



WINTON HOLDINGS (BERMUDA) LIMITED



INTERIM RESULTS

The Board of Directors of Winton Holdings (Bermuda) Limited (the “Company”) is pleased to announce that the unaudited consolidated results of the Company and its subsidiaries (“the Group”) for the six months ended 30 June 2002 with comparative figures are as follows:

Condensed Consolidated Income Statement

	Notes	For the six months ended 30 June	
		2002 (Unaudited) HK\$'000	2001 (Unaudited) HK\$'000
Turnover		84,636	81,768
Cost of sales		(73,378)	(64,032)
GROSS PROFIT		11,258	17,736
Interest income		23,515	77,284
Other operating income		857	1,545
Operating expenses		(12,900)	(35,966)
PROFIT FROM OPERATING ACTIVITIES	3	22,730	60,599
Finance costs	4	(1,419)	(25,226)
Share of results of associates		–	(1,150)
PROFIT BEFORE TAX		21,311	34,223
Tax	5	–	(502)
PROFIT BEFORE MINORITY INTERESTS		21,311	33,721
Minority interests		4	1
NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		21,315	33,722
DIVIDENDS	6		
Convertible preference shares		(7,800)	(8,362)
EARNINGS PER SHARE (cents)	7		
Basic		3.1	6.0
Diluted		1.6	2.5

Condensed Consolidated Statement of Changes in Equity

	1 January 2001 (Audited) <i>HK\$'000</i>	Movements <i>HK\$'000</i>	30 June 2001 (Unaudited) <i>HK\$'000</i>
Share capital	134,400	–	134,400
Share premium account	627,270	–	627,270
Contributed surplus	260,007	–	260,007
Translation reserve	(1,992)	–	(1,992)
Retained profits	(34,491)	25,360	(9,131)
	985,194	25,360	1,010,554

	1 January 2002 (Audited) <i>HK\$'000</i>	Movements <i>HK\$'000</i>	30 June 2002 (Unaudited) <i>HK\$'000</i>
Share capital	134,400	–	134,400
Share premium account	627,270	–	627,270
Contributed surplus	260,007	–	260,007
Translation reserve	(1,992)	–	(1,992)
Retained profits	(7,716)	13,515	5,799
Proposed dividend	29,400	(29,400)	–
	1,041,369	(15,885)	1,025,484

Condensed Consolidated Balance Sheet

		30 June 2002 (Unaudited) HK\$'000	31 December 2001 (Audited) HK\$'000
	Notes		
NON-CURRENT ASSETS			
Fixed assets		50,333	51,399
Investment properties		35,602	35,602
Interests in associates		–	–
Long-term loan instalment receivables	8	387,024	438,602
Deferred expenditure		62	257
		473,021	525,860
CURRENT ASSETS			
Loan instalment receivables	8	24,396	25,138
Loan receivables	8	14,470	14,534
Inventories		18,524	18,300
Other receivables	9	98,450	114,027
Tax recoverable		2,346	2,281
Cash and cash equivalents		430,969	582,315
		589,155	756,595
CURRENT LIABILITIES			
Other payables and accruals	10	22,301	26,683
NET CURRENT ASSETS		566,854	729,912
TOTAL ASSETS LESS CURRENT LIABILITIES		1,039,875	1,255,772
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	11	–	200,000
Provision for long service payments		4,567	4,575
Deferred tax		9,690	9,690
		14,257	214,265
MINORITY INTERESTS		134	138
		1,025,484	1,041,369
CAPITAL AND RESERVES			
Share capital	12	134,400	134,400
Reserves		891,084	877,569
Proposed dividend		–	29,400
		1,025,484	1,041,369

Condensed Consolidated Cash Flow Statement

	For the six months ended 30 June	
	2002	2001
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
NET CASH FLOWS FROM:		
OPERATING ACTIVITIES	(151,359)	17,572
INVESTING ACTIVITIES	13	(76)
FINANCING ACTIVITIES	–	–
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(151,346)	17,496
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	582,315	368,725
CASH AND CASH EQUIVALENTS AT END OF PERIOD	430,969	386,221
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and balances with banks and other financial institutions	10	14
Money at call and short notice	343,588	86,207
Placements with banks and financial institutions	87,371	300,000
	430,969	386,221

Notes to the Condensed Consolidated Financial Statements

1. Statement of compliance and accounting policies

The 2002 Interim Report has been prepared in accordance with the requirements of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (“Stock Exchange”) and the Statement of Standard Accounting Practice (“SSAP”) 25 “Interim Financial Reporting” issued by the Hong Kong Society of Accountants.

