

## MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

### Prospects

The Group will begin operating its local tapioca chip distribution network in China in the second half of 2005. This is in line with the Group's long term strategy. The Group plans to utilize this added sale channel to enhance its participation in the tapioca chip market in China.

The property market in Hong Kong continues to be relatively active, especially in the sector of retail shops. The Group will renew or replace tenancy agreements for some of its investment properties in the second half of 2005. As most of the Group's investment properties are retail shops located at prime shopping districts, we are optimistic that all the new tenancies will be accompanied by a double digit rise in rental income.

In Shanghai, in view of the developments brought about by the macro economic measures, the Group now plans to market the additional units on the upper floors of Merry Tower in late 2005 or early 2006.

### INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

At a meeting held on 29 August 2005, the directors declared an interim dividend of HK\$0.01 per share (2004: HK\$0.01) payable on or about 30 September 2005 to the shareholders of the Company whose names are on the register of members on 16 September 2005.

The register of members of the Company will be closed from 14 September 2005 to 16 September 2005, both days inclusive, during which period no share transfer will be effected. In order to qualify for the interim dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's registrar, Abacus Share Registrars Limited, at G/F BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, no later than 4:30 p.m. on 13 September 2005.

### DIRECTORS' INTERESTS AND SHORT POSITIONS

At 30 June 2005, the interests and short positions of each director in the shares and underlying shares of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited ("the Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Director	Personal Interests	Family Interest	Corporate Interests	Other Interest	Total	% of Issued Share Capital
Mr Rustom Ming Yu HO	–	–	138,347,288*	–	138,347,288	52.87
Mr John Ming Tak HO	–	600,000	138,347,288*	–	138,947,288	53.10

\* By virtue of the SFO, both Mr Rustom Ming Yu HO and Mr John Ming Tak HO are deemed to have interests in the 138,347,288 shares held by Fulcrest Limited, a company incorporated in Hong Kong and the ultimate holding company of which is controlled by Mr Rustom Ming Yu HO and Mr John Ming Tak HO. Interests in the same shares are also shown under the section headed "Substantial Shareholders' Interest and Short Positions" below.

## DIRECTORS' INTERESTS AND SHORT POSITIONS (cont'd)

Save as disclosed above, as at 30 June 2005, none of the directors or their respective associates had any personal, family, corporate or other interest or short position in the shares, underlying shares or debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO) which (a) was required to be notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors were taken or deemed to have under such provisions of the SFO); or (b) was required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) was required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Exchange.

None of the directors and chief executive (including their spouse and children under 18 years of age) of the Company had any interest in, or had been granted, or exercised, any rights to subscribe for shares and underlying shares of the Company and its associated corporations (within the meaning of the SFO).

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

The register of substantial shareholders maintained under section 336 of the SFO shows that as at 30 June 2005, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the directors:

Substantial Shareholder	Direct Interests	Deemed Interests	Total	% of Issued Share Capital
Fulcrest Limited	138,347,288	0	138,347,288	52.87
Raynor Holdings Limited	0	138,347,288	138,347,288	52.87
Seward Holdings Corp	0	138,347,288	138,347,288	52.87
Asian Pacific Investment Corporation	0	138,347,288	138,347,288	52.87
Kwong Fong Holdings Limited	710,000	138,347,288	139,057,288	53.10
Kwong Fong Industries Corporation	8,680,000	139,057,288	147,737,288	56.46
COFCO (Hong Kong) Limited	45,058,000	0	45,058,000	17.22

*Note: Fulcrest Limited is a wholly owned subsidiary of Raynor Holdings Limited, which is in turn a wholly owned subsidiary of Seward Holdings Corp, whose share capital is in turn owned 51% by Asian Pacific Investment Corporation and 49% by Kwong Fong Holdings Limited, which is in turn a wholly owned subsidiary of Kwong Fong Industries Corporation.*

Save as disclosed above, the directors are not aware of any person (other than the directors) who, as at 30 June 2005, had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register required to be kept by the Company under Section 336 of the SFO.