

BEST WIDE GROUP LIMITED

BUSINESS REVIEW AND PROSPECTS

The Company submitted a resumption proposal to the Stock Exchange on 19th October 2000. The proposal involves, inter alia, an asset acquisition by the Company, issue of the Company's new shares to an investor and change of control of the Company.

After considering the proposal, the Listing Committee of the Stock Exchange agreed to extend the deadline for the cancellation of the listing status of the Company's shares for three months from 26th October 2000 and approved, in principle, for the Company to submit its formal application for listing of the Company's shares. The Stock Exchange also advised the Company that the extension granted is solely for the purpose of processing the new listing application under the submitted resumption proposal but not any other proposal.

The Company has not yet entered into a legal binding agreement relating to the proposal. Once the arrangement for the implementation of the proposal has been finalised, the Company will make appropriate announcement in due course.

Indebtedness and Financial Resources

As at 30th September 2000, the Group had outstanding borrowings of approximately HK\$28,278,000 comprising amount due to the directors of approximately HK\$9,449,000 and the amounts due to related companies of approximately HK\$18,829,000. Included in the amount due to the directors is an amount of HK\$3,090,000 being assigned by the director to an independent third party.

However, Mr. Li Chun and his related companies have agreed to provide the Group with financial support to enable the Group to meet in full its financial obligations as they fall due for the foreseeable future.

Employees

At 30th September 2000, the Group had 5 staff (other than Directors of the Company). In addition to regular salaries, the Group also provides discretionary bonus, medical benefit and other fringe benefits. Employees are remunerated according to nature of the job and market trend.

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 30th September 2000 there has been no purchase, sale or redemption of shares or other listed securities of the Company by the Company or any of its subsidiaries.