

CHAIRMAN'S STATEMENT 主席報告

GROUP RESULTS

Sales turnover of the Group for the current year of 2004/05 is HK\$1,666 million with an increase of 12% comparing with the previous year (2003/04: HK\$1,493 million). However overall profit has decreased to HK\$35 million (2003/04: HK\$69 million).

BUSINESS REVIEW AND PROSPECTS

Despite of a decrease in overall profit, our core business of garment trading in both woven and knits has achieved better results than last year both in terms of revenue and profit. Our garment manufacturing plants in China also enjoyed a better year. Our problem in the garment division remains still with the overseas factories in Cambodia, Sri Lanka and Lesotho. Four main factors negatively impacted our results:

1. As reported in our interim report, Qinghai Changqing Aluminium Corporation – an aluminium smelter in Qinghai China continued to suffer losses during the current year due to high materials and energy costs. This is compared with a good profit the year before.
2. We have ceased operation in our Lesotho factory because we no longer see any potential in profitability there due to high costs, low efficiency and a drop in sale prices.
3. YangtzeKiang S.A. – a garment import company in France suffered a loss this year as compared with last year due to poor economic conditions and severe price competition.
4. Although results from Wuxi Changxin Textile Co., Ltd. remain positive during the current year, its profit has decreased significantly as compared with the previous year due to high cost of raw cotton, the major raw material.

集團業務

本集團之2004/05年度銷售額為16億6千6百萬港元(2003/04年度：14億9千3百萬港元)，較去年同期上升12%，淨溢利減少至3千5百萬港元(2003/04年度：6千9百萬港元)。

業務回顧及展望

儘管整體利潤有所下跌，本集團之核心業務－梭織與針織成衣貿易的收益及利潤雙雙報升，成績更勝往年。我們於中國之製衣廠亦於今年取得較好成績。位於柬埔寨、斯里蘭卡及萊索托之海外廠房的成衣部門仍然面對既有問題。以下四項主要因素對我們之業績造成負面影響：

1. 如我們於中期報告所述，中國青海之熔鋁廠青海長青鋁業有限公司於本年度因材料及能源成本高企而持續虧損。上年度則錄得不俗利潤。
2. 面對高成本、低效益，以及銷售價格下跌之情況，萊索托廠房難望獲利，因此，我們已結束萊索托廠房之營運。
3. 由於經濟疲弱及價格競爭激烈，以致法國成衣進口公司YangtzeKiang S.A.於今年轉盈為虧。
4. 縱然無錫長新紡織有限公司於本年度之業績仍然向好，其利潤較上年度大幅減少，蓋因主要原料原棉之高成本所致。

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OUTLOOK

Although the U.S. and E.U. re-introduced quota for China garment exports in the middle of 2005, selling prices continue to drop due to severe competition from other non-quota countries such as Bangladesh and India, etc. As a result, we expect profits from our garment trading and manufacturing divisions in both woven and knits to decrease slightly in the coming year. Our factories in Cambodia and Sri Lanka will continue to incur losses. The same negative conditions for our aluminium investment in China will persist and, therefore, further losses are expected.

On the brighter side, we expect great improvement from our textile investment in Wuxi: Wuxi Changxin Textile Co., Ltd. and Wuxi YGM Textile Co., Ltd. because the high cost raw cotton inventory that has decreased our profit margin this year has finally been exhausted. Both revenue and profit for the two textile investments are expected to increase.

APPRECIATION

I would like, on behalf of the Board and shareholders, to express our appreciation to the Company's employees for their efforts and loyal service to the Company during the past year.

By Order of the Board

Chan Sui Kau

Chairman

Hong Kong, 15th July, 2005

前景

儘管美國及歐洲於二零零五年年中重新對中國之成衣出口實施配額措施，惟因面對孟加拉及印度等其他無配額限制國家之激烈競爭，銷售價格仍持續下降。因此我們預計來年梭織及針織成衣貿易及製造部門之利潤將會輕微下跌。位於柬埔寨及斯里蘭卡之廠房將會繼續錄得虧損，而中國之鋁業投資將因面對相同之困境而預期會錄得進一步虧損。

可喜的是，我們預計於無錫市的紡織業投資－無錫長新紡織有限公司及無錫長江精密紡織有限公司將有大幅改善，蓋因終於用盡拖低今年利潤率之高成本原棉存貨。此兩項紡織業投資的收益與利潤可望增加。

鳴謝

本人謹代表董事會及全體股東向本公司之僱員在過去一年內所付出之努力及盡忠職守深表謝意。

承董事會命

主席

陳瑞球

香港，二零零五年七月十五日