

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close all the manufacture and sale soy sauce business in China and all the resources employed in this business will be withdrawn and devoted to the business opportunities that may emerge in Hong Kong.

The overall economic atmosphere has been improving for the past few months following the signing of CEPA (“Closer Economical Partnership Arrangement”) and the various measures as put forward by the Central Government of Beijing to jump start the revival of the economy of Hong Kong.

The management has put effort to study the business opportunities that will be brought from the CEPA and the lift up the travel restrictions to the citizens of some major cities in China.

The management expects the overall economy of Hong Kong will be improving and the coming years see a lot of investment opportunities. The management believe Hong Kong will ride to the positive economic cycle and the company is well positioned to seize opportunities and such will bring the long term benefits to the shareholders.

DIRECTORS INTEREST IN SHARES

At 30th September, 2003, 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 and Futures Ordinance (the “SFO”) of the Company was as follows:–

Name of director	Number of shares held			Others
	Personal	Family	Corporate	
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, 2003.