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The Directors of Kerry Properties Limited (the "Company") are pleased to announce the unaudited interim results of the Company, its subsidiaries and associated companies (the "Group") for the six months ended 30 June 2001. This interim report has been reviewed by the Company's audit committee.

The profit attributable to shareholders for the six months ended 30 June 2001 decreased by 53% to HK\$281 million compared with HK\$603 million for the corresponding six months period ended 30 June 2000.

Earnings per share for the period were HK24.68 cents, a decrease of 54% over earnings per share for the corresponding period in 2000 of HK53.89 cents. The basis of calculating the earnings per share is detailed in note 6 below.

The Directors have declared an interim dividend of HK20 cents per share in cash for the six months ended 30 June 2001 (2000: HK20 cents) payable on Tuesday, 9 October 2001, to shareholders whose names appear on the registers of members of the Company on Friday, 24 August 2001, with a scrip alternative to offer the right to shareholders to elect to receive such interim dividend wholly or partly by allotment of new shares credited as fully paid in lieu of cash.

A circular containing details of the scrip dividend scheme together with an election form will be sent to the relevant shareholders on or about Tuesday, 4 September 2001. The scrip dividend scheme is conditional upon the granting by the Listing Committee of the Stock Exchange of the listing of and permission to deal in the new shares to be issued pursuant thereto.

## UNAUDITED INTERIM RESULTS

### Consolidated Profit And Loss Account

	Notes	Unaudited	
		2001	2000
		HK\$'000	HK\$'000
Turnover	2	<b>2,193,620</b>	1,492,633
Cost of sales		<b>(1,294,422)</b>	(427,117)
Direct operating expenses		<b>(386,977)</b>	(251,676)
		<hr/>	<hr/>
Gross profit		<b>512,221</b>	813,840
Other revenues		<b>90,852</b>	170,608
Other income		<b>19,341</b>	11,907
Amortisation of investment in a fixed return co-operative joint venture		<b>(31,080)</b>	(31,080)
Administrative expenses		<b>(134,537)</b>	(143,393)
		<hr/>	<hr/>
Operating profit before finance costs		<b>456,797</b>	821,882
Finance costs		<b>(187,332)</b>	(219,314)
		<hr/>	<hr/>
Operating profit	2,3	<b>269,465</b>	602,568
Share of profits less losses of associated companies		<b>65,301</b>	114,484
		<hr/>	<hr/>
Profit before taxation		<b>334,766</b>	717,052
Taxation	4	<b>(27,983)</b>	(83,881)
		<hr/>	<hr/>
Profit after taxation		<b>306,783</b>	633,171
Minority interests		<b>(25,726)</b>	(30,434)
		<hr/>	<hr/>
Profit attributable to shareholders		<b>281,057</b>	602,737
Transfer (to)/from reserves	5	<b>(5,227)</b>	2
		<hr/>	<hr/>
		<b>275,830</b>	602,739
		<hr/>	<hr/>
Interim dividend		<b>230,973</b>	223,865
		<hr/>	<hr/>
Earnings per share	6	<b>24.68 cents</b>	53.89 cents
		<hr/>	<hr/>
Interim dividend per share		<b>20 cents</b>	20 cents
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## Consolidated Balance Sheet

