

INTERIM DIVIDEND

The Directors do not recommend any interim dividend.

FINANCIAL REVIEW

As at 30th September 2003, the Group had total assets of HK\$50,599,000 which were financed by current liabilities, non-current liabilities and shareholders' equity of HK\$14,542,000, HK\$9,812,000 and HK\$25,547,000 respectively. The Group maintained stable working capital as at 30th September 2003.

BUSINESS AND PROSPECTS

The Group's turnover dropped substantially as compared with the same period last year. It is attributable to the continued difficult business and economic environment both in Hong Kong and the People's Republic of China.

As Hong Kong still suffered by the structural economic downturn and sluggish property market for the first half this year. The situation had been even come worse as the severely acute respiratory syndrome (SARS) attacked Hong Kong and Beijing and other cities. As Hong Kong and Beijing, the major areas our businesses are involved, were severely attacked and the businesses virtually halted during the period from April to July. Though the wide spread of SARS come slowly under control and the recovery rate still slowed during the first half this year.

The occupancy rate of the Group's investment property, under the best effort of the management, still remained at satisfactory level. However, the manufacture of sale of soy sauce business was under the heavy financial burden as most of the customers requested for a longer credit period. Most of long time customers were even asking for a change from credit sale to consignment sale. Under the circumstances, the Group were suffering a longer period of sale proceed collection and facing the increasing credit risk.

In addition, the management had to exert additional effort to control the consignment stock level and receivables. The management believes that China market will grow fast in the coming years and the investment in China will be proved to be successful. However, in view of the enormous capital resources being tied up in China, the management considered that it is not cost justified to have such business for the coming months, in particular the possible re-emergence of SARS.

Therefore, the management has decided to close all the manufacture and sale soy sauce business in China and all the resources employed in this business will be withdrawn and devoted to the business opportunities that may emerge in Hong Kong.