

## **Prospects**

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The global business environment remains volatile and highly competitive. The slowdown of the US economy since the end of 2000, coupled with the tragic events of September 11, 2001 will continue to have an impact on the Group's business in the short term. However, declining interest rates will help lower the Group's finance costs.

Despite the uncertainties ahead, we are confident of weathering the challenges and maintaining our leadership positions within the respective industries. The various business divisions will continue to leverage on their synergies, while striving to increase their market shares and improve their cost structures. We will continue to invest in building our brands and distribution network in Asia, particularly China. We will also selectively look for new investment opportunities to further enhance our earnings base and market position. China's accession into the World Trade Organization and hosting of the Olympic Games in 2008 present significant opportunities to the Group. To capture these opportunities, the Group will continue to expand its manufacturing and distribution capabilities in China.

Barring unforeseen circumstances, the Group expects to stay profitable for the current financial year.