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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 2002. The Audit Committee of the Board, comprising of all three independent non-executive directors of the Company, has also met to review the results and the financial statements of the Group for the six months ended 30 June 2002 prior to recommending them to the Board for approval.

The profit attributable to shareholders for the six months ended 30 June 2002 was HK\$363 million, an increase of 29% over HK\$281 million for the corresponding six months period ended 30 June 2001. The profit attributable to shareholders for the six months ended 30 June 2002 of HK\$363 million approximates to 92% of the profits earned by the Group for the year ended 31 December 2001.

With the continuing uncertainty in the Hong Kong property market, the Directors have considered it prudent to make a further specific provision of HK\$133 million in respect of the Constellation Cove project in Tai Po Kau with the Group's 75% share of the provision amounting to HK\$100 million. Together with the HK\$360 million provision previously made for the project, a total provision of HK\$493 million has been made for this project, with the Group's share amounting to HK\$370 million.

With respect to Ocean Pointe and Constellation Cove, the Group has realised approximately HK\$90 million and HK\$115 million, respectively, of the total provisions made for the two projects in line with the sales of these properties during the period under review. Inclusive of the HK\$90 million provision realised during the period, HK\$510 million out of a total of HK\$550 million of the provisions made for the Ocean Pointe project have been utilised to date.

Earnings per share for the period were HK31.34 cents, an increase of 27% over earnings per share for the corresponding period in 2001 of HK24.68 cents. The basis of calculating the earnings per share is detailed in note 6 below.

The Directors have declared an interim dividend of HK18 cents per share in cash for the six months ended 30 June 2002 (2001: HK20 cents) payable on Tuesday, 22 October 2002, to shareholders whose names appear on the registers of members of the Company on Wednesday, 4 September 2002, 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 Monday, 16 September 2002. The scrip dividend scheme is subject to the following conditions: (a) the issue price of a new share to be issued pursuant thereto being not less than the nominal value of a share of the Company; and (b) the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") of the listing of and permission to deal in the new shares to be issued pursuant thereto.

At the Company's Annual General Meeting held on 17 April 2002, the shareholders approved the final dividend of HK12 cents per share for the year ended 31 December 2001 amounting to a total of HK\$138.7 million. Shareholders were given a scrip alternative to receive such final dividend wholly or partly by allotment of new shares credited as fully paid in lieu of cash. A total of 14,583,348 shares were issued on 31 May 2002 at a price of HK\$8.19 per share (being the average of the closing price of the first 5 trading days after the book close dates for the purpose of determining the entitlement to this final dividend), which was equivalent in total to HK\$119.4 million in value, pursuant to this dividend scheme. The dividend payable in cash amounting to HK\$19.3 million was paid on 31 May 2002.

## UNAUDITED INTERIM RESULTS

### CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Notes	Unaudited	
		Six months ended 30 June 2002 HK\$'000	2001 HK\$'000
Turnover	2	<b>3,091,972</b>	2,193,620
Cost of sales		<b>(1,717,993)</b>	(1,294,422)
Direct operating expenses		<b>(595,266)</b>	(386,977)
Gross profit		<b>778,713</b>	512,221
Other revenues		<b>29,189</b>	90,852
Other income		<b>20,451</b>	19,341
Provision in respect of stock of completed properties held for sale		<b>(133,000)</b>	–
Amortisation of investment in a fixed return co-operative joint venture		–	(31,080)
Administrative expenses		<b>(150,132)</b>	(134,537)
Operating profit before finance costs		<b>545,221</b>	456,797
Finance costs		<b>(126,909)</b>	(187,332)
Operating profit	2,3	<b>418,312</b>	269,465
Share of profits less losses of associated companies		<b>29,703</b>	65,301
Profit before taxation		<b>448,015</b>	334,766
Taxation	4	<b>(78,888)</b>	(27,983)
Profit after taxation		<b>369,127</b>	306,783
Minority interests		<b>(6,094)</b>	(25,726)
Profit attributable to shareholders		<b>363,033</b>	281,057
Transfer to reserves	5	<b>(3,416)</b>	(5,227)
		<b>359,617</b>	275,830
Interim dividend		<b>210,665</b>	230,973
Earnings per share	6	<b>31.34 cents</b>	24.68 cents
Interim dividend per share		<b>18 cents</b>	20 cents

