

## **PROSPECTS**

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The exact timing for a better forecast for local economy will largely depend on how fast the external economic environment can revive from its prevailing phase of consolidation. The benefit of the sharp cuts in interest rates in the last few months will show its strength in the later half of the year. Together with the competitive mortgage rate already offered by local banks, more and more properties have been brought back to a positive cash flow after their mortgage payment with an improved rental yield and start to attract prospective property buyers.

Taking a long-term view, with the anticipation of China gaining full accession to the World Trade Organisation and the stimulation on economic and infrastructure growth to be brought about by China's participation in Olympic Games 2008, Hong Kong, being closely tied with its neighbor host, should have a brighter prospect. In the near term, the Group will keep its existing properties activities and continue to use precedent approach in selecting financial viable projects so as to enhance its value for future growth.

## **DIRECTORS' INTERESTS IN THE SECURITIES OF THE COMPANY AND ASSOCIATED CORPORATIONS**

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As at 31st May, 2001, the interests of the Directors of the Company in the securities of the Company and its associated corporations as recorded in the register kept by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") were as follows: –

### **The Company**

<b>Name of Director</b>	<b>Number of Ordinary Shares</b>	<b>Nature of Interest</b>
Mr. Joseph Lau, Luen-hung	513,746,047	Corporate Interest (Note)

*Note: Mr. Joseph Lau, Luen-hung, by virtue of his 57.07% deemed interest in the issued share capital of Chinese Estates, is deemed to be interested in the said shares of the Company held by Power Jade Capital Limited (Corporate name: Power Jade Limited) (a company 50% indirectly held by Chinese Estates) under the provisions of the SDI Ordinance.*

Save as disclosed herein, none of the other Directors and Chief Executives of the Company had or were deemed under the SDI Ordinance to have any interest in the securities of the Company or any of its associated corporations (within the meaning of the SDI Ordinance) as at 31st May, 2001.

During the six months ended 31st May, 2001, none of the Directors or Chief Executives of the Company nor their spouses or children under 18 years of age were granted or had exercised any right to subscribe for any securities of the Company or any of its associated corporations.