	Notes	Unaudited 30 June 2001 HK\$'000	Restated 31 December 2000 HK\$'000
Fixed assets		<b>24,631,846</b>	25,147,197
Associated companies		<b>5,352,193</b>	5,281,926
Long term investments		<b>1,686,969</b>	1,699,656
Intangible assets		<b>5,746</b>	–
Current assets			
Stock of completed properties held for sale		<b>1,525,143</b>	2,335,888
Properties under development for sale		<b>3,399,773</b>	2,870,870
Accounts receivable, prepayments and deposits	7	<b>750,005</b>	630,446
Tax reserve certificates		<b>21,308</b>	21,308
Trading securities		<b>5,786</b>	3,375
Pledged bank deposits		<b>147,733</b>	149,238
Cash and bank balances		<b>1,016,274</b>	1,119,521
		<b>6,866,022</b>	7,130,646
Current liabilities			
Accounts payable, deposits received and accrued charges	8	<b>1,559,296</b>	1,645,346
Taxation		<b>28,987</b>	39,231
Current portion of long-term liabilities	9	<b>999,846</b>	4,397,879
Convertible bonds	9(b)	<b>1,901,707</b>	–
Bank overdrafts, secured		<b>3,809</b>	–
		<b>4,493,645</b>	6,082,456
Net current assets		<b>2,372,377</b>	1,048,190
Total assets less current liabilities		<b>34,049,131</b>	33,176,969
Financed by:			
Share capital		<b>1,154,865</b>	1,134,417
Share premium		<b>3,365,898</b>	3,203,749
Other reserves		<b>13,568,267</b>	13,610,840
Retained profits	10	<b>5,674,669</b>	5,629,812
Proposed dividend	1(a)	<b>230,973</b>	226,883
Shareholders' funds		<b>23,994,672</b>	23,805,701
Minority interests and loans		<b>3,057,456</b>	3,003,054
		<b>27,052,128</b>	26,808,755
Long-term liabilities	9	<b>6,990,341</b>	6,363,294
Deferred taxation		<b>6,662</b>	4,920
		<b>34,049,131</b>	33,176,969

## Financial Highlights

	30 June 2001 HK\$M	31 December 2000 HK\$M
Shareholders' equity	<b>23,995</b>	23,806
Net borrowings (including convertible bonds)	<b>8,732</b>	9,492
Net asset value per share	<b>HK\$20.78</b>	HK\$20.98
Gearing (including convertible bonds)	<b>36%</b>	40%
Issued shares (in millions)	<b>1,155</b>	1,134

## Consolidated Cash Flow Statement

	Unaudited	
	Six months ended 30 June	
	2001	2000
	HK\$'000	HK\$'000
Net cash inflow from operating activities	1,026,680	115,598
Returns on investments and servicing of finance		
Interest received	24,536	29,713
Interest paid	(223,016)	(327,650)
Dividends received from associated companies	1,000	9,665
Dividends and distribution received from unlisted investments	7,000	81,613
Dividends received from listed investments	47	47
Income received from investment in a fixed return co-operative joint venture	-	59,471
Dividends paid	(44,287)	(213,138)
Dividends paid to minority shareholders	(10,440)	(19,738)
Net cash outflow from returns on investments and servicing of finance	(245,160)	(380,017)
Taxation		
Hong Kong profits tax paid	(18,267)	(21,253)
PRC tax paid	(4,753)	(2,722)
Total tax paid	(23,020)	(23,975)
Investing activities		
Purchase of fixed assets, excluding interest capitalised	(90,695)	(734,020)
Purchase of subsidiaries (net of cash and cash equivalents acquired)	(4,304)	(6,017)
Additional investments in associated companies	(4,369)	-
Loans (to)/repayment from associated companies	(56,878)	222,348
Purchase of long term investments	(2,231)	(759)
Repayment of loans from investee companies	2,900	639
Proceeds from sale of listed equity shares	1,027	-
Proceeds from sale of fixed assets	212,825	620,425
Net cash inflow from investing activities	58,275	102,616
Net cash inflow/(outflow) before financing	816,775	(185,778)
Financing		
Repayment of bank loans	(6,699,031)	(2,100,376)
Bank loans raised	5,748,558	2,536,983
Additional loans from minority shareholders	25,137	30,328
Net cash (outflow)/inflow from financing	(925,336)	466,935
(Decrease)/increase in cash and cash equivalents	(108,561)	281,157
Cash and cash equivalents at 1 January	1,268,759	1,028,512
Cash and cash equivalents at 30 June	1,160,198	1,309,669
Analysis of cash and cash equivalents		
Pledged bank deposits	147,733	95,332
Cash and bank balances	1,016,274	1,214,337
Bank overdrafts, secured	(3,809)	-
	1,160,198	1,309,669

