

## MANAGEMENT OUTLOOK

Going forward, the Group will continue to proceed with its business and asset restructuring, to take effective measures to maximise the operating efficiency and profit potentials of its businesses, to further improve its management, to optimise its debt structure and to help subsidiaries to secure favourable terms in financing and refinancing.

The Group is aware of the fact that its goal of a complete corporate reengineering has yet to be achieved and that there will be difficulties ahead that need to be overcome. This is all the more so given that although the business environment in Mainland China is likely to remain favourable in the second half of the year, the macro global economy as a whole is currently undergoing a period of slowdown and consolidation. It is therefore important that the Group is to continue to strive in a steadfast manner to embrace international standard in the management and operations of its business and in making financing and personnel management decisions that will be in the best interests of both our shareholders and financial creditors. That is what the Group has fully committed itself to doing.

## DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 2001, the interests of the Directors in the equity or debt securities of the Company and its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance")) as recorded in the register maintained by the Company pursuant to Section 29 of the SDI Ordinance or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies under the Hong Kong Listing Rules were as follows:

### I. Shares

#### (i) *The Company*

<b>Name of Director</b>	<b>Type of interest</b>	<b>Number of Ordinary Shares held</b>
GU Shunan	Personal	76,000

#### (ii) *Guangnan (Holdings) Limited*

<b>Name of Director</b>	<b>Type of interest</b>	<b>Number of Ordinary Shares held</b>
LI Kwok Po, David	Personal	150,000