

BUSINESS PROSPECT

The sale of beer is always affected by seasonal fluctuation. The Group will make use of a more aggressive marketing strategy to increase the sales during the second half of the year as the peak season comes up. In the first half of the year, the Group put more effort in the Hong Kong market by strengthening the sales team and launched various advertisements in different media. Turnover in Hong Kong increased by 139% as compared to the same period of year 2000. It is predicted that sales will grow constantly during the second half of the year. However, the cost of beer products has increased as the Government of the HKSAR raised the ad valorem duty on beer from 30% to 40%. It affects the contribution to the operating profit from Hong Kong.

Despite the intense competition of beer market in the Mainland China, the Group is ready to compete with other market players after conducting a series of corporate re-engineering processes and distribution network integration. The Board is confident of the business development prospects of the Group.