The accounting policies and basis of preparation adopted in the 2002 Interim Report are consistent with those adopted in the Group’s audited 2001 annual financial statements except for the adoption of the new SSAP 15 (Revised) “Cash Flow Statements” and SSAP 34 “Employee Benefits”, the impact of which is summarised as follows:

- (a) SSAP 15 (Revised) “Cash Flow Statements” prescribes the provision of information about the historical changes in cash and cash equivalents. The condensed consolidated cash flow statement for the current interim period and the comparative figures are presented in accordance with the revised SSAP.
- (b) SSAP 34 “Employee Benefits” prescribes the accounting and disclosure for employee benefits. This SSAP has had no major impact on these financial statements.

2. Segment information

The Group's turnover and contribution to profit from operations before finance costs by principal activities are analysed as follows:

	For the six months ended 30 June	
	2002 (Unaudited) HK\$'000	2001 (Unaudited) HK\$'000
Segment turnover		
Taxi trading and related operations	82,883	79,785
Others	1,753	1,983
	84,636	81,768
Segment result		
Taxi trading and related operations	6,703	14,468
Others	1,373	(1,194)
	8,076	13,274
Financing and related business	14,654	47,325
	22,730	60,599

Turnover represents the net amounts received and receivable for goods supplied and services rendered, trading activities of taxi cabs and taxi licences, and leasing of taxis in the Hong Kong SAR.

Over 90% of the Group's operating income, results, assets, liabilities, off-balance sheet commitments and exposures are derived from operations carried out in Hong Kong.

3. Profit from operating activities

Profit from operating activities was determined after charging the following:

	For the six months ended 30 June	
	2002 (Unaudited) HK\$'000	2001 (Unaudited) HK\$'000
Depreciation	1,068	1,127
Amortisation and write-off of commission expenses	76	10
Provision for bad and doubtful debts	3,766	17,785
Provision against an amount due from an associate	–	6,700

4. Finance costs

	For the six months ended 30 June	
	2002 (Unaudited) HK\$'000	2001 (Unaudited) HK\$'000
The finance costs represent interest on:		
Bank loans and overdrafts	–	438
Loans from fellow subsidiaries wholly repayable within 5 years	1,084	24,420
Others	335	368
	1,419	25,226

5. Tax

No Hong Kong profits tax has been provided for as the Group has tax losses available to offset the assessable profit for the period.

Tax for the period ended 30 June 2001 represented Hong Kong profits tax provided at the rate of 16% on the estimated assessable profits arising in Hong Kong during the period.

No deferred tax has been provided for the period as there were no significant timing differences at the period end date (2001: Nil).

No Hong Kong or overseas profits tax has been provided for associates as the associates did not generate any assessable profits in Hong Kong or elsewhere during the period (2001: Nil).

6. Dividends

Convertible preference shares

	For the six months ended 30 June			
	2002	2001	2002	2001
Cents per convertible preference share			HK\$'000	HK\$'000
1st semi-annual	0.8901	0.9050	7,800	8,362

Subject to the Companies Act 1981 of Bermuda and the bye-laws of the Company, the holders of convertible preference shares are entitled to be paid dividends semi-annually at 5.5% per annum on the notional value of HK\$0.33 per convertible preference share in arrears on a daily basis.

Ordinary shares

The Board of Directors has resolved not to pay any interim dividend to the ordinary shareholders for the six months ended 30 June 2002 (2001: Nil).

7. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the net profit attributable to shareholders (after deduction of dividends on convertible preference shares) for the period of HK\$13,515,000 (2001: HK\$25,360,000) and the weighted average number of 429,583,000 (2001: 420,000,000) ordinary shares in issue during the period.

