

BUSINESS REVIEW

Production and sales of dyed fabrics, sewing threads and yarns

Production and sales of dyed fabrics, sewing threads and yarns remained as the principal operations of the Group, and accounted for 95.4% of the total turnover for the period under review, almost the same level as the corresponding period of last year. During the period under review, as a result of the global economic recession and the impact of the "September 11" incident, the market was sluggish. The fall in demand and excess supply resulted in the drop in product prices. Despite the adoption of proactive and aggressive business strategies by the Group to boost its sales volume, turnover only slightly increased by 2.3%. With the improvements in productivity and economy of scale, the percentage of contribution to profit from operations, if ignoring the effect arising from the adoption of the SSAP 31, improved from 9.4% in last period to 10.6%.

Production and sales of garments

During the period under review, the garment business was more susceptible to the above mentioned market factors. A loss from operations of approximately HK\$4,655,000 was recorded even though the Group maintained a turnover of approximately HK\$100 million. The Group will further strengthen cost control in this business in the second half of the year, with a view of achieving a turnaround for the full year.

業務回顧

製造及銷售色布、縫紉線及紗

製造及銷售色布、縫紉線及紗仍為集團之主要業務，佔回顧期總營業額95.4%，與去年同期相約。在回顧期內，由於全球整體經濟環境放緩及受「九一一」事件之拖累，市道低迷，形成需求收縮，供過於求，導致產品價格下跌。故此，雖然本集團採取積極進取之營業策略，努力提升銷售數量，但營業額只能輕微上升2.3%。憑藉生產力之改進及規模經濟效益，如不計算採納SSAP 31之影響，有關之營業盈利貢獻率則由去年同期的9.4%改善為10.6%。

製造及銷售成衣

在回顧期內，成衣業務較受上述市場因素之影響，縱使營業額能維持約一億港元之水平，但仍錄得約4,655,000港元之營業虧損。集團下半年將會進一步加強此業務之成本控制，務求全年能轉虧為盈。