

## BUSINESS REVIEW

Due to the unfavourable business environment during the first half year of 2003 caused by the outbreak of SARS in Hong Kong, the Company's investments in listed securities in Hong Kong recorded an unrealised loss of HK\$7,471,637.

The Group's investments portfolio as at 30th June 2003 consisted of 15.46% in listed investments, 41.43% in unlisted investments and the remaining 43.11% in cash and cash equivalent and others.

The Directors will continue to closely monitor the performance of the listed and unlisted investments of the Company and to explore suitable investment opportunities in line with the investment strategies of the Company to strengthen the investment portfolio and income base of the Company.

## INTERESTS OF DIRECTORS

As at 30th June 2003, the interests or short positions of the Directors in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance ("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 pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, are set out below:

### 1. Aggregate long position in the shares, underlying shares and debentures of the Company and its associated corporations

Name of Director	Capacity	Number of ordinary shares held
Mr. Chang Chu Fai, Johnson Francis (Note 1)	Interest of controlled corporation	1,355,000
Mr. Lim Siang Kai (Note 2)	Interest of controlled corporation	1,355,000
Mr. See Lee Seng, Reason (Note 3)	Interest of controlled corporation	1,355,000

*Notes:*

1. By virtue of the SFO, Mr. Chang Chu Fai, Johnson Francis is deemed to be interested in 1,355,000 shares in the Company. These shares are held by Megabase Developments Limited, a company incorporated in the British Virgin Islands (“BVI”) with limited liability and is beneficially owned by Mr. Chang Chu Fai, Johnson Francis.
2. By virtue of the SFO, Mr. Lim Siang Kai is deemed to be interested in 1,355,000 shares in the Company. These shares are held by Wise Guard Enterprises Limited, a company incorporated in the BVI with limited liability and is beneficially owned by Mr. Lim Siang Kai.
3. By virtue of the SFO, Mr. See Lee Seng, Reason is deemed to be interested in 1,355,000 shares in the Company. These shares are held by Asset Home Group Limited, a company incorporated in the BVI with limited liability and is beneficially owned by Mr. See Lee Seng, Reason.

**2. Aggregate short position in the shares, underlying shares and debentures of the Company and its associated corporations**

None of the Directors had interests in shares, underlying shares or debentures of the Company and its associated corporation.

At no time during the Period was the Company, its subsidiaries or its associated companies a party to any arrangement to enable the Directors (including their spouse and children under 18 years of age) to acquire benefits by an acquisition of shares or underlying shares in, or debentures of, the Company or its associated corporation.