## Consolidated Statement Of Recognised Gains And Losses

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2001</b>	<b>2000</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Adjustment on revaluation of investment properties	<b>9,127</b>	11,381
Adjustment on revaluation of other properties	–	(1,864)
Share of revaluation surplus of properties held by associated companies	–	84
Revaluation surplus on non-trading securities	–	13,814
Exchange differences arising on translation of the PRC and overseas subsidiaries and associated companies	<b>(48,256)</b>	(74,817)
Net losses not recognised in the profit and loss account	<b>(39,129)</b>	(51,402)
Profit attributable to shareholders	<b>281,057</b>	602,737
Relevant portion of properties revaluation reserves realised in the profit and loss account on disposal of properties	<b>(23,135)</b>	(332,822)
Total recognised gains	<b>218,793</b>	218,513
Capital reserve arising from purchase of additional interest in an associated company	<b>14,465</b>	–
Adjustment on discount on acquisition of an associated company	–	6,512
Goodwill on acquisition of subsidiaries eliminated directly against reserves	–	(3,001)
	<b><u>233,258</u></b>	<b><u>222,024</u></b>

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Notes:

## 1. Principal Accounting Policies

These unaudited consolidated interim accounts are prepared in accordance with Hong Kong Statement of Standard Accounting Practice ("SSAP") 25, "Interim financial reporting", issued by the Hong Kong Society of Accountants and Appendix 16 to the Listing Rules.

These condensed interim accounts should be read in conjunction with the 2000 annual financial statements.

The accounting policies and methods of computation used in the preparation of these condensed interim accounts are consistent with those used in the annual accounts for the year ended 31 December 2000 except that the Group has changed certain of its accounting policies following the adoption of the following SSAPs issued by the Hong Kong Society of Accountants which are effective for accounting periods commencing on or after 1 January 2001:

SSAP 9 (revised)	: Events after the balance sheet date
SSAP 26	: Segment reporting

The changes to the Group's accounting policies and the effects of adopting these new policies are set out below:

(a) SSAP 9 (revised): Events after the balance sheet date

In accordance with the revised SSAP 9, the Group no longer recognises dividends proposed or declared after the balance sheet date as a liability at the balance sheet date. This change in accounting policy has been applied retrospectively so that the proposed final dividend amounting to HK\$226,883,000 previously recorded as a current liability as at 31 December 2000 has been restated and shown under shareholders' funds.

(b) SSAP 26: Segment reporting

In note 2 to these condensed interim accounts, the Group has disclosed segment revenue and results as defined under SSAP 26. In accordance with the Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format and geographical as the secondary reporting format. Comparative information has been given.

## 2. Principal Activities And Geographical Analysis Of Operations

An analysis of the Group's turnover and contribution to operating profit for the period by principal activities and markets is as follows:

	Turnover		Operating profit	
	Six months ended 30 June		Six months ended 30 June	
	2001	2000	2001	2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Principal activities:				
Property rental				
– Hong Kong	<b>216,774</b>	233,848	<b>92,584</b>	191,497
– PRC	<b>245,682</b>	168,629	<b>134,680</b>	75,447
	<b>462,456</b>	402,477	<b>227,264</b>	266,944
Hotel operations	<b>101,113</b>	76,855	<b>17,948</b>	11,390
Logistics and warehouse operations				
– warehouse	<b>215,454</b>	193,779	<b>60,934</b>	11,561
– logistics	<b>120,840</b>	21,891	<b>3,514</b>	4,543
	<b>336,294</b>	215,670	<b>64,448</b>	16,104
Property sales				
– Hong Kong	<b>1,123,113</b>	717,589	<b>(35,074)</b>	244,156
– PRC	<b>149,398</b>	56,590	<b>(54,519)</b>	20,547
	<b>1,272,511</b>	774,179	<b>(89,593)</b>	264,703
Infrastructure	–	–	<b>28,153</b>	28,293
Project, property management and others	<b>21,246</b>	23,452	<b>21,245</b>	15,134
	<b>2,193,620</b>	1,492,633	<b>269,465</b>	602,568
Principal markets:				
Hong Kong	<b>1,631,676</b>	1,190,559	<b>141,574</b>	467,946
PRC	<b>496,193</b>	302,074	<b>126,262</b>	134,622
Others	<b>65,751</b>	–	<b>1,629</b>	–
	<b>2,193,620</b>	1,492,633	<b>269,465</b>	602,568

## 2. Principal Activities And Geographical Analysis Of Operations (continued)

An analysis of the Group's revenue and results for the period by business segments is as follows:

