

	2001	2000
	HK\$'000	HK\$'000
Shareholders' funds	532,162	970,260
Total debts	1,657,137	2,109,389
Total borrowing costs	170,117	197,098
Gearing ratio	311%	217%
Average cost of borrowings	11.4%	10.2%

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. The negotiations of the Group with bankers relating to its refinancing have come to an advanced stage.

The gearing ratio (interest bearing borrowings/net assets) changed from 217% in 2000 to 311% in 2001 through repayment of bank loans and provision for goodwill and some properties revaluation. The Group will continue with its policy of reducing its gearing.