period, the Company has acquired a principal subsidiary namely EGP Development from a connected person. The acquisition was satisfied by injecting the Group's property (with carrying value at approximately HK\$468.0 million) known as the south residential block of the East Gate Plaza to EGP Development for an equity interest of 58.5% in EGP Development. EGP Development is a co-operative joint venture company incorporated in the PRC which business is property development and other property related investments in Beijing, PRC.

The pro-former balance sheet of EGP Development as at 30th June 2001 is summarized as follows:

	<b>Unaudited</b>
	<b>30th June 2001</b>
	<i>HK\$'000</i>
Non-current assets	21,600
Fixed assets	1,589,838
Current assets	224,192
Current liabilities	<u>(847,448)</u>
Net assets	<u>988,182</u>
Profit after tax for the six months ended 30th June 2001	<u>20,818</u>