	Six months ended 30 June 2001							
	HK\$'000							
	Hong Kong Property	PRC Property	Logistics and Warehouse	Infrastructure	International	Others	Eliminations	Consolidated
<b>REVENUE</b>								
Turnover	1,339,887	496,193	336,294	-	-	21,246	-	2,193,620
Inter-segment revenue	-	-	-	-	-	283,622	(283,622)	-
Intersegment interest income	-	-	-	-	-	239,671	(239,671)	-
Income from investment in a fixed return co-operative joint venture	-	-	-	59,540	-	-	-	59,540
<b>Total revenue</b>	<b>1,339,887</b>	<b>496,193</b>	<b>336,294</b>	<b>59,540</b>	<b>-</b>	<b>544,539</b>	<b>(523,293)</b>	<b>2,253,160</b>
<b>RESULTS</b>								
Segment results	127,255	158,650	128,139	28,153	(194)	223,153	(239,671)	425,485
Dividend income	7,047	-	-	-	-	-	-	7,047
Interest income	6,447	4,640	962	1,740	-	10,476	-	24,265
Interest expenses	(83,239)	(65,181)	(64,653)	(1,740)	-	(212,190)	239,671	(187,332)
<b>Operating profit</b>	<b>57,510</b>	<b>98,109</b>	<b>64,448</b>	<b>28,153</b>	<b>(194)</b>	<b>21,439</b>	<b>-</b>	<b>269,465</b>
Share of profits less losses of associated companies	8,016	17,685	(217)	19,564	20,253	-	-	65,301
<b>Profit before taxation</b>	<b>65,526</b>	<b>115,794</b>	<b>64,231</b>	<b>47,717</b>	<b>20,059</b>	<b>21,439</b>	<b>-</b>	<b>334,766</b>
Taxation	(6,893)	(9,437)	(6,426)	(1,807)	(6,578)	3,158	-	(27,983)
<b>Profit after taxation</b>	<b>58,633</b>	<b>106,357</b>	<b>57,805</b>	<b>45,910</b>	<b>13,481</b>	<b>24,597</b>	<b>-</b>	<b>306,783</b>
Minority interests	(1,878)	(16,028)	(5,519)	-	-	(2,301)	-	(25,726)
<b>Profit attributable to shareholders</b>	<b>56,755</b>	<b>90,329</b>	<b>52,286</b>	<b>45,910</b>	<b>13,481</b>	<b>22,296</b>	<b>-</b>	<b>281,057</b>



Six months ended 30 June 2000

HK\$'000

	Hong Kong Property	PRC Property	Logistics and Warehouse	Infrastructure	International	Others	Eliminations	Consolidated
<b>REVENUE</b>								
Turnover	951,437	302,074	215,670	-	-	23,452	-	1,492,633
Inter-segment revenue	-	-	-	-	-	170,284	(170,284)	-
Intersegment interest income	-	-	-	-	-	306,206	(306,206)	-
Income from investment in a fixed return co-operative joint venture	-	-	-	59,471	-	-	-	59,471
<b>Total revenue</b>	<b>951,437</b>	<b>302,074</b>	<b>215,670</b>	<b>59,471</b>	<b>-</b>	<b>499,942</b>	<b>(476,490)</b>	<b>1,552,104</b>
<b>RESULTS</b>								
Segment results	427,139	174,567	104,092	28,293	(1,056)	283,916	(306,206)	710,745
Dividends and distribution income	81,660	-	-	-	-	-	-	81,660
Interest income	6,660	4,198	1,354	1,670	-	15,595	-	29,477
Interest expenses	(79,806)	(71,381)	(89,342)	(1,670)	-	(283,321)	306,206	(219,314)
Operating profit	435,653	107,384	16,104	28,293	(1,056)	16,190	-	602,568
Share of profits less losses of associated companies	80,852	-	1,507	9,461	22,664	-	-	114,484
Profit before taxation	516,505	107,384	17,611	37,754	21,608	16,190	-	717,052
Taxation	(48,726)	(6,789)	(4,545)	(1,657)	(13,906)	(8,258)	-	(83,881)
Profit after taxation	467,779	100,595	13,066	36,097	7,702	7,932	-	633,171
Minority interests	(2,753)	(28,079)	672	-	-	(274)	-	(30,434)
Profit attributable to shareholders	465,026	72,516	13,738	36,097	7,702	7,658	-	602,737

