

PROSPECTS

The continuous contraction of the global economy has rendered the market for building materials even more competitive, particularly as Shanghai is becoming an international metropolis. More manufacturers from other regions will join the rank of competitors, but the Group's management is fully prepared to confront this reality. The Directors fully understand that cost reduction remains the eternal subject of discussion for enterprises. The Directors deeply believe that they will be able to achieve new breakthroughs in cost reduction and energy savings through technological advancement and productivity. The Group will concentrate on participating in municipal and key construction projects, maintain and extend the competitive advantage. The Group is deeply grateful to the support of its friends during all these years.

DIRECTORS' INTERESTS IN SECURITIES

As of 30th June, 2002, the interests of the directors of the Company in the securities of the Company and its associated corporations as recorded in the register required to be kept under Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") were as follows:

Pursuant to the share option scheme adopted by Tian An China Investments Company Limited, ("Tian An"), the Company's holding company, the following options were granted to and accepted by the following directors of the Company to subscribe for shares of Tian An.

Name	Number of share options	Exercisable period	Exercise price per share HK\$
Hui Yip Wing, David	20,000,000	1st September, 2000 to 31st August, 2002	0.51
Ng Qing Hai	800,000	1st September, 2000 to 31st August, 2002	0.51
Ko Sing Ming	1,200,000	1st September, 2000 to 31st August, 2002	0.51

As of 30th June, 2002, no share options of the Company were granted to the directors of the Company.

Save as disclosed herein, as of 30 June 2002, none of the directors or any of their associates had any interests in the securities of the Company or any associated corporations as defined in the SDI Ordinance.