(b) Diluted earnings per share

The calculation of diluted earnings per share for the six months ended 30 June 2002 is based on the net profit attributable to shareholders for the period of HK\$21,315,000 (2001: HK\$33,722,000). The weighted average number of ordinary shares used in the calculation is the weighted average number of 429,583,000 (2001: 420,000,000) ordinary shares in issue during the period and the weighted average number of 914,417,000 (2001: 924,000,000) ordinary shares deemed converted at no consideration from the exercise of all convertible preference shares to ordinary shares during the period.

8. Loan instalment receivables and loan receivables

Loan instalment receivables and loan receivables, which represent the amounts receivable from the Group's financing business in Hong Kong including interest receivables, are shown net of unearned interest. The balance was mainly secured by taxi licences and taxi cabs. Amounts receivable within one year are shown under current assets.

The maturity profile of loan instalment receivables and loan receivables as at 30 June 2002 and 31 December 2001 is analysed by the remaining periods to their contractual maturity dates as follows:

	30 June 2002 (Unaudited) HK\$'000	31 December 2001 (Audited) HK\$'000
Maturing:		
Within one year	45,301	46,159
Over one year to three years	41,847	48,342
Over three years to five years	36,580	45,460
Over five years	340,541	376,612
	<hr/> 464,269	516,573
Less:		
Provision	38,379	38,299
	<hr/> 425,890	478,274
	<hr/> <hr/>	<hr/> <hr/>

9. Other receivables

Included in other receivables were other debtors of HK\$94,941,000 (2001: HK\$98,505,000) which were secured by taxi licences, cash and a property. Full provisions have been made for the unsecured portion. Also included in other receivables were trade receivables of HK\$13,000 (2001: HK\$19,000) after provision of HK\$375,000 (2001: HK\$605,000). As trade receivables were immaterial to the Group, the maturity profile thereof was not disclosed. The Group allows an average credit of 90 days to its trade debtors.

10. Other payables and accruals

No trade payables were included in other payables and accruals (2001: HK\$1,000).

11. Interest-bearing bank borrowings

	30 June 2002 (Unaudited) HK\$'000	31 December 2001 (Audited) HK\$'000
Unsecured loans from a fellow subsidiary repayable in the second year	–	200,000

12. Share capital

	Number of shares	HK\$'000
Ordinary shares of HK\$0.10 each		
Authorised:		
At beginning and at end of the period	2,000,000,000	200,000
Issued and fully paid:		
At 1 January 2002	420,000,000	42,000
Conversion of convertible preference shares	47,738,000	4,774
At 30 June 2002	467,738,000	46,774
Convertible preference shares of HK\$0.10 each		
Authorised:		
At beginning and at end of the period	924,000,000	92,400
Issued and fully paid:		
At 1 January 2002	924,000,000	92,400
Exercise of conversion rights	(47,738,000)	(4,774)
At 30 June 2002	876,262,000	87,626

13. Operating lease arrangements

As at 30 June 2002, the Group had total future minimum lease rental payables under non-cancellable operating leases falling due as follows:

	30 June 2002 (Unaudited) HK\$'000	31 December 2001 (Audited) HK\$'000
Within one year	192	117
In the second to fifth years, inclusive	192	–
	384	117

14. Contingent liabilities

	30 June 2002 (Unaudited) HK\$'000	31 December 2001 (Audited) HK\$'000
Guarantees under the co-financing arrangements given to:		
Ultimate holding company	770	770
Other co-financing banks	–	898
	<hr/> 770	<hr/> 1,668
Letters of undertaking in respect of the surplus sale proceeds of taxi licences and cabs received from banks	2,047	2,047
	<hr/> 2,817	<hr/> 3,715

15. Related party transactions

During the period, the Group had the following transactions with related parties, which were carried out on essentially the same terms and/or at prevailing market rates with other customers or suppliers:

