

INTERIM DIVIDEND

The Board resolved that an interim dividend of 2 cents per share (2001: 2 cents) be payable on 14th January, 2003. The shareholders' register will be closed from 6th January, 2003 to 10th January, 2003 (both days inclusive). In order to qualify for interim dividend, transfer must be lodged at the company registrars, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:00 p.m. on Friday, 3rd January, 2003.

BUSINESS REVIEW AND PROSPECTS

Turnover for the Group decreased by \$39,504,000 to \$537,936,000 and net income increased by \$3,104,000 to \$17,575,000.

Although garment manufacturing business remains to be difficult, we are pleased our overall result has improved during this period compared with the same period last year. Some of the positive factors are as follows:

1. Investments in our associates, Wuxi Changxin Textile Co., Ltd., Qinghai Changqing Aluminium Corporation and W. Haking Enterprises Ltd. have all produced good results.
2. As of July 2002, Tomen Corporation of Japan and Tomen Hot-Line of Hong Kong had transferred their shares of YangtzeKiang S.A. to our Company thus increasing our shareholding from 43% to about 87% at the present time. We are fortunate to be the controlling shareholder at a time when the company has turned around to profitability mainly due to the surge of Euro exchange rate and reduction of overhead expenses.
3. Many of our core business still produced steady and satisfactory results. They are such as garment trading, Hong Kong Knitters in China etc. Although we are facing strong price pressure, capacities of all our factories are fully booked up.

However, a few of our factories are still suffering unacceptable losses. They are Tac Cheong Lda. in Macau, YGM (Cambodia) Ltd. in Cambodia and Hongkong Knitters Lanka (PVT) Limited in Sri Lanka. Restructuring and close supervision of these factories are currently underway.