

RESULTS

The board of directors of Kee Shing (Holdings) Limited announces that the unaudited consolidated results of the Group for the six months ended 30th June, 2000 together with the comparative figures for the six months ended 30th June, 1999 are as follows:

| | Six months ended | |
|--|-------------------------|---------------|
| | 30th June, | |
| | 2000 | 1999 |
| | HK\$'000 | HK'000 |
| Turnover | 537,902 | 735,631 |
| Other revenue | 9,535 | 6,043 |
| Changes in inventories of finished goods | 2,101 | (20,319) |
| Purchase of goods held for resale Raw materials and consumables used | (483,489) | (632,308) |
| Staff costs | (3,525) | (4,711) |
| Depreciation and amortisation | (10,602) | (11,503) |
| Other operating expenses | (1,684) | (1,676) |
| Net realised gain and unrealised gain on other investments | (18,007) | (25,263) |
| | 645 | 9,859 |
| Profit from operations | 32,876 | 55,753 |
| Finance costs | (6,586) | (3,041) |
| Share of loss of associated company | (771) | – |
| Profit before taxation | 25,519 | 52,712 |
| Taxation (<i>Note 1</i>) | (2,277) | (3,428) |
| Profit before minority interests | 23,242 | 49,284 |
| Minority interests | (1,334) | (2,481) |
| Net profit for the year | 21,908 | 46,803 |
| Dividends | (8,910) | (11,138) |
| Retained profit for the period | 12,998 | 35,665 |
| Earnings per share (<i>Note 2</i>) | 4.9 cents | 10.5 cents |
| Dividends per share | 2.0 cents | 2.5 cents |

Notes:

(1) Taxation

Hong Kong Profits Tax is calculated at 16.0% (1999: 16%) of the estimated assessable profit for the year. Overseas taxation is calculated at the rates prevailing in the respective jurisdiction.

- (2) The calculation of earnings per share is based on the profit attributable to shareholders HK\$21,908,000 (1999: HK\$46,803,000) and the 445,500,000 (1999: 445,500,000) shares in issue during the period.

INTERIM DIVIDEND

The directors are pleased to declare an interim dividend of 2.0 cents per share (1999: 2.5 cents per share) payable on or before 25th September, 2000 to shareholders whose names appear on the register of members of the Company on 15th September, 2000.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 11th September, 2000 to 15th September, 2000, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed interim dividend, all transfer accompanied by the relevant share certificates must be lodged with the Company's share register, Standard Registrars Limited, 5/F., Wing On Centre, 111 Connaught Road Central, Hong Kong not later than 4:00 p.m. on 8th September, 2000.

BUSINESS REVIEW AND PROSPECTS

The Group's unaudited consolidated profit for the period ended 30th June, 2000 was HK\$21.9 million, representing a decrease of 53.2% as compared with the figure for the same period of previous year. Earnings per share were 4.9 cents.

Total Group's trading turnover for the period ended 30th June, 2000 was decreased by 26.9% to HK\$537.9 million mainly due to the ceased business in trading watch parts in 2000. Companies associated with trading metals and chemical had positive growth in the first half year of 2000, representing an increase of 47.2% in turnover compared with the same period in 1999, mainly because of strong metal market prices during the period. Gross margin, however, was reduced as intensive competition still prevailed in domestic area. To offset the effect of reduced gross margin, we had implemented new measures on purchasing and continued to streamline our operation system.

Rental income generated from investment properties was down by 43.4% because of a full-year's rent reduction in Shanghai's office properties that were reflected in 2000.

During the period under review, the Group disposed part of securities with a realized gain of HK\$17.2 million. As performance of Hong Kong stock market was quite volatile in first half year of 2000 with concerns in interest rate and economic growth, an unrealized loss of HK\$16.6 million was recorded as at 30th June, 2000.

Starting from 1st January, 2000, Asia Commercial Holdings Limited has become one of the Group's associated companies.

Signs of slowing down of demands in South East Asian region are seen in the beginning of second half-year of 2000. Business environment is still tough together with the interest rate hike and fierce local competition. At the end of 2000, the Group will launch its official web-site (www.keeshing.com) aiming at promoting Group's products and providing up-to-date Group's information to the public. The Group will also continue to seek for more opportunities to strengthen its income source and put great effort in controlling costs during the year.

PURCHASE, SALE OR REDEMPTION OF SHARES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the year.

DIRECTORS' INTERESTS IN SHARES

At 30th June, 2000, the interests of the directors and their associates in the shares of the Company as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") were as follows:

| Name of director | Number of shares held | | |
|------------------------|-----------------------|------------------------------|------------------------------|
| | Personal interest | Corporate interest | Other interest |
| Leung Shu Wing | 184,691,075 | - | - |
| Yuen Tin Fan, Francis | - | 26,984,000 (<i>Note 1</i>) | 74,760,000 (<i>Note 2</i>) |
| Leung Miu King | 20,434,000 | - | - |
| Kwan Hing Hin, Stephen | 5,000,000 | - | - |
| Wong Chi Kin | 767,000 | - | - |
| Tang Sai Kwan, Pipvide | 350,000 | - | - |
| Wong Choi Ying | 9,500 | - | - |

Notes:

1. 26,984,000 shares in the Company are owned by Tien Fung Hong Group Limited, a company which is 60% owned by Mr. Yuen Tin Fan, Francis.

2. 74,760,000 shares in the Company are registered in the name of Snowdon International Limited, a company which is beneficially owned as to 100% by the trustees of the T F Yuen Trust, a discretionary trust of which Mr. Yuen Tin Fan, Francis is one of the beneficiary objects.

The personal beneficial interests of the directors in the non-voting preferred shares of the Company's subsidiaries as at 30th June, 2000 were as follows:

| Name of subsidiary | Name of director | Number of non-voting preferred shares |
|---------------------------------------|--|---------------------------------------|
| Kee Shing Hardware Supplies Limited | Wong Chi Kin | 400,000 |
| Kee Shing Industrial Products Limited | Leung Shu Wing Kwan Hing Hin, Stephen | 7,000 2,000 |
| Sam Wing International Limited | Leung Shu Wing | 19,440 |

Save as disclosed above, at 30th June, 2000, none of the directors or their associates had any interests in the securities of the Company or any of its subsidiaries or associated corporations as defined in the SDI Ordinance.

SUBSTANTIAL SHAREHOLDERS

As at 30th June, 2000, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance showed that, other than the interests disclosed above in respect of the directors, the Company was not notified of any interests representing 10% or more of the Company's issued share capital.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

None of the directors is aware of any information that would reasonably indicate that the Company is not or was not for any part of the six months ended 30th June, 2000, in compliance with the Code of Best Practice set out in Appendix 14 of the Rules Governing the listing of Securities issued by the Stock Exchange of Hong Kong Limited.

By Order of the Board
Leung Shu Wing
Chairman

Hong Kong, 23rd August, 2000