

DIVIDENDS

The Board has resolved to pay an interim dividend of HK\$0.07 (2000: HK\$0.19) per ordinary share for the six months ended 30 June 2001 to the shareholders of the Company whose names appear in the Register of Members of the Company on 10 August 2001.

It is expected that the payment of dividend will be made before 25 August 2001.

CLOSURE OF REGISTER OF MEMBERS FOR DIVIDENDS

The Register of Members of the Company will be closed from Tuesday, 7 August 2001 to Friday, 10 August 2001, both days inclusive, during which period no transfer of shares will be registered.

In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates and transfer forms and, in case of warrant holders, all subscription forms accompanied by the relevant warrant certificates and relevant subscription moneys relating to the exercise of the outstanding warrants of the Company in respect of which holders of such warrants wish to exercise their rights so as to qualify for the interim dividend must be lodged with the Company's Branch Share Registrars in Hong Kong, Secretaries Limited, at 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong not later than 4:00 p.m. on Monday, 6 August 2001.

BUSINESS REVIEW

The 2001 unaudited interim net profit of the Group amounted to HK\$186 million, representing a 22.5% decrease compared with that of 2000. The reason for the reduction of the net profit is mainly due to the change of income distribution for a period of time for some toll road projects. As reported in the Company's 2000 annual report, some of the Group's projects, after years of dedicated operation, have already recovered or close to recovering their projects' original investment amounts. In accordance with the joint venture agreements, the initial stage of preferential distribution and provision of minimum income undertakings would subsequently be expired. Some of the joint venture partners will enjoy preferential income distribution to recover their original investment amounts. Upon the recovery of the partners' investment amounts, the Group's income distribution sharing ratio will increase again. The Group had fully taken into consideration of this income distribution sharing arrangement when it first made such investments. The Group's expected return on these investments will not be affected by this income distribution arrangement.

Investment, development and management of toll road projects is the Group's core business as well as the Group's major revenue and profit source.

The Group's investments in the medical and health products and North American ginseng business is less than 1.5% of its total assets. This business is currently at the nurturing and consolidating stage.