

## **PROSPECTS**

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Given the recent unfavorable economic climate both in Hong Kong and in overseas, the weak local economy, the high unemployment rate and the decline in personal wealth and property value are unlikely to turn round in the next few months. The current worry for another dip in US economy has casted further uncertainty for a local recovery in the foreseeable future; and has suppressed overall sentiments in investment and consumption. In our view, the outlook for Hong Kong property sector will continue to experience a difficult operating environment for the rest of 2002 and the next year; unless the local economy can be re-shaped, somehow with tough government effort and policy action. Whereas, the Group will continue to devote its attention to optimize and utilize its existing resources and projects on hand so as to preserve its value.

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

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As at 31st May, 2002, 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	586,672,047	Corporate Interest (Note)

*Note: Mr. Joseph Lau, Luen-hung, by virtue of his 59.18% deemed interest in the issued share capital of Chinese Estates, is deemed to be interested in the said shares of the Company as to 513,746,047 shares held by Power Jade Capital Limited (Corporate name: Power Jade Limited) (a company 50% indirectly held by Chinese Estates) and as to 72,926,000 shares by a wholly owned subsidiary of 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, 2002.

During the six months ended 31st May, 2002, 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.