

Contingent liabilities

As at 30 June 2003, the Group had no material contingent liability not yet provided for. As at 31 December 2002, except for certain guarantees amounting to HK\$293,000 granted by the Company's subsidiaries to third parties in their ordinary course of businesses, the Group had no other contingent liability.

SHARE CONSOLIDATION

At the annual general meeting of the Company held on 30 May 2003, the resolutions regarding the consolidation of every 10 issued and unissued shares of HK\$0.10 each in the capital of the Company into 1 consolidated share of HK\$1.00 each ("Share Consolidation") were approved by the shareholders of the Company. Since 2 June 2003, the effective date of the Share Consolidation, the authorized share capital of the Company has become HK\$100 million divided into 100 million shares of HK\$1.00 each, of which 52,624,248 shares were issued and fully paid.

EMPLOYEES

As at 30 June 2003, the Group had approximately 110 full-time employees and 260 crew (31 December 2002: 140 full-time employees and 289 crew). The Group remunerated its employees in accordance with their performances, experiences and prevailing market practices and provided them with usual fringe benefits.

OUTLOOK

In general, there is modest growth in the world economy with increasing positive signs. Looking ahead, the freight rates are expected to be firm in the coming months. Given the apparent control over SARS and the possible rebound of Hong Kong economy, we expect that there should be improvement in the Group's trading business for the rest of 2003. While focusing on the core shipping business, the Group will continue taking efforts to improve efficiency, reduce the operating costs and remain conscious to the changing market conditions in mapping out its business and investment strategies.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND RIGHTS TO ACQUIRE SHARES

As at 30 June 2003, the directors of the Company had the following interests and long positions in shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited