

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Board of Directors of the Company (the “Directors”) announces that the unaudited consolidate results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 31st December 2001 recording a loss attributable to shareholders of approximately HK\$4.9 million. The Loss was mainly arose from the amortisation of goodwill of the subsidiary and the legal and professional fee related to legal proceedings and administrative overheads incurred by the Group during the period.

CONVENIENT CHAIN - STORES

The principal business of Goldhill Merchandising Inc, a wholly owned subsidiary of the Group, is the provision of retail premises, leasing facilities and equipment and exclusive wholesale supply of merchandise to 16 convenient stores in Philippines.

The Group had appointed an independent third party as a manger of the Goldhill Merchandising for 2 years for an underwriting income of 30,000,000 pesos (equivalent to approximately HK\$5.1 million) each year. The underwriting income of HK\$5 million for the first year had been received by the Company.

A Goodwill of approximately HK\$40 million was generated on acquisition of Goldhill Merchandising, the Group adopts to amortise the goodwill over a period of 10 years. The amortisation of the goodwill for the period under review is approximately HK\$2 million.