RESULTS

For the year ended 31 December 2001, the Group recorded a turnover of HK$193 million, representing a 2.7% growth against last year's figure of HK$188 million. Net loss for the year amounted to HK$341 million, compared to last year's figure of HK$82 million. The higher loss was mainly due to write offs and provisions made on the ISP and ostrich businesses.

BUSINESS REVIEW AND PROSPECTS

During the year under review, the Group's endeavor to sustain its business performance was met with mixed results. The Group's wine business managed to secure a healthy growth in sales brought about by increased volumes in the domestic and export markets. On the other hand the Group's ostrich business, after a strong first half year showing, ultimately had to be wound up due to its inability for viable survival in the face of the persistent global economic slowdown.

The Wine Business

The performance of the wine business was satisfactory as expected. This segment remained the major revenue contributor for the Group, bringing in 79% of total turnover. Sales volumes for Shaoxing wine recorded solid increases in both the PRC and Japanese markets. This was largely attributable to the result of its investment in promotional campaigns, commitment to the excellence of product quality and deeper market penetration. During the year, some of the new Shaoxing wine products were positioned as health beverage, a concept which was rapidly gaining acceptance by consumers.

Since the Group's association with Suntory, one of Japan's largest wine distributors, wine export sales to Japan have been increasing every year. This year export sales grew by about 49.8%. Due to intensified research and development, new wine products were introduced into the Japanese market in the second half of the year. The resulting responses were encouraging, prompting continued product innovation in the coming year.

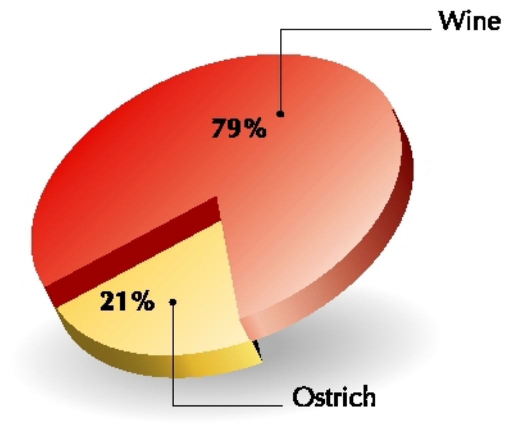
The Ostrich Business

The year started with a bright outlook for the Group's ostrich business but ended on a gloomy note with the winding up of its South African subsidiaries engaged in the business.

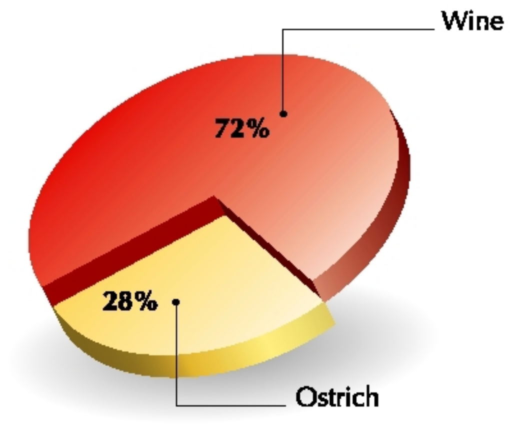
The expansion of the ostrich meat market in Europe has started to bring in much needed profitability for this segment of the business during the first half of the year. However, with the increasing pressure of the deteriorating global economy, the price of ostrich leather worldwide continued to slide further, adversely causing the cash flow deficiencies in the South African units. Consequently, the bank who provided financing for these subsidiaries, demanded repayment of the loans and declared the subsidiaries in default. Upon the order of the High Court of South Africa, the Group's subsidiaries in South Africa were ordered to be liquidated on 29 January 2002.

Financial Summary

Turnover by Activities

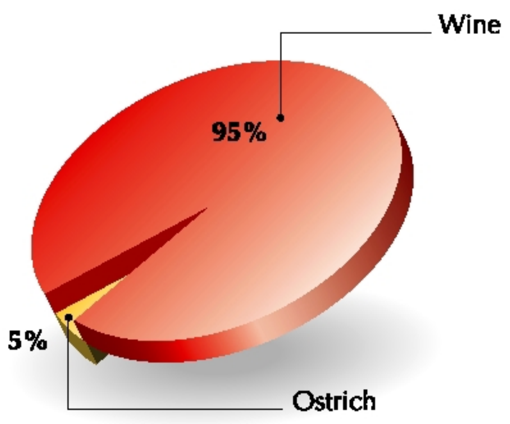


For the year ended 31 December 2001

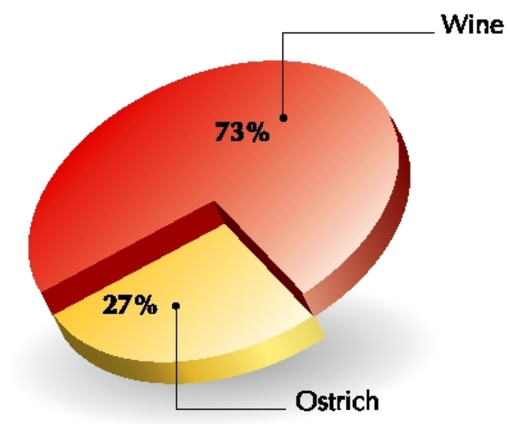


For the year ended 31 December 2000

Gross Profit Contribution by Activities



For the year ended 31 December 2001



For the year ended 31 December 2000

Other Businesses

Due to the continued sluggish Internet market in Indonesia, Pan Asia Sat Media (PASM), in which the Group holds 11.14% equity interest, decided to shelve the ISP business for the time being. An impairment loss of HK$154,700,000 has been made for this investment. The Group and PASM's other shareholders are actively pursuing potential business partners in the region, who could bring in expertise and opportunities for the furtherance of PASM's exposure in the Internet and telecommunication sectors.

FINANCIAL INFORMATION

As at 31 December 2001, the Group's gearing ratio is 0.85 compared to last year's 0.49. This year's current ratio is 1.41 times against the 1.65 times figure of last year.

On Behalf of the Board

KWEE Cahyadi Kumala
Chairman

Hong Kong, 26 April 2002