

## OPERATING RESULTS

Riding on the further opening of the financial market in China and the continued steady economic development, the Company and its subsidiaries (together the "Group") have been focusing on its core financial services business, operating under the principle of prudence and reasonably controlling its operating costs. For the six months period ended 30th June, 2001, the Group has recorded an unaudited consolidated after tax profit of approximately HK\$552 million, of which approximately HK\$172 million was derived from the share of profits from the Group's associated companies, namely, China Everbright Bank Company Limited, Everbright Securities Company Limited and International Bank of Asia Limited. This represents a 17.9% decrease in profits from associates as compared to the same period last year.