## CONSOLIDATED BALANCE SHEET

	Notes	Unaudited 30 June 2002 HK\$'000	Audited 31 December 2001 HK\$'000
Intangible assets		45,653	5,284
Fixed assets		21,921,277	21,810,930
Associated companies		5,156,976	5,061,970
Long-term investments		1,789,936	1,740,292
Current assets			
Stock of completed properties held for sale		1,935,356	1,017,343
Properties under development for sale		610,182	3,069,042
Accounts receivable, prepayments and deposits	7	1,275,878	753,135
Tax recoverable		30,940	32,103
Tax reserve certificates		4,286	4,286
Trading securities		2,920	3,964
Pledged bank deposits		59,229	168,872
Cash and bank balances		1,121,977	2,125,394
		5,040,768	7,174,139
Current liabilities			
Accounts payable, deposits received and accrued charges	8	1,604,740	1,458,659
Taxation		153,494	51,576
Current portion of long-term liabilities	9	1,223,522	3,241,076
Bank overdrafts, unsecured		1,602	2,646
		2,983,358	4,753,957
Net current assets		2,057,410	2,420,182
Total assets less current liabilities		30,971,252	31,038,658
Financed by:			
Share capital		1,170,359	1,155,727
Share premium		3,476,638	3,371,498
Other reserves		11,706,665	11,571,851
Retained profits		5,808,579	5,659,627
Proposed dividend		210,665	138,687
Shareholders' funds		22,372,906	21,897,390
Minority interests and loans		2,828,953	2,724,154
		25,201,859	24,621,544
Long-term liabilities	9	5,767,343	6,365,995
Deferred taxation		2,050	51,119
		30,971,252	31,038,658

## FINANCIAL HIGHLIGHTS

	30 June 2002 HK\$M	31 December 2001 HK\$M
Shareholders' equity	22,373	21,897
Net borrowings	5,811	7,315
Net asset value per share	HK\$19.12	HK\$18.95
Gearing	26%	33%
Issued shares (in millions)	1,170	1,156

## CONSOLIDATED CASH FLOW STATEMENT

	Unaudited	
	Six months ended 30 June	
	2002	2001
	HK\$'000	HK\$'000
<b>Cash flows from operating activities</b>		
Cash generated from operations	1,715,478	1,026,680
Interest paid	(148,561)	(223,016)
Profits tax paid	(16,999)	(23,020)
Net cash from operating activities	<b>1,549,918</b>	780,644
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, excluding interest capitalised	(117,316)	(90,695)
Purchase of subsidiaries (net of cash and cash equivalents acquired)	(45,196)	(4,304)
Additional investments in associated companies	(16,578)	(4,369)
Loans to associated companies	(11,542)	(56,878)
Purchase of long-term investments	(1,700)	(2,231)
Repayment of loans from investee companies	700	2,900
Proceeds from sale of listed equity shares	1,661	1,027
Proceeds from sale of fixed assets	53,722	212,825
Interest received	12,748	24,536
Dividends received from associated companies	37,579	1,000
Dividends received from unlisted investments	18,219	7,000
Dividends received from listed investments	61	47
Net cash (used in)/from investing activities	<b>(67,642)</b>	90,858
<b>Cash flows from financing activities</b>		
Proceeds from issuance of share capital	334	-
Repayment of bank loans	(6,663,132)	(6,699,031)
Drawdown of bank loans	6,001,888	5,748,558
Redemption of convertible bonds	(1,993,282)	-
Capital contribution from minority shareholders	41,380	-
Additional loans from minority shareholders	37,970	25,137
Dividends paid	(19,250)	(44,287)
Dividends paid to minority shareholders	(200)	(10,440)
Net cash used in financing activities	<b>(2,594,292)</b>	(980,063)
<b>Net decrease in cash and cash equivalents</b>	<b>(1,112,016)</b>	(108,561)
<b>Cash and cash equivalents at 1 January</b>	<b>2,291,620</b>	1,268,759
<b>Cash and cash equivalents at 30 June</b>	<b>1,179,604</b>	1,160,198
<b>Analysis of cash and cash equivalents</b>		
Pledged bank deposits	59,229	147,733
Cash and bank balances	1,121,977	1,016,274
Bank overdrafts	(1,602)	(3,809)
	<b>1,179,604</b>	1,160,198

