

OUTLOOK

Following the completion and commission of one of the two steam and electricity co-generation facilities constructed by the Group at the end of January, 2002, part of thermal power costs can be saved. In addition to the garment manufacturing facilities in Indonesia operated by K.L.W. Limited, a subsidiary of the Group, a small scale garment manufacturing factory was set up in Dongguan in line with the accession of the PRC into the WTO, which serves as a foundation for the Group's future development of garment operations in the PRC. The Group has also formally established its first cotton spinning mill, by acquiring the production equipment of a former leased cotton spinning mill, and further strengthened the management on the internal production of yarn.

Although the US economy still appears weak, there have been remarkable improvements based on recently published data. It is expected that there will be signs of improvements in the overall economic environment by the end of the year. The Group has devoted its efforts during the past few years to reduce debts, to undergo production process re-engineering, to enhance its productivity and to improve its steam and electricity co-generation facilities, it is now in a favorable position to be benefited from the economic recovery of the US. The accession of the PRC into the WTO will bring more business opportunities to the Group. The Group is now considering focusing on the development of the PRC market to expand its business.

展望

本集團興建的兩座「熱電聯產」設施，其中一座已在二零零二年一月底完成及啟用，並可節省部份熱能費用。為了配合中國加入世貿，本集團除了現時集團附屬公司金漣威(香港)有限公司在印尼營運製衣外，更在東莞市設立一間小規模的製衣廠，作為集團在國內發展製衣業務的基石。集團亦正式成立首間棉紡廠並購入早前一間承包棉紡廠的生產設備，進一步加強自產棉紗之管理。

雖然美國經濟仍然疲弱，但近期公佈之數據已有明顯改善。而預期整體經濟環境在年底前會有好轉的跡象。集團經過多年努力減低負債、重新部署生產流程、提升生產力和改善熱能及發電設施後，現正處於有利位置，將可在美國經濟開始復甦時獲益。而中國加入世貿，將會為集團帶來更多商機，集團正考慮致力發展中國市場，以擴展集團的業務。