	For the six months ended 30 June	
	2002 (Unaudited) HK\$'000	2001 (Unaudited) HK\$'000
Commission income received from the ultimate holding company for referrals of taxi financing loans	5,943	503
Interest paid to a fellow subsidiary for unsecured revolving credit facilities	1,084	24,420
Interest received from fellow subsidiaries	3,266	7,939
Interest received from the ultimate holding company	895	–
Management fee paid to a fellow subsidiary	313	232
Rent paid to a fellow subsidiary	117	117
Rental income received from a fellow subsidiary	79	79
Commission income received from a fellow subsidiary for referrals of taxi financing loans	3,035	4,912
Provision against an amount due from an associate	–	6,700
	<hr/> –	<hr/> 6,700

16. Management of risk

(a) Credit risk

The Group has established policies and systems for the monitoring and control of credit risk. The Directors and the senior management of the Company are responsible for the formulation of credit policies and management of credit risk through reviews of regular reports on credit exposures and the level of bad debt provisions.

The Group maintains a system of controls on loan assessments and approvals, and will continue to pursue a conservative and prudent policy in granting loans.

(b) Market risk

The Group adopts a conservative view on exposure to market risk related financial instruments. During the period under review, the Group did not trade in any market risk related financial instruments.

17. Comparative figures

Certain comparative figures have been reclassified to conform with the current period's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group recorded a profit after tax and minority interest of HK\$21.3 million in the first six months ended 30 June 2002, which represented a decline of 36.8% or HK\$12.4 million when compared to the corresponding period of last year.

In the first half of the year, interest income decreased by HK\$53.8 million to HK\$23.5 million while commission income from the referral of taxi financing loans to the Group's panel of financiers decreased by HK\$7.2 million to HK\$5.0 million when compared to the same period in the previous year. At the same time, provision for bad and doubtful debts fell by HK\$14.0 million to HK\$3.8 million, provision against an amount due from an associate company decreased by HK\$6.7 million as no further provision was required, and finance costs decreased by HK\$23.8 million to HK\$1.4 million.

The majority of the taxi owners and hirers have converted their diesel taxis to liquefied petroleum gas taxis in 2001, resulting in a lower volume of taxi financing loans referred to the Group's panel of financiers in the first half of 2002 when compared to the previous year.

The prices of taxi licences have remained stable during the period under review, while the income level of taxi owners and hirers have not varied considerably, resulting in lower defaults in the taxi financing loans of the Group.

The reduction of interest rates and repayment of bank borrowings have contributed to a lower finance costs during the period under review. The Group has fully repaid its bank borrowings as at 30 June 2002.

The Group's taxi loans instalment receivables net of provision for bad and doubtful debts declined by HK\$52.3 million to HK\$411.4 million as at 30 June 2002 from HK\$463.7 million at the end of 2001 mainly due to early settlement of taxi financing loans, and scheduled repayment of monthly instalments.

Funding and Capital Management

The Group's shareholders' funds stood at HK\$1,025.5 million as at 30 June 2002.

The Group's cash and cash equivalents available for funding the taxi trading and taxi financing businesses stood at HK\$431.0 million as at the end of June 2002.

Following the repayment of its bank borrowings, the Group's gearing ratio was nil as at 30 June 2002.

During the period, the Group did not create any additional charges on its assets nor incur any material capital expenditure commitment.

The Group's principal operations are conducted and recorded in Hong Kong dollars. During the period, the Group did not engage in any hedging activities.

Human Resources

The Group's remuneration package and benefits for its employees are essentially the same as those disclosed in the Company's 2001 Annual Report. For the period under review, the number of employees of the Group remained stable.

A new share option scheme for employees was adopted by the Group at its annual general meeting held on 28 February 2002.

Contingent Liabilities

Under the co-financing arrangements, the Group has extended guarantees to its co-financing banks for certain taxi financing loans. As at 30 June 2002, the outstanding guarantees given to the co-financing banks decreased to HK\$0.8 million from HK\$1.7 million as at the end of 2001.

The Group has also issued letters of undertaking to one of the financiers of taxi financing loans to refund any surplus sale proceeds from disposal of taxi cabs and taxi licences which were repossessed from defaulted taxi hirers under the security arrangement for term loans granted to these hirers. As at 30 June 2002, the letters of undertaking issued amounted to HK\$2.0 million.