### 3. Operating Profit

	<b>Six months ended 30 June</b>	
	<b>2001</b>	<b>2000</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Operating profit is stated after crediting/ charging the following:		
<i>Crediting</i>		
Income from investment in a fixed return co-operative joint venture	<b>59,540</b>	59,471
Dividends and distribution income from listed and unlisted investments	<b>7,047</b>	81,660
Interest income	<b>24,265</b>	29,477
(Loss)/gain on sale of properties		
– Investment properties	<b>(66,501)</b>	307,814
– Properties under development and completed properties for sale	<b>44,589</b>	39,248
	<b>(21,912)</b>	347,062
<i>Charging</i>		
Depreciation	<b>21,664</b>	22,800
Total finance costs incurred	<b>293,027</b>	393,942
Less: amount capitalised in properties under development	<b>(105,695)</b>	(174,628)
Total finance costs expensed during the period	<b>187,332</b>	219,314

### 4. Taxation

	<b>Six months ended 30 June</b>	
	<b>2001</b>	<b>2000</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
The taxation charge comprises:		
Hong Kong profits tax		
Current	<b>23,237</b>	50,193
Overprovision in prior years	<b>(14,018)</b>	(4,576)
	<b>9,219</b>	45,617
PRC taxation		
Current	<b>2,496</b>	3,881
Deferred	<b>1,742</b>	2,908
	<b>4,238</b>	6,789
Overseas taxation		
Current	<b>520</b>	–
Share of taxation attributable to associated companies	<b>14,006</b>	31,475
	<b>27,983</b>	83,881

Hong Kong profits tax has been provided at 16% (2000: 16%) on the estimated assessable profits for the period.

PRC taxation represents tax charges on the estimated assessable profits of subsidiaries operating in places in the People's Republic of China excluding Hong Kong, calculated at the applicable rates of taxation.

Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

## 5. Transfer (To)/From Reserves

	Six months ended 30 June	
	2001	2000
	HK\$'000	HK\$'000
Transfer (to)/from:		
Share of surplus and capital reserves of associated companies	<u>(5,227)</u>	<u>2</u>

## 6. Earnings Per Share

The calculation of earnings per share is based on the profit attributable to shareholders of HK\$281,057,000 (2000: HK\$602,737,000) and the weighted average number of 1,138,597,034 shares (2000: 1,118,471,018 shares) in issue during the period.

There is no dilution arising from the outstanding convertible bonds issued by the Group and the outstanding share options granted by the Company in 1997 and 2001. The dilution from the outstanding share options granted by the Company in 1999 and 2000 is immaterial. Accordingly, diluted earnings per share has not been shown.

## 7. Trade Debtors

The Group maintains a defined credit policy. The ageing analysis of trade debtors as at 30 June 2001 was as follows:

	30 June 2001 HK\$'000	31 December 2000 HK\$'000
0 – 1 month	293,784	206,377
2 – 3 months	53,368	9,917
Over 3 months	10,962	19,510
	<u>358,114</u>	<u>235,804</u>

## 8. Trade Creditors

The ageing analysis of trade creditors as at 30 June 2001 was as follows:

	30 June 2001 HK\$'000	31 December 2000 HK\$'000
0 – 1 month	72,830	190,646
2 – 3 months	7,558	3,122
Over 3 months	4,454	4,416
	<u>84,842</u>	<u>198,184</u>

## 9. Long-Term Liabilities

	<b>30 June 2001 HK\$'000</b>	31 December 2000 HK\$'000
Bank loans – unsecured	<b>6,032,424</b>	7,045,763
Bank loans – secured	<b>1,957,763</b>	1,883,733
Total bank loans (note (a))	<b>7,990,187</b>	8,929,496
Current portion of long-term liabilities	<b>(999,846)</b>	(4,397,879)
Convertible bonds (note (b))	<b>6,990,341</b>	4,531,617
	–	1,831,677
	<b>6,990,341</b>	6,363,294

(a) At 30 June 2001, the Group's bank loans were repayable as follows:

	<b>30 June 2001 HK\$'000</b>	31 December 2000 HK\$'000
Within one year	<b>999,846</b>	4,397,879
After one year		
In the second year	<b>1,274,591</b>	764,842
In the third to fifth years, inclusive	<b>5,715,750</b>	3,766,775
	<b>6,990,341</b>	4,531,617
	<b>7,990,187</b>	8,929,496

(b) Convertible bonds

During the period, there had been no conversion of the convertible bonds into shares of the Company by the bondholders and no redemption of the convertible bonds by Kerry Properties Capital Limited. Details of the convertible bonds can be found in the annual accounts for the year ended 31 December 2000.

