

DIRECTORS' INTERIM REPORT 2001

INTERIM RESULTS

The directors hereby announce the unaudited interim results of the company for the six months ended 30 June 2001. These interim results have been reviewed by the company's audit committee and the company's auditors. KPMG's independent review report to the board of directors is attached.

Profit attributable to shareholders amounted to HK\$140 million in 2001, an 11% increase over the same period in 2000. However, there was a small decrease in group operating profit. Earnings per share increased to 12 cents. Maintaining a prudent policy, the directors have elected to defer judgement on the payment of a dividend until they have reviewed the full year's results. Consequently, they have resolved not to declare the payment of an interim dividend for the period (2000: nil).

Shareholders' funds at 30 June 2001 stood at HK\$13.2 billion or HK\$11.25 per share and net borrowings increased by 1.7% to HK\$5.8 billion.