

RESULTS

Net loss attributable to shareholders for the year ended 31 December 2002 was HK\$75 million, which included the exceptional item relating to the provision against and write-off of deposits and prepayments (see note 7 to the financial statements). This compares with a profit of HK\$7 million for 2001. The loss per share for the year was 18.45 HK cents (2001: earnings per share of 1.78 HK cents as restated)

EQUITY

The number of issued shares of HK\$0.10 each as at 31 December 2002 was 409,125,738. During the year, 12,717 shares of HK\$0.10 each were issued pursuant to the exercise of 12,717 warrants of the Company. As at the year end date, there were outstanding share options granted to certain eligible employees, entitling them to subscribe for an aggregate of 23,492,677 shares of the Company.

LIQUIDITY AND GEARING

As at 31 December 2002, the Group had net current liabilities of HK\$99 million (2001: net current asset of HK\$1 million). The decrease in net current assets was mainly due to repayment of long term bank loans and provision against and write-off of deposits and prepayments. Subsequent to the balance sheet date, on 24 April 2003, the Group entered into debt refinancing agreements with its principal bankers to refinance its existing bank indebtedness in Hong Kong. The liquidity position of the Group has improved after the debt refinancing. A summary of pro forma adjusted consolidated net assets, based on the audited consolidated net assets of the Group as at 31 December 2002, is presented in note 36 to the financial statements as if the debt refinancing had taken place at that date.

As at 31 December 2002, the Group's gearing ratio (expressed as a percentage of long term bank borrowings over shareholders' funds and long term bank borrowings) was 18% (2001: 22%).

The Group's bank borrowings are denominated in Hong Kong dollars, US dollars and Renminbi. It is the Group's policy to hedge foreign currency liabilities with foreign currency assets.

The net interest expenses for the year was HK\$19 million (2001: HK\$23 million). Such decrease is mainly attributable to the repayments of bank loans and the decrease in interest rate during the year under review.

REMUNERATION POLICIES

Remuneration packages comprised salaries and bonuses based on individual merits. The total remuneration paid to the employees (including pension costs and the directors' emoluments) of the Group in 2002 was HK\$42 million (2001: HK\$47 million). As at 31 December 2002, the Group has 379 (2001: 593) employees.

Details of share options granted under the share option scheme of the Company are set out note 28 to the financial statements.

SEGMENTED INFORMATION

The Group continued to concentrate its efforts on its core business - edible oils. In the year under review, the Group's edible oil business in Mainland China continued to account for a substantial portion of the Group's revenue and assets.

Details of the segmented information are set out in note 5 to the financial statements.

CONTINGENT LIABILITIES

Details of the contingent liabilities are set out in note 34 to the financial statements.

PLEDGE OF ASSETS

Details of pledge of assets are set out in note 31 to the financial statements.