

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARE CAPITAL

At 30 September 2001, the interests of the directors and chief executives of the Company in the share capital of the Company and its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance")) as recorded in the register required to be kept under Section 29(1) of the SDI Ordinance were as follows:

Number of shares held

Eric Edward Hotung 29,952,608 (personal interests)

Save as disclosed above, at 30 September 2001, none of the directors or their associates had any interest in the share capital of the Company or any of its associated corporations which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to Section 28 of the SDI Ordinance (including interests which they are deemed or taken to have under Section 31 or Part 1 of the Schedule to the SDI Ordinance) or which are required, pursuant to Section 29 of the SDI Ordinance, to be entered in the register referred to therein.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

At no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS

At 30 September 2001, the following shareholders of the Company had an interest in ten per cent or more of the issued capital of the Company as recorded in the register required to be kept under Section 16(1) of the SDI Ordinance:

Number of shares held

Genesee Company Ltd. 15,161,000
Hotung Investment (China) Ltd. 16,171,000

Except as referred to above, no person, other than Eric Edward Hotung whose interests are set out above, had registered an interest in the share capital of the Company that was required to be recorded in the register maintained under Section 16(1) of the SDI Ordinance.

PERSONNEL

It is the policy of the Group to contract out to professionals certain technical aspects of property management, thus obviating the need for a large workforce of permanent employees. After the year ended 31 March 2001, the Group laid off a few staff in order to control operating and administration cost. The total remuneration paid during the period under review reduced to HK\$1,396,230 (6 months ended 30 June 2000: HK\$2,574,705). There was a total of 5 employees as at 30 September 2001, excluding external consultants.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

AUDIT COMMITTEE

The unaudited results of the Group for the six months ended 30 September 2001 have been reviewed by the Audit Committee.

CODE OF BEST PRACTICE

None of the directors is aware of information that would reasonably indicate that the Company was not during the six months ended 30 September 2001 in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited except that independent non-executive directors are not appointed for a specific term as they are subject to retirement by rotation and re-election at annual general meeting in accordance with the Articles of Association of the Company.

Finally, on behalf of the Board of Directors, I wish to thank our shareholders for their strong support and all the staff of the Group for their dedicated hard work.

By Order of the Board
Eric Edward Hotung
Chairman

Hong Kong, 14 December 2001.