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2002</b>	<b>2001</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Opening balance – Total equity	<b>21,897,390</b>	23,805,701
Adjustment on revaluation of investment properties	<b>11,017</b>	9,127
Share of revaluation deficit of properties held by associated companies	<b>(1,071)</b>	–
Revaluation deficit on non-trading securities	<b>(5,902)</b>	–
Exchange differences arising on translation of the PRC and overseas subsidiaries and associated companies	<b>138,048</b>	(48,256)
Net gains/(losses) not recognised in the profit and loss account	<b>142,092</b>	(39,129)
Profit attributable to shareholders	<b>363,033</b>	281,057
Relevant portion of properties revaluation reserves realised in the profit and loss account on disposal of properties	<b>(10,694)</b>	(23,135)
Dividends	<b>(138,687)</b>	(226,883)
Issue of share capital	<b>119,772</b>	182,596
Capital reserve arising from purchase of additional interest in an associated company	–	14,465
	<b>333,424</b>	228,100
Closing balance – Total equity	<b><u>22,372,906</u></b>	<b><u>23,994,672</u></b>

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## NOTES TO THE ACCOUNTS

### 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

These condensed interim accounts should be read in conjunction with the 2001 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 2001 except that the Group has adopted the following SSAPs issued by the Hong Kong Society of Accountants which are effective for accounting periods commencing on or after 1 January 2002:

SSAP 1 (revised)	:	Presentation of financial statements
SSAP 11 (revised)	:	Foreign currency translation
SSAP 15 (revised)	:	Cash flow statements
SSAP 25 (revised)	:	Interim financial reporting
SSAP 34	:	Employee benefits

The effect of adopting these new or revised standards on the profit for the period is insignificant.

## 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	
	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000
Principal activities:				
Property rental				
– Hong Kong	190,271	216,774	105,496	92,584
– PRC	218,003	245,682	123,260	134,680
	408,274	462,456	228,756	227,264
Hotel operations	114,355	101,113	46,354	17,948
Logistics and warehouse operations				
– warehouse	195,960	215,454	83,357	60,934
– logistics	306,441	120,840	7,745	3,514
	502,401	336,294	91,102	64,448
Property sales				
– Hong Kong	1,815,204	1,123,113	(30,524)	(35,074)
– PRC	230,535	149,398	41,229	(54,519)
	2,045,739	1,272,511	10,705	(89,593)
Infrastructure	–	–	(246)	28,153
Project, property management and others	21,203	21,246	41,641	21,245
	<u>3,091,972</u>	<u>2,193,620</u>	<u>418,312</u>	<u>269,465</u>
Principal markets:				
Hong Kong	2,350,602	1,631,676	209,293	141,574
PRC	571,524	496,193	199,476	126,262
Others	169,846	65,751	9,543	1,629
	<u>3,091,972</u>	<u>2,193,620</u>	<u>418,312</u>	<u>269,465</u>

## NOTES TO THE ACCOUNTS (continued)

### 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 2002							Consolidated
	Hong Kong Property	PRC Property	Logistics and Warehouse	Infrastructure	International	Others	Eliminations	
<i>HKS'000</i>								
<b>REVENUE</b>								
Turnover	2,005,475	562,893	502,401	-	-	21,203	-	3,091,972
Inter-segment revenue	-	-	-	-	-	141,910	(141,910)	-
Inter-segment interest income	-	-	-	-	-	202,771	(202,771)	-
Total revenue	<u>2,005,475</u>	<u>562,893</u>	<u>502,401</u>	<u>-</u>	<u>-</u>	<u>365,884</u>	<u>(344,681)</u>	<u>3,091,972</u>
<b>RESULT</b>								
Segment results	178,995	258,569	124,396	(246)	(3,485)	160,574	(202,771)	516,032
Dividend income	1,976	-	-	-	16,299	5	-	18,280
Interest income	1,541	2,315	172	1,950	-	4,931	-	10,909
Interest expenses	(107,540)	(50,041)	(33,466)	(1,950)	-	(136,683)	202,771	(126,909)
Operating profit/(loss)	74,972	210,843	91,102	(246)	12,814	28,827	-	418,312
Share of profits less losses of associated companies	(50,447)	11,497	(1,642)	45,164	25,131	-	-	29,703
Profit before taxation	24,525	222,340	89,460	44,918	37,945	28,827	-	448,015
Taxation	(36,987)	(31,240)	(7,267)	(2,021)	(8,762)	7,389	-	(78,888)
(Loss)/profit after taxation	(12,462)	191,100	82,193	42,897	29,183	36,216	-	369,127
Minority interests	31,755	(37,018)	(5,771)	-	-	4,940	-	(6,094)
Profit attributable to shareholders	<u>19,293</u>	<u>154,082</u>	<u>76,422</u>	<u>42,897</u>	<u>29,183</u>	<u>41,156</u>	<u>-</u>	<u>363,033</u>



