

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed shares during the period under review.

LIQUIDITY

Operating revenue was the Group's major source of funds during the financial year. As at 30 September 2001 the Group held cash on hand and bank balances of approximately HK\$81,000,000 whilst utilized to the extent of approximately HK\$122,725,000, representing 36.2% of the total banking facilities of HK\$339,000,000. The Group maintained a gearing ratio of 0.61 as at the balance sheet date. Gearing is expressed as total bank borrowings to shareholders' fund.

Bank borrowings of the Group mainly comprised trust receipt loans which were denominated in either Hong Kong dollars and US dollars and obtained to finance the purchase of meat products from overseas and a bank loan which is repayable by installments up to 2006, borrowed for the purpose of financing the construction of the Group's premise in Sai Kung.

PLEDGE OF ASSET

As at 30 September 2001, the land and building, assets and the issued shares of a subsidiary were pledged as securities for a bank loan of the Group.

STAFF EMPLOYMENT

Remuneration packages are generally structured by reference to market terms and individual qualifications. Salaries and wages are normally reviewed on an annual basis based on performance appraisals and other relevant factors. Share options were granted to senior executives in reward for their outstanding management and operation performance. The Group operates a mandatory provident fund scheme covering all the employees of the Group.