

INTERIM DIVIDEND

The Board resolved that an interim dividend of 1 cent per share (2002: 2 cents) be payable on 15th January, 2004. The shareholders' register will be closed from 7th January, 2004 to 12th January, 2004 (both days inclusive). In order to qualify for interim dividend, transfer must be lodged at the company registrars, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:00 p.m. on Tuesday, 6th January, 2004.

BUSINESS REVIEW AND PROSPECTS

Turnover for the Group increased by \$148,040,000 to \$685,976,000 and net income decreased by \$2,242,000 to \$15,330,000.

Our overall profits during this period comparing with the same period last year have reduced mainly due to the following two factors:

1. The startup costs of Wuxi YGM Textile Co., Ltd. in Wuxi, a spinning factory in which our company owns 70%: This spinning factory is one of our major investments comprising of over 800,000 sq.ft. production space manufacturing mainly compact yarn which is highly in demand. We believe this project will bring in profits and will not incur any loss even for the first full year of operation.
2. Losses from overseas factories: YangtzeKiang Industries Sdn. Bhd. in Malaysia has scaled down its operation substantially because of the high manufacturing costs. H.K. International Knitters (Proprietary) Limited in Lesotho suffers from the appreciation of exchange rate of Rand, Lesotho's local currency thus resulting in much higher cost comparing with previous year's. YGM (Cambodia) Limited in Cambodia and Hongkong Knitters Lanka (PVT) Limited in Sri Lanka still incurred losses but have been substantially reduced.

中期股息

董事會議決將於二零零四年一月十五日派付中期股息每股1仙(二零零二年：每股2仙)。本公司之股份過戶登記手續將由二零零四年一月七日起至二零零四年一月十二日止(包括首尾兩天)暫停辦理。如欲符合收取中期股息之資格，必須於二零零四年一月六日(星期二)下午四時正之前將過戶表格送交本公司之股份過戶登記處香港中央證券登記有限公司，地址為香港皇后大道東183號合和中心十七樓。

業務回顧及前景

本集團營業額增加148,040,000元至685,976,000元，淨收入則減少2,242,000元至15,330,000元。

本集團於本期間之整體溢利較去年同期減少，主要受下列兩項因素影響：

1. 本公司擁有70%權益之無錫紡織廠——無錫長江精密紡織有限公司之開辦成本：該紡織廠為本集團主要投資項目之一，包括超過800,000平方呎之廠房，主要製造擁有龐大需求之精密紡。本集團相信該項目將於營運後帶來盈利，並於首個年度內不會產生任何虧損。
2. 來自海外廠房之虧損：馬來西亞之YangtzeKiang Industries Sdn. Bhd.已因生產成本高昂而大幅削減其業務。萊索托之H.K. International Knitters (Proprietary) Limited受到當地貨幣蘭德之匯率上升影響，導致成本較去年顯著上升。在柬埔寨之YGM (Cambodia) Limited及在斯里蘭卡之Hongkong Knitters Lanka (PVT) Limited仍然錄得虧損，但金額已大幅減少。