

## INTERIM DIVIDEND

The Board resolved not to declare the payment of interim dividend for the six months ended 30th September, 2005 (2004: HK2 cents).

## BUSINESS REVIEW AND PROSPECTS

Sales revenue of the Group for the 6 month period was HK\$753,585,000 (2004: HK\$806,226,000). Overall profits dropped to HK\$3,034,000 (2004: HK\$14,071,000) due to the following reasons:

1. Selling prices in garments continued to drop in spite of the re-introduction of quota to China by both the U.S. and E.U. This had a negative impact on our garment factories especially in Sri Lanka and Cambodia. In addition the depreciation of Euro's exchange rate against U.S. Dollar during the period had adversely affected our profits when exporting garments to the European markets.
2. Our French subsidiary YangtzeKiang S.A. incurred a huge loss because of unfavourable Euro exchange rate and a depressed garment market in France.
3. Our investment in Qinghai Changqing Aluminium Corporation continued to suffer significant losses due to increase of raw material prices. This investment had incurred losses for the past two years and we do not foresee any profitability returning in the near future. We are therefore reviewing different options for this investment including disposal.

We expect the second half of 2005/2006 to remain difficult although garment trading business is generally strong. We will monitor our overseas operations and examine closely their losses.

## 中期股息

董事會決議不宣派截至二零零五年九月三十日止六個月之中期股息(二零零四年:每股2港仙)。

## 業務回顧及前景

本集團於六個月期間之銷售收益為753,585,000港元(二零零四年:806,226,000港元)。整體溢利下跌至3,034,000港元(二零零四年:14,071,000港元)，原因如下：

1. 儘管美國及歐盟均重新對中國實施配額措施，惟成衣之銷售價格仍持續下降。此情況對本集團之製衣廠構成負面影響，尤以斯里蘭卡及柬埔寨為然。此外，歐元兌美元匯率於本期間內貶值，對本集團向歐洲市場出口成衣之利潤亦造成不利影響。
2. 由於歐元匯兌之不利影響，加上法國成衣市場不景氣，故本集團之法國附屬公司YangtzeKiang S.A.錄得嚴重虧損。
3. 由於原材料價格上升，故本集團於青海長青鋁業有限公司之投資繼續蒙受嚴重虧損。此項投資於過去兩年均錄得虧損，而本集團亦不預期會於不久將來轉虧為盈。因此，本集團現正考慮多個處理此項投資的不同選擇，包括將之出售。

儘管成衣買賣業務整體強勁，惟本集團預期，二零零五／二零零六年度下半年將繼續為艱難的時期。本集團將密切監察其海外業務，並仔細審視其虧損。