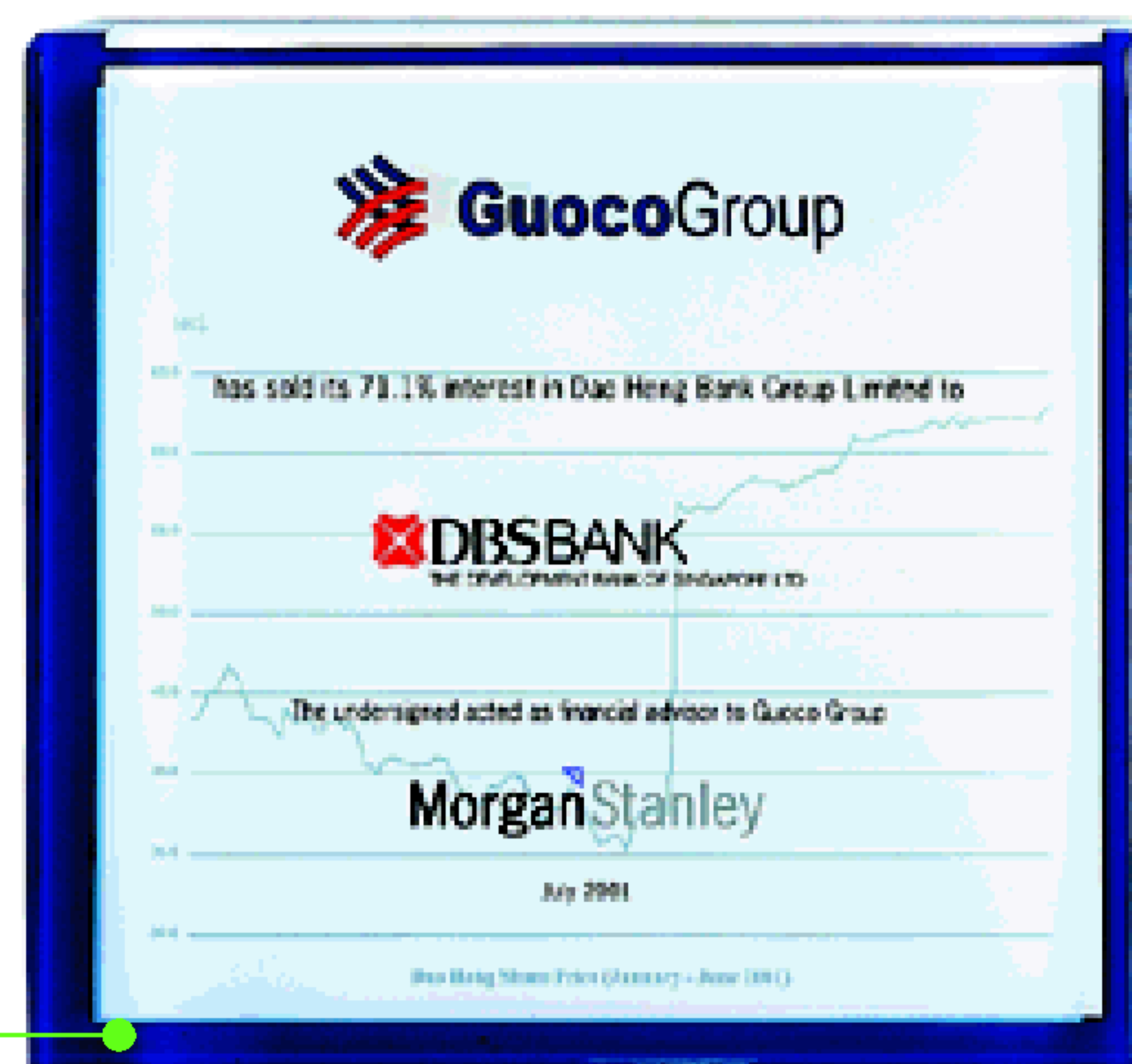


DAO HENG BANK GROUP LIMITED ("DHBG") - 20% EFFECTIVE HOLDING BY THE GROUP

The profit attributable to shareholders is HK\$1,641 million, a decrease of 5.2% from the previous year.

After completion of the disposal, the consolidated net assets value of the Group has increased by approximately HK\$20.8 billion, after taking into account the profit arising from the disposal of approximately HK\$22.6 billion and release of certain reserves (as a result of the disposal) of approximately HK\$1.8 billion.



The disposal of the Group's interest in Dao Heng Bank Group Limited has realised tremendous value for our shareholders.

FIRST CAPITAL CORPORATION LTD ("FCC") - 54.39% OWNED BY THE GROUP

For the financial year ended 30 June 2001, FCC's turnover increased by 10% to S\$241.4 million, mainly due to recognition of turnover from units sold in Aquarius By The Park, Sanctuary Green and The Gardens at Bishan. The recognition of turnover is based on the percentage of completion method, which takes into account revenue attributable, at each stage of the development activities, to units actually sold. Turnover at the company level increased slightly by 4% to S\$118.2 million primarily due to higher interest income. On the other hand, FCC incurred a higher interest expense of S\$53.1 million, mainly due to investment activities.

In the light of prevailing weak market conditions, FCC made provisions for foreseeable losses on development projects. The rapid slowdown in the global economy has also affected FCC's investment in an associated company. These provisions (which were not anticipated at the time when the interim results were announced), together with share of losses in the associated company and higher financing costs, resulted in FCC reporting an operating loss after tax of S\$22.3 million against an operating profit after tax of S\$55.1 million in the previous year.