## 10. Retained Profits

	<b>30 June 2001 HK\$'000</b>	31 December 2000 HK\$'000
At beginning of period/year as previously reported	<b>5,629,812</b>	5,323,734
Effect of adopting SSAP 9 (revised)	<b>226,883</b>	223,648
At beginning of period/year as restated	<b>5,856,695</b>	5,547,382
Final dividend for the previous year paid	<b>(226,883)</b>	(223,648)
Transfer (to)/from reserves	<b>(5,227)</b>	28,625
Profit for the period/year	<b>281,057</b>	728,201
2000 interim dividend paid	–	(223,865)
At end of period/year	<b>5,905,642</b>	5,856,695
2000 final dividend proposed	–	(226,883)
2001 interim dividend	<b>(230,973)</b>	–
	<b>5,674,669</b>	5,629,812

## 11. Contingent Liabilities

	<b>30 June 2001 HK\$'000</b>	31 December 2000 HK\$'000
Banking facilities		
Guarantees for banking and other facilities of certain associated companies and investee companies (note(a))	<b>1,768,982</b>	1,927,994
Guarantees to certain banks for mortgage facilities granted to first buyers of certain properties in the PRC (note(b))	<b>98,516</b>	97,127
	<b>1,867,498</b>	2,025,121

- (a) The Group has executed guarantees for banking and other facilities granted to certain associated companies and investee companies. The utilised amount of such facilities covered by the Group's guarantees which also represented the financial exposure of the Group at the balance sheet date amounted to approximately HK\$1,768,982,000 (31 December 2000: HK\$1,927,994,000). The total amount of such facilities covered by the Group's guarantees amounted to approximately HK\$1,901,638,000 (31 December 2000: HK\$2,223,294,000).

## 11. Contingent Liabilities (continued)

- (b) The Group has executed guarantees to certain banks for mortgage facilities granted to first buyers of certain properties in the PRC. The utilised amount of such facilities covered by the Group's guarantees which also represented the financial exposure of the Group at the balance sheet date amounted to approximately HK\$98,516,000 (31 December 2000: HK\$97,127,000). The total amount of such facilities covered by the Group's guarantees amounted to approximately HK\$553,905,000 (31 December 2000: HK\$557,613,000).

Apart from the above, there are no material changes in contingent liabilities of the Group since 31 December 2000.

## 12. Pledge Of Assets

- (a) At 30 June 2001, the Group's total bank loans and overdrafts of HK\$7,993,996,000 (31 December 2000: HK\$8,929,496,000) included an aggregate amount of HK\$6,032,424,000 (31 December 2000: HK\$7,045,763,000) which was unsecured and an aggregate amount of HK\$1,961,572,000 (31 December 2000: HK\$1,883,733,000) which was secured by the following:
  - (i) legal charges over certain fixed assets, properties under development for sale and stock of completed properties held for sale with an aggregate net book value of HK\$10,723,772,000 (31 December 2000: HK\$10,276,608,000);
  - (ii) charges on all assets, including bank balances amounting to HK\$147,733,000 (31 December 2000: HK\$149,238,000), of certain subsidiaries. Such bank balances can be used for payment of construction and other operating costs or for repayment of outstanding bank loans of the respective subsidiaries;
  - (iii) assignments of sale proceeds, insurance proceeds, rental income and deposits arising from the tenancy agreements of certain properties;
  - (iv) mortgages over the issued shares of certain subsidiaries;
  - (v) assignments and subordinations of shareholders' loans of certain subsidiaries; and
  - (vi) corporate guarantees from the Company and the respective parent companies of the shareholders of certain subsidiaries.
- (b) At 30 June 2001, the Group's shares in certain associated companies were pledged to banks for loan facilities granted to the aforesaid associated companies.