Prospects

The Government's effort in promoting the local tourism industry by lifting the quotas of mainland travellers has contributed to the surge in number of mainland tourist arrivals this year, thus providing a boost to the local economic activities. The Government is also reviewing and opening up restricted zones in the city for taxis to pick up and drop off passengers; such a positive move is expected to contribute to the earnings of the taxi hirers, and provide stability to the taxi industry.

The Group will continue to focus on the business of taxi financing and trading of taxi licences whilst adopting a prudent and conservative approach in its financing activities. With the local economy anticipated to recover gradually, the prices of taxi licences and takings of the taxi hirers are expected to remain stable. The conversion of diesel taxis to liquefied petroleum gas taxis is expected to slow down and the taxi trading activities in the market is expected to remain subdued in the second half of this year. Barring any unforeseen circumstances, the Group is expected to increase its taxi trading and financing activities by providing term loans to taxi hirers in addition to the financing provided by the panel of financiers.

DIRECTORS' INTERESTS IN SHARES

- (1) As at 30 June 2002, the Directors' interests in the issued share capital of the Company and its associated corporations within the meaning of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"), as recorded in the register required to be kept under Section 29 of the SDI Ordinance, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"), were as follows:

Interests in	Name of Director	Number of ordinary shares	
		Corporate interests	Personal interests
1. The Company	Tan Sri Dato' Dr. TEH Hong Piow	314,999,925	–
2. JCG Holdings Limited ("JCG"), the immediate holding company	Tan Sri Dato' Dr. TEH Hong Piow TAN Yoke Kong CHEAH Cheng Hye	434,408,110 – –	– 150,000 10,000
3. Public Bank Berhad ("Public Bank"), the ultimate holding company	Tan Sri Dato' Dr. TEH Hong Piow WONG Kong Ming	986,890,817 –	1,000,000 116,817
4. Public Finance Berhad ("Public Finance"), a fellow subsidiary	Tan Sri Dato' Dr. TEH Hong Piow	208,736,051	16,500

Interests in	Name of Director	Number of convertible preference shares	
		Corporate interests	Personal interests
The Company	Tan Sri Dato' Dr. TEH Hong Piow	870,225,121	–

Tan Sri Dato' Dr. TEH Hong Piow, by virtue of his interest in Public Bank, is deemed to be interested in the ordinary shares and convertible preference shares of the Company and the ordinary shares of the associated corporations as disclosed above, to the extent that Public Bank has an interest. Such convertible preference shares are convertible into ordinary shares of the Company at the option of the holders at an initial conversion price of HK\$0.33 each (subject to adjustment) at any time after two years from 3 March 2000, the date of issue of the convertible preference shares, and up to the fifth anniversary from the date of their issue or until the date prior to the redemption date, whichever is the earlier. The convertible preference shares will be mandatorily converted into ordinary shares of the Company at the initial conversion price (subject to adjustment) on the maturity date, being the fifth anniversary from 3 March 2000, provided that the condition of mandatory redemption, under which the conversion price is below the par value on the said maturity date, is not applicable at that time.

By virtue of his interest in Public Bank, Tan Sri Dato' Dr. TEH Hong Piow is also deemed to be interested in the non wholly-owned subsidiaries of Public Bank and of the Company, to the extent of Public Bank's or the Company's interests in them, respectively. These non wholly-owned subsidiaries have not been itemised on the basis that they are not material in the context of the Group and the list is of excessive length.