FCC has also accounted for its share of losses in the associated company whose underlying asset is KLSE-listed Camerlin Group Berhad. FCC was however able to recognize a profit of S\$31.8 million from its other associated companies, including those in London and China.



Review of Operations

At the end of the financial year, FCC has 0.9 million sq ft of landbank which has been launched but not sold. This is equivalent to 744 residential units. FCC did not acquire any development sites during the financial year. FCC's landbank which has not been launched is approximately 1.4 million sq ft and this is capable of producing 1,125 residential units. In total, therefore the unsold units of launched and unlaunched developments amount to 1,869 residential units.

FCC had undertaken an independent valuation of its investment properties as at 30 June 2001 and an amount of S\$37.9 million was written down in its revaluation reserves. After the write-down, FCC has a surplus of S\$196.2 million in its revaluation reserves.

imGO LIMITED ("imGO") - 17.61% OWNED BY THE GROUP AND 6.64% BY FCC

imGO reported a consolidated net profit after taxation of HK\$23 million.

imGO has invested in January 2001 in iSilk which is a visionary developer of Natural Language Processing (NLP) and Artificial Intelligence software applications for wireless and other internet platforms. According to the terms of the deal, imGO has rights to invest up to US\$7.3 million.

imGO has also invested US\$4 million in May 2001 in InfoTalk which specializes in developing multilingual conversational speech recognition technology and natural language technology.

As previously reported, imGO has the option ("Put Option") during the period from 30 May 2001 to 29 November 2001 to require the Company to purchase all (but not part) of imGO's interest in the shares in each of the property owning companies at an aggregate consideration of about HK\$606.7 million. The properties subject to this Put Option are located at The Center, Wu Chung House and Overseas Trust Bank Building in Hong Kong.

GUOCO PROPERTIES LIMITED (“GPL”) - 55% OWNED BY THE GROUP AND 45% BY FCC

GPL has a 75% interest in Corporate Square, a 17-storey office development in Beijing.

Approximately 53% of the office space in Corporate Square were sold and about 47% of the office areas had been leased out.

Management of GPL continues to actively market the remaining office space for sale at prevailing market prices. We are also exploring possible property development opportunities in Shanghai.

GUOCO HOLDINGS (PHILIPPINES), INC. (“GHPI”) - 36.61% OWNED BY THE GROUP

GHPI reported a consolidated net loss of approximately Peso 1.82 billion during the financial year. GHPI remained in a restructuring mode and continued to be affected by high debt service cost. As such it is continuing with the extensive cost control and rightsizing programs for its operating subsidiaries as well as the divesting of non-core assets.

Benefits to Pepsi-Cola Products Philippines, Inc. (“PCPPI”) from a series of nationwide selling price increases between November 2000 and January 2001 were negated by higher sugar prices and higher concentrate prices due to weak Peso. PCPPI will continue to focus on stringent cost reduction and productivity improvement measures.

In view of the continued difficult operating environment and uncertain economic outlook in the Philippines, the Group has undertaken a thorough and critical evaluation of our Philippine operations and is actively taking measures to minimise any further exposure.

HONG LEONG CREDIT BERHAD (“HLC”) - 21.56% OWNED BY THE GROUP

HLC achieved a profit before taxation of RM575.5 million for the year ended 30 June 2001, a decrease of RM104.4 million or 15% over the previous year which recorded RM679.9 million. Except for stockbroking, all other divisions in HLC reported profits for the financial year.

Review of Operations

The banking division, including the results of its merger with Wah Tat Bank Berhad and Credit Corporation (Malaysia) Berhad, reported a growth in a profit before taxation of RM8.3 million to RM603.5 million for the financial year ended 30 June 2001. Higher net interest income earned during the year was the main contributor to higher profit before taxation together with the active management of its interest rate exposure.

The insurance division achieved a profit before taxation of RM27.8 million and a combined gross premium income of RM1,161.2 million for the financial year ended 30 June 2001, an increase of RM461.7 million or 66% over the previous year which recorded RM699.5 million.

The stockbroking division suffered a loss before taxation of RM28.3 million for the financial year ended 30 June 2001 from a

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profit of RM65.3 million for the previous year. The loss is substantially due to the low KLSE trading volume following the bearish market sentiment and reduced commission rates effective in September 2000.

The property division recorded a profit before taxation of RM11.4 million for the financial year ended 30 June 2001 compared to a loss of RM86.3 million for the previous year. Its performance continued to be affected by the soft property market which resulted in a slowdown of the sales launches and construction activities.

OTHER FINANCIAL SERVICES

Dao Heng Securities Limited (“DHS”)

For the year ended 30 June 2001, DHS continued to earn steady income from its core businesses namely stockbroking, share margin finance and corporate finance.

During the year, DHS has made further progress in technology development and implementation to improve trading efficiency. DHS was one of the thirty two pilot brokers to go live with a complete electronic trading solution on 10 November 2000 - the third generation of the Automated Matching System (AMS/3). DHS's trading system is now directly interfaced with the stock exchange AMS/3 host system. With this open gateway system, orders can be routed for execution within a split of a second instead of the ten seconds or more it took previously. Features, content and trading platform for DHS Online has been continuously improved.

DHS has successfully registered its Electronic Initial Public Offer service to provide clients the convenience of IPO application via Internet. DHS's website has been rated joint second by the Asia Banker Journal in January 2001. DHS has started forming strategic alliance with its overseas counterparts in order to enlarge its customer base. DHS corporate finance has kept pace with the market and has completed several financial advisor assignments and is engaged in a number of IPO issues.

Dao Heng Securities Ltd has made significant progress in technology development and implementation to improve trading efficiency.