

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.

The Directors expects the overall economy of Hong Kong will remain sluggish second half this year and advise the overall performance of the Group is still subject to the mercy of the severe economic downturn and the Group's corporate restructure. As the government is taking every measure to revive the economy, the Directors believe that the Company will return to positive economic cycle soon. The Directors also believe that the Group's performance will get ready to bring shareholders long term benefits.

DIRECTORS INTEREST IN SHARES

At 30th September, 2002, the interest of a director and his associates in the share capital of the Company as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") of the Company was as follows:-

Name of director	Number of shares held			
	Personal	Family	Corporate	Others
Zhang Hongwei	–	–	481,691,250 (Note)	–

Note: The shares were beneficially owned by He Fu International Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Zhang Hongwei.

Save as disclosed above and other than certain nominee shares in the subsidiaries held in trust for the Group by an employee, none of the directors, the chief executives or their associates had any personal interest, family interests, corporate interests or other interests in the share capital of the Company or any of its associated corporations as defined in the SDI Ordinance as at 30th September, 2002.

SUBSTANTIAL SHAREHOLDERS

As at 30th September, 2002, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance showed that the following shareholders of the Company had an interest of 10 per cent or more of the issued share capital of the Company:

	Number of shares	
He Fu International Limited	481,691,250*	50.18%

* These shares are held by He Fu International Limited, and have been disclosed as the corporate interests of Mr. Zhang Hongwei in the section headed "DIRECTORS INTEREST IN SHARES".