

CHAIRMAN'S STATEMENT

Following the Company's public listing, it is more important than ever to be aware of our social responsibilities and ... we have taken every step to look for expansion and profit-making opportunities, but are searching for those opportunities with caution in order to uphold our compact with our shareholders, employees and business partners.

The year 2000 was a milestone for the Group as it was the first full year after Carry Wealth Holdings Limited (the "Company") listed on the main board of the Stock Exchange of Hong Kong.

Following the Company's public listing, it is more important than ever to be aware of our social responsibilities and we are certainly more accountable to our shareholders, employees and business partners. Bearing this in mind, we have taken every step to look for expansion and profit-making opportunities, but are searching for those opportunities with caution in order to uphold our compact with our shareholders, employees and business partners.

During the year, we have made great efforts to enhance the Group's competitiveness by improving our operational efficiency and upgrading our production facilities as well as improving our management information systems. We also have put great emphasis on staff training and human resources development.

Thanks for the efforts of our dedicated colleagues made during the year, the Group's overall performance in 2000 was very encouraging. The Group generated turnover of HK\$1,166.8 million and profit attributable to shareholders of HK\$120.1 million, representing increases of 18.1% and 19.3% respectively over 1999.

The board of directors has recommended a final dividend of 11.2 Hong Kong cents per share which, together with the interim dividend of 5.6 Hong Kong cents per share paid on 12th October 2000, make a total dividend of 16.8 Hong Kong cents for year 2000.

Facing keen competition in the global market, to ensure our future growth, we will take the following approaches for the upcoming years.

First, the Group has formulated a three-year development plan with the aim to achieving higher turnover and better earnings in the coming years. In achieving this goal, the development plan will be well-defined with clear directions, possess realistic benchmarks and have high transparency among the management team.

Second, the Group will continue to focus on the continued development of quality labor force, as we are in the labor-intensive industry. To the Group, employees are not accounted for as a cost only, but more importantly, employees are our most valuable assets. The Group recognizes its social responsibility as an employer of over 5,000 staff and will keep spending resources to train them to the highest standards possible.

Third, we will continue to proactively make use of production and management information technology to provide more accurate, precise and updated information so as to maintain the Group's competitiveness in this highly information-intensive and fast-moving era. An effective information system not only assists us in responding quickly and making right decisions, but it also enhances the overall operational efficiency of the entire Group.

Fourth, in this ever-changing environment, we always have to be on the lookout for new issues and changes by constantly reviewing our corporate strategy and vigilantly review our standards and practices to keep us at the forefront of corporate development. Reforms and reengineering are crucial to the success of the Group.

Looking forward, the Group expects that keen competition on an international basis will continue. We strongly believe that geographical diversification of our production base and new market exploration will strengthen the Group's competitiveness in the industry. In January 2001, to take advantage of the preferential benefits granted under the US Trade and Development Act of 2000, the Group invested US\$2 million and US\$1 million in two knit factories in El Salvador in Central America and Lesotho in South Africa respectively. Further acquisitions in these areas will continue cautiously and as events warrant.

With a solid foundation in the garment manufacturing industry, together with a strong management team, we are confident that the Group is well positioned to meet with any challenges ahead.

With regret, Mr Cheng Wing Chung, a non-executive director, resigned from the board of directors on 3rd April 2001. On the other hand, I am pleased to announce Mr Lam Chi Kuen, Frank was appointed as an independent non-executive director of the Company on the same date. On behalf of the board, I would like to thank Mr Cheng for his valuable contribution to the Group during his tenure of service and welcome Mr Lam joining on the board.

In conclusion, the year 2000 was a fruitful year. My sincere thanks and appreciation go to my fellow directors and all the staff for their dedication and also to our shareholders, valued customers and business partners for their unfailing support.

Rusli Hendrawan

Chairman

3rd April 2001