

# Chairman's Statement

## RESULTS

*Highlights of the audited consolidated results of the Group for the year ended December 31, 2000 are as follows:-*

- *Turnover was approximately HK\$922.88 million, representing an increase of 90%*
- *Profit for the year was approximately HK\$106.56 million representing an increase of 180%*
- *Earnings per share were HK20.6 cents, representing an increase of approximately 168%*
- *Proposed final dividend per share of 4.0 cents, making full year dividend per share of 7.0 cents, an increase of 133%*
- *Proposed special dividend of 11.0 cents per share*
- *Net asset value per share was HK\$0.83*



## BUSINESS REVIEW

We are very pleased to announce a record year for the Group in terms of revenue and profit. The above encouraging results have been achieved by both internal and external efforts.

Firstly, we have internally continued to focus our efforts on such aspects as cost cutting and operational efficiency, research and development, the introduction of several new machine models in recent years, strengthening of our marketing and after-sales services and good capacity utilisation.

Secondly, the main external reasons which have attributed to our remarkable results were; the continued economic recovery from the Asian financial crisis in our major markets leading to robust sales growth for our textile and finishing machines business as well as our stainless steel trading business; the need for the Mainland textile industry to make technological upgrades to increase both production efficiency and quality are coupled with positive results from the restructuring of the Mainland textile industry which has been ongoing since 1996.

## PROSPECTS

With signs of economic slowdown in the United States and also the world economy, the results of this immediate year may be difficult to match. Nevertheless, we remain confident and optimistic of achieving satisfactory results in the coming year mainly due to the following reasons:-

The overall market conditions of the textile industry in Asia and China are in much better shape compared to the recent past of the Asian financial crisis years.

The requirements from our customers, especially in China, to make technological upgrade to improve their production efficiency and quality on textile products will continue to remain strong. This factor is further reinforced by the fact of World Trade Organisation entry which will lead to greater competition from the textile industry in the relevant countries.

The slowdown in the western economies will speed up and increase customers for our casting and machining business from these regions who are in search of lower cost and quality suppliers for their stainless steel casting requirements.

Lastly, with the recent disposal of our interest in a property development investment in Beijing, we are now able to better use our resources and management efforts to focus on our industrial and manufacturing related businesses. This disposal is also expected to make significant improvement in the financial performance of the Group.

## APPRECIATION

Last but certainly not least, on behalf of the Board of Directors, I would like to take this opportunity to express our gratitude to the Group's staff for their contribution and to thank all our customers, bankers, shareholders and business associates for their continuing support. Without their valued patronage, we would not have the foundation necessary to become one of the leaders in our industry today.



**Fong Sou Lam**  
*Chairman*

Hong Kong, April 19, 2001