



## DIVIDEND

The Board of Directors has resolved to pay an interim dividend of HK4.5 cents per share in respect of the year ending 31st August, 2001 (2000: HK3.5 cents) to shareholders whose names appear on the Register of Members on Friday, 6th July, 2001. Dividend warrants will be sent to shareholders on or about Monday, 16th July, 2001.

## CLOSURE OF THE REGISTER OF MEMBERS

The Register of Members will be closed from Tuesday, 3rd July, 2001 to Friday, 6th July, 2001, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrars, Secretaries Limited, 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong not later than 4:00 p.m. on Friday, 29th June, 2001.

## REVIEW AND OUTLOOK

For the six months ended 28th February, 2001, the unaudited profit of the Group amounted to HK\$102.5 million, an increase of 1.2% over the corresponding period of last year. Turnover reached HK\$2,090.2 million, an increase of 18.3% over the same period last year.

During the period under review, the business environment remained largely the same as the second half of last financial year, with economic uncertainties in the United States and the rise in oil price being the main features. As a result, the Group's gross profit margin was reduced from 26.6% to 24.6%. Fortunately, interest rate began to fall and our garment operations had seen improvements following an organisational restructuring. Hence, the Group was able to maintain its level of profitability.

Furthermore, the Group's business volume continued to grow, reflecting the Group's achievements in improving its production efficiency and servicing the needs of its customers.

During the period, the Group had repaid its debts by approximately HK\$200 million, lowering its gearing ratio from 1.10 times as at August 2000 to 0.99 times and its bank-borrowing ratio from 0.81 times as at August 2000 to 0.72 times. At 28th February, 2001, the Group held HK\$239.7 million in bank deposits and cash. Besides, one of our major bankers had released the securities on a short-term deposit of HK\$22 million and a number of properties.

It is apparent that the economy of the United States is slowing down and the retail market is clouded by uncertainties. However, the "steam and electricity co-generation" facilities that are now under construction will, upon completion, create further savings in the Group's electricity and heat generation costs and be able to lessen the negative effect of possible oil price fluctuations in the future. Moreover, in the wake of the Group's much lowered indebtedness and the continued downward trend of interest rate, the Group's interest burden is eased. These favorable factors may offset the uncertainties in the United States market.