

## FINANCE

As at 30th June, 2002, the Group's cash deposits exceeded its bank borrowings by about HK\$1.17 billion. At the same date, the Group's total liabilities, excluding minority interests and proposed dividends, amounted to approximately 39.0% of the Group's shareholders' equity compared to 36.2% as at 31st December, 2001. Such increase was mainly caused by the payment of a special dividend of HK\$0.45 in June, 2002, which has significantly reduced the Group's shareholders' equity.

Approximately HK\$938.5 million will be utilized to pay the special interim dividend mentioned above. The Directors will decide the way in which the Group's remaining surplus cash should be applied in due course.

The Group's costs of materials and expenditures are mainly U.S. dollars and sales revenues are mainly in U.S. dollars. Expenditures in other currencies are usually hedged by forward exchange contracts.