UNAUDITED CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2000

<table>
<thead>
<tr>
<th>Description</th>
<th>30 June 2000</th>
<th>30 June 1999</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>HK$28,986,714,000</td>
<td>HK$31,013,596,000</td>
<td>(8%, 2.7%)</td>
</tr>
<tr>
<td>Capital resources</td>
<td>HK$36,357,748,000</td>
<td>HK$37,346,468,000</td>
<td>(2.7%)</td>
</tr>
<tr>
<td>Shareholders' funds</td>
<td>HK$36,357,748,000</td>
<td>HK$37,346,468,000</td>
<td>(2.7%)</td>
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</tbody>
</table>

1. The provisions for bad and doubtful debts for the period comprise:

- loans overdue for 1 month or less: HK$192,879,000
- loans overdue for 1 to 6 months: HK$228,835,000
- loans overdue for more than 6 months: HK$414,432,000

2. In Hong Kong, the mortgage business is run according to the requirements of the Housing Ordinance. The Bank and nine other fellow banks to conduct mandatory provident fund business, has already followed suit when US interest rates were raised during the first half of the year. However, the Bank is able to achieve better results for the first half of the year. The Bank has participated in the competition for more mortgage business, we still insist upon obtaining reasonable interest spreads for the loans involved. Besides, we managed to do a considerable amount of mortgage business through our customers' referrals. Hong Kong, as an international financial center, is sure to be affected by external factors. As regard, Hong Kong's bridging and intermediary role will certainly help it to recover faster.

3. The Bank has provided for bad and doubtful debts the provisions as at the end of the period on the following basis:

- 1 month or less: HK$192,879,000
- 1 to 6 months: HK$228,835,000
- more than 6 months: HK$414,432,000

4. There were no advances to banks and other financial institutions on which interest is being placed in suspense or on which interest accrual has ceased. There were no advances to banks and other financial institutions on which interest is being placed in suspense or on which interest accrual has ceased.

5. The net advances on loans for the purchase of flats in the Hong Kong Housing Authority scheme are shown as part of other accounts and provisions and are based on the cost of purchase of the flats.

6. No transfer of shares can be registered during the period of 20 August to 8 September 2000, both days inclusive, during which period no transfer of shares can be registered. In order to comply with the requirements of the Stock Exchange of Hong Kong, Limited, the Bank's Share Registrars and Transfer Office, Central Registration Hong Kong Limited of 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 5.00 p.m. (Hong Kong time) on 16 August 2000. Neither the Bank nor any of its subsidiaries had purchased, sold or redeemed any of the Bank's listed securities during the six months ended 30 June 2000.

7. On 16 August 2000, the Bank's capital base was calculated as HK$937,056,000 (1999: HK$1,092,497,000) is secured by collateral with estimated market value.

8. The interim dividend per share of 5.463453 HK$ has been approved by the Directors at the Ordinary General Meeting of Shareholders held on 14 August 2000.

9. The Bank's capital adequacy ratio as at the balance sheet date, which complies with the Guideline "Maintenance of Adequate Capital adequacy ratio" as at the balance sheet date, which complies with the Guideline "Maintenance of Adequate Capital adequacy ratio."

10. The provisions for income taxes for the period consist of:

- a. Hong Kong profits tax has been provided at the rate of 16% (1999: 16%) on the estimated assessable profits for the period.
- b. No provision for deferred taxation has been made as the amounts involved are insignificant.

11. The basic exchange rate contracts of HK$72,393,000 (31 December 1999: HK$21,593,000) have yet to be settled. Compared with the corresponding figure at 30 June 1999, the basic exchange rate contracts of HK$72,393,000 (31 December 1999: HK$21,593,000) have yet to be settled. Compared with the corresponding figure at 30 June 1999, the basic exchange rate contracts of HK$72,393,000 (31 December 1999: HK$21,593,000) have yet to be settled. Compared with the corresponding figure at 30 June 1999, the basic exchange rate contracts of HK$72,393,000 (31 December 1999: HK$21,593,000) have yet to be settled. Compared with the corresponding figure at 30 June 1999, the basic exchange rate contracts of HK$72,393,000 (31 December 1999: HK$21,593,000) have yet to be settled. Compared with the corresponding figure at 30 June 1999, the basic exchange rate contracts of HK$72,393,000 (31 December 1999: HK$21,593,000) have yet to be settled.

12. One year on the back of a gradually improving economy.

13. The Bank is due to make an interim dividend of 5.463453 HK$ per share on 16 August 2000. On 15 August 2000, both days inclusive, during which period no transfer of shares can be registered. In order to comply with the requirements of the Stock Exchange of Hong Kong, Limited, the Bank's Share Registrars and Transfer Office, Central Registration Hong Kong Limited of 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 5.00 p.m. (Hong Kong time) on 16 August 2000.

14. No transfer of shares can be registered during the period of 20 August to 8 September 2000, both days inclusive, during which period no transfer of shares can be registered. In order to comply with the requirements of the Stock Exchange of Hong Kong, Limited, the Bank's Share Registrars and Transfer Office, Central Registration Hong Kong Limited of 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 5.00 p.m. (Hong Kong time) on 16 August 2000.

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