

PROSPECT

The Group's business has not yet benefited from the strong economic growth widely publicised locally. The commencement of Mandatory Provident Fund contribution in December and the likelihood of price increases for various public utilities may impose further pressure on our bottomline. The Board remain cautious to the immediate outlook as Hong Kong still remain as our only principal market.

Subsequent to 30th September, 2000, the Company has entered into an agreement dated 24th November, 2000 entered into between its ultimate holding company as the vendor and the Company as the purchaser in relation to the sale and purchase of certain property interests. The transaction is expected to be completed in January, 2001 and the consideration of approximately HK\$56 million will be satisfied by the issue by the Company of approximately 56 million new preference shares. Details of the acquisition are set out in the Group's circular dated 18th December, 2000.

Upon the completion, the Directors consider that the asset base of the Company would be strengthened, thereby facilitating the arranging of financing for developing its fashion apparel and accessories business and for future expansion.