

The Group's turnover for this fiscal year reached a new high to HK\$7,303 million. Net profit was HK\$468 million, an increase of 11%.

The business environment was not satisfactory during the year. Operating costs increased because of high coal prices and the reduction of export tax refund. Global consumer market conditions were sluggish to obstruct product selling prices increment. It was until early 2005 that the global economy showed signs of recovery. Stabilized cotton prices in the second half year also provided a better operating atmosphere.

Faced with uncertainties, the Group's customers have not changed their sourcing pattern since the textile quota abolishment on 1 January 2005. They are waiting for the outcome of the export disputes between the PRC and the U.S.A.. Same as our customers, the Group will closely monitor the export disputes and adjust its development strategies if necessary.

For the textile and garment businesses, the Group will continue its capacity expansion in the coming year. After last year's rapid growth, the retail business will slow down its store expansion but focus on store sales improvement. Stringent cost control measures will be continued and all effort will be placed to raise profit margin.

本集團本財政年度之營業額創新高至7,303百萬港元。溢利淨額為468百萬港元，增長11%。

本年內業務環境並不理想。經營成本增加主要由於煤價上漲及出口退稅減少。全球消費市場情況呆滯，阻礙貨品價格上揚。直至二零零五年初全球經濟才有改善跡像。棉花價格於下半年之漸趨平穩亦改善了經營之氣氛。

面對不明朗之情況，本集團之顧客並沒有於二零零五年一月一日紡織品配額取消後改變他們之採購模式。他們在等待中美兩方出口爭議之結果。和我們之顧客一樣，本集團將密切留意出口爭議之發展，以便在有需要時調整經營策略。

本集團於來年將繼續擴展紡織及製衣業務之生產力。零售業務在過往一年發展迅速，來年將減慢開店速度而專注於店鋪銷售之增長。本集團將繼續嚴控成本及全力推行措施以改善邊際利潤。

I believe business prospects of the Group remain bright, and I am confident to report improved results in the coming year. This year, the Group is celebrating its 30th anniversary. It has been due to the devotedness of our colleagues, great support of our business partners and shareholders that the Group has been able to grow continuously. I would like to thank you all on behalf of the Board.

Poon Bun Chak

Chairman

Hong Kong, 19 July 2005

本人認為本集團業務前景樂觀，對來年取得進步之業績亦深具信心。本年為本集團成立三十周年誌慶。本集團之不斷成長，全賴各同事之努力貢獻，各業務夥伴及股東們之鼎力支持。本人謹代表董事會衷心致謝。

主席

潘彬澤

香港，二零零五年七月十九日