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)	-
Inter-segment interest income	-	-	-	-	-	239,671	(239,671)	-
Income from investment in a fixed return co-operative joint venture	-	-	-	59,540	-	-	-	59,540
Total revenue	<u>1,339,887</u>	<u>496,193</u>	<u>336,294</u>	<u>59,540</u>	<u>-</u>	<u>544,539</u>	<u>(523,293)</u>	<u>2,253,160</u>
<b>RESULT</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)
Operating profit/(loss)	57,510	98,109	64,448	28,153	(194)	21,439	-	269,465
Share of profits less losses of associated companies	8,016	17,685	(217)	19,564	20,253	-	-	65,301
Profit before taxation	65,526	115,794	64,231	47,717	20,059	21,439	-	334,766
Taxation	(6,893)	(9,437)	(6,426)	(1,807)	(6,578)	3,158	-	(27,983)
Profit after taxation	58,633	106,357	57,805	45,910	13,481	24,597	-	306,783
Minority interests	(1,878)	(16,028)	(5,519)	-	-	(2,301)	-	(25,726)
Profit attributable to shareholders	<u>56,755</u>	<u>90,329</u>	<u>52,286</u>	<u>45,910</u>	<u>13,481</u>	<u>22,296</u>	<u>-</u>	<u>281,057</u>

## NOTES TO THE ACCOUNTS (continued)

### 3. Operating Profit

	<b>Six months ended 30 June</b>	
	<b>2002</b>	2001
	<b>HK\$'000</b>	HK\$'000
Operating profit is stated after crediting/charging the following:		
<i>Crediting</i>		
Income from investment in a fixed return co-operative joint venture	–	59,540
Dividend income from listed and unlisted investments	<b>18,280</b>	7,047
Interest income	<b>10,909</b>	24,265
Gross profit/(loss) on sale of properties		
– Investment properties	<b>(12,334)</b>	(66,501)
– Properties under development and completed properties for sale (note(a))	<b>340,080</b>	44,589
	<b>327,746</b>	(21,912)
<i>Charging</i>		
Depreciation	<b>29,551</b>	21,664
Total finance costs incurred	<b>181,036</b>	293,027
Less: amount capitalised in properties under development	<b>(54,127)</b>	(105,695)
Total finance costs expensed during the period	<b>126,909</b>	187,332

- (a) The amount includes provisions realised in respect of Ocean Pointe and Constellation Cove during the six months ended 30 June 2002 amounting to HK\$90 million (2001: HK\$317 million) and HK\$115 million (2001: Nil), respectively.

#### 4. Taxation

	Six months ended 30 June	
	2002	2001
	HK\$'000	HK\$'000
The taxation charge comprises:		
Hong Kong profits tax		
Current	48,914	23,237
Overprovision in prior years	(9,613)	(14,018)
	39,301	9,219
PRC taxation		
Current	79,456	2,496
Deferred	(51,119)	1,742
Overprovision in prior years	(706)	–
	27,631	4,238
Overseas taxation		
Current	21	520
Overprovision in prior years	(67)	–
	(46)	520
Share of taxation attributable to associated companies	12,002	14,006
	<u>78,888</u>	<u>27,983</u>

Hong Kong profits tax has been provided at 16% (2001: 16%) on the estimated assessable profits for the period. Taxation on PRC and overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the PRC and the overseas countries in which the Group operates, respectively.

#### 5. Transfer To Reserves

	Six months ended 30 June	
	2002	2001
	HK\$'000	HK\$'000
Transfer (to)/from:		
Share of surplus and capital reserves of associated companies	(3,933)	(5,227)
Share of revaluation reserve of an associated company	517	–
	<u>(3,416)</u>	<u>(5,227)</u>

#### 6. Earnings Per Share

The calculation of earnings per share is based on the profit attributable to shareholders of HK\$363,033,000 (2001: HK\$281,057,000) and the weighted average number of 1,158,228,637 shares (2001: 1,138,597,034 shares) in issue during the period.

There is no dilution arising from the outstanding share options granted by the Company in 1997, 1999 and 2001. The dilution from the outstanding share options granted by the Company in 2000 and 2002 is immaterial. Accordingly, diluted earnings per share has not been shown.

