

## **INTERIM DIVIDEND**

The Directors do not recommend any interim dividend.

## **FINANCIAL REVIEW**

As at 30th September 2002, the Group had total assets of HK\$105,547,000 which were financed by current liabilities, non-current liabilities and shareholders' equity of HK\$21,583,000, HK\$10,837,000 and HK\$61,998,000 respectively. The Group maintained stable working capital as at 30th September 2002.

## **BUSINESS REVIEW AND PROSPECTS**

The Group's turnover dropped significantly as compared with the same period last year. The reason is due to that the Company determined to sell off the garment operation and retained the business of property holding and health food manufacture and sale on 28th March, 2002.

As Hong Kong is still plagued by structural economic downturn and sluggish property market, the management is endeavour to maintain a reasonable return in respect of the Group's investment property. The management has managed to maintain a high occupancy rate by providing quality services and offering competitive terms to the existing tenants and to lure potential tenants. However, the management is still cautious in the property market since the rental market is still far from recovery and therefore, the management consider that the rental market is still under pressure and the overall rental will continue to decrease for the second half this year.

Apart from that, the operation of the Group's soy sauce manufacture and sale business is on the right track to profitability. Most of the Group's products are sold in China. Following the entry to WTO, China sees its domestic market become competitive and market-driven. Although China has still maintained a single digit rate GDP growth, this is mainly due to the central government persistent investment in infrastructure project. However, the Directors consider that the soy sauce market will stabilize in the coming few years and believe our Group's products are at the best in terms of the quality and brand name and therefore will continue to get a majority market share. The Company will also consider further investment opportunity in this area.

In addition, the Company has set up a managerial team to study the possibility of entering into retailing industry in the PRC. The Directors believe that the retailing industry is one of the fastest growing sectors and the retailing GDP accounts for 39% of total GDP in China in 2001. The Company has yet to conclude any agreement.