- (2) As at 30 June 2002, the interests of the Directors in any rights to subscribe for ordinary shares in the Company and its associated corporations (as defined in the SDI Ordinance) as recorded in the register required to be kept under Section 29 of the SDI Ordinance, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interests in	Notes	Name of Director	Number of share options		At the end of the period	Exercise price	Exercisable period
			At the beginning of the period	Granted/ [Exercised] during the period			
1. JCG	(i)	TAN Yoke Kong	150,000	[150,000]	–	HK\$4.77	50%: 5.7.1999 – 4.7.2002 50%: 5.7.2000 – 4.7.2002
	(i)	LEE Huat Oon	136,000	[136,000]	–	HK\$4.77	50%: 5.7.1999 – 4.7.2002 50%: 5.7.2000 – 4.7.2002
2. Public Bank	(ii)	Tan Sri Dato' Dr. TEH Hong Piow	250,000	–	250,000	RM1.27	10.4.1998 – 24.2.2005
			75,000	–	75,000	RM1.27	23.4.2001 – 24.2.2005
			–	36,360,000	36,360,000	RM2.78	6.6.2002 – 24.2.2005
			<u>325,000</u>	<u>36,360,000</u>	<u>36,685,000</u>		
	(ii)	WONG Kong Ming	–	100,000	100,000	RM2.78	6.6.2002 – 24.2.2005
3. Public Finance	(iii)	Tan Sri Dato' Dr. TEH Hong Piow	–	3,300,000	3,300,000	RM6.60	6.6.2002 – 30.5.2007 or upon merger whichever is earlier

Notes:

- (i) The options to subscribe for ordinary shares of HK\$0.10 each in JCG were granted on 20 June 1997 under the JCG Share Option Scheme duly approved on 20 March 1997. The JCG Share Option Scheme was terminated on 28 February 2002.
- (ii) The options to subscribe for ordinary shares of RM0.50 each in Public Bank were first granted on 10 April 1998 under its Employees' Share Option Scheme ("PBB ESOS"). A bonus issue of the options was made on 23 April 2001, and the exercise price was adjusted accordingly. Following approvals from the relevant Authorities and the shareholders of Public Bank at the Extraordinary General Meeting held on 20 May 2002, the PBB ESOS has been extended for 2 years to 25 February 2005. Hence, the exercisable period of the options has also been extended up to and including 24 February 2005. Further options were granted to employees of Public Bank on 6 June 2002. The options are exercisable subject to the terms of the PBB ESOS.
- (iii) The options to subscribe for ordinary shares of RM1.00 each in Public Finance were granted on 6 June 2002 under its Employees' Share Option Scheme ("PFB ESOS"). The options are exercisable subject to the terms of the PFB ESOS.

During the period, no options to subscribe for ordinary shares in the Company were granted to any of the Directors, or to the spouse or children under 18 years of age of any of the Directors, either under the share option scheme adopted by the Company on 24 July 1992 and terminated on 28 February 2002 (the "Old Scheme") or the share option scheme adopted by the Company on 28 February 2002 (the "New Scheme").

Save as disclosed above, none of the Directors had any personal, family, corporate or other beneficial interests in the equity or debt securities of the Company or any of its associated corporations.

SHARE OPTION SCHEME

As at 30 June 2002, no options to subscribe for ordinary shares in the Company have been granted to any eligible participants, including Directors or their respective associates or employees, either under the Old Scheme or the New Scheme. Hence, the particulars in relation to the share option scheme of the Company that are required to be disclosed under Rules 17.07 and 17.08 of Chapter 17 of the Listing Rules have not been itemised hereto.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2002, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance showed that JCG held a beneficial interest in 314,999,925 ordinary shares of HK\$0.10 each in the Company, representing approximately 67.35% of the ordinary share capital in issue.

Public Bank was deemed to be interested in the same 314,999,925 ordinary shares by virtue of its 61.38% interest in JCG.

Tan Sri Dato' Dr. TEH Hong Piow was also deemed to be a substantial shareholder of the Company by virtue of his interest in Public Bank, the ultimate holding company of JCG.

Save as disclosed above, the Directors of the Company are not aware of any person who is, directly or indirectly, interested in 10% or more of the issued ordinary share capital of the Company or has any rights to subscribe for shares in respect of such capital.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2002.

CODE OF BEST PRACTICE

None of the Directors of the Company is aware of information that would reasonably indicate that the Company is not, or was not for any part of the accounting period covered by the 2002 Interim Report, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules. The Non-Executive Director and Independent Non-Executive Directors of the Company are appointed subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's bye-laws.

REVIEW BY AUDIT COMMITTEE

The 2002 Interim Report has been reviewed by the Company's Audit Committee which comprises two Independent Non-Executive Directors and a Non-Executive Director.

By Order of the Board
TAN YOKE KONG
Director

Hong Kong, 17 July 2002