## NOTES TO THE ACCOUNTS (continued)

### 7. Accounts Receivable, Prepayments And Deposits

Included in accounts receivable, prepayments and deposits are trade receivables. The Group maintains a defined credit policy. The ageing analysis of trade receivables as at 30 June 2002 was as follows:

	<b>30 June 2002 HK\$'000</b>	31 December 2001 HK\$'000
0 – 1 month	<b>389,421</b>	284,690
2 – 3 months	<b>45,460</b>	33,387
Over 3 months	<b>15,346</b>	10,036
	<b><u>450,227</u></b>	<b><u>328,113</u></b>

### 8. Accounts Payable, Deposits Received And Accrued Charges

Included in accounts payable, deposits received and accrued charges are trade payables. The ageing analysis of trade payables as at 30 June 2002 was as follows:

	<b>30 June 2002 HK\$'000</b>	31 December 2001 HK\$'000
0 – 1 month	<b>114,544</b>	116,660
2 – 3 months	<b>9,425</b>	16,182
Over 3 months	<b>19,035</b>	4,705
	<b><u>143,004</u></b>	<b><u>137,547</u></b>

### 9. Long-Term Liabilities

	<b>30 June 2002 HK\$'000</b>	31 December 2001 HK\$'000
Bank loans – unsecured	<b>6,055,049</b>	5,569,900
Bank loans – secured	<b>935,816</b>	2,076,655
Total bank loans (note (a))	<b>6,990,865</b>	7,646,555
Convertible bonds (note (b))	<b>–</b>	1,960,516
	<b><u>6,990,865</u></b>	<b><u>9,607,071</u></b>
Current portion of long-term liabilities		
Bank loans	<b>(1,223,522)</b>	(1,280,560)
Convertible bonds	<b>–</b>	(1,960,516)
	<b><u>(1,223,522)</u></b>	<b><u>(3,241,076)</u></b>
	<b><u>5,767,343</u></b>	<b><u>6,365,995</u></b>

(a) At 30 June 2002, the Group's bank loans were repayable as follows:

	<b>30 June 2002 HK\$'000</b>	31 December 2001 HK\$'000
Within one year	<b>1,223,522</b>	1,280,560
After one year		
In the second year	<b>739,267</b>	1,152,988
In the third year	<b>278,076</b>	413,007
In the fourth year	<b>250,000</b>	–
In the fifth year	<b>4,500,000</b>	4,800,000
	<b>5,767,343</b>	6,365,995
	<b>6,990,865</b>	7,646,555

(b) Convertible bonds

During the period, all the outstanding convertible bonds amounting to US\$197.18 million were redeemed by the Group.

## 10. Contingent Liabilities

	<b>30 June 2002 HK\$'000</b>	31 December 2001 HK\$'000
Banking facilities		
Guarantees for banking and other facilities of certain associated companies and investee companies (note(a))	<b>515,879</b>	1,038,259
Guarantees to certain banks for mortgage facilities granted to first buyers of certain properties in the PRC (note(b))	<b>166,438</b>	150,914
	<b>682,317</b>	1,189,173

(a) The Group has executed guarantees and undertakings 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\$515,879,000 (31 December 2001: HK\$1,038,259,000). The total amount of such facilities covered by the Group's guarantees amounted to approximately HK\$660,490,000 (31 December 2001: HK\$1,214,495,000).

(b) The Group has executed guarantees and undertakings 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\$166,438,000 (31 December 2001: HK\$150,914,000). The total amount of such facilities covered by the Group's guarantees amounted to approximately HK\$686,825,000 (31 December 2001: HK\$569,217,000).

Apart from the above, there are no material changes in contingent liabilities of the Group since 31 December 2001.

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## NOTES TO THE ACCOUNTS (continued)

### 11. Pledge Of Assets

- (a) At 30 June 2002, the Group's total bank loans of HK\$6,990,865,000 (31 December 2001: HK\$7,646,555,000) included an aggregate amount of HK\$6,055,049,000 (31 December 2001: HK\$5,569,900,000) which is unsecured and an aggregate amount of HK\$935,816,000 (31 December 2001: HK\$2,076,655,000) which is 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\$7,372,949,000 (31 December 2001: HK\$9,994,895,000);
  - (ii) charges on all assets, including bank balances amounting to HK\$59,229,000 (31 December 2001: HK\$168,872,000), 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 beneficial owners of the shareholders of certain subsidiaries.
- (b) At 30 June 2002, the shares of an associated company held by the Group were pledged to banks to secure loan facilities granted to a wholly-owned subsidiary of the aforesaid associated company.