

GROUP RESULTS

Sales turnover of the Group for the year is HK\$1,238 million. Net profit for the year is HK\$33 million.

BUSINESS REVIEW AND PROSPECT

Garment industry remained to be difficult. Due to further decline of selling prices, many of our factories were running at losses. Fortunately profits from our continuing expansion in garment trading business had somewhat offset these losses.

Our other investments remained to be profitable. In fact they contributed greatly to the overall profits of the Group. These investments are: YangtzeKiang S.A. – a garment import company in France; Wuxi Changxin Textile Co., Ltd. – a spinning and weaving factory in Wuxi, China; Qinghai Changqing Aluminium Corporation – an aluminium smelter in Qinghai, China and the most recent W. Haking Enterprises Ltd. – an optical instruments manufacturing company in Hong Kong and China. We shall explain in more details concerning these investments in the Management Discussion and Analysis report.

OUTLOOK

The Directors recognized the challenge ahead in the garment industry as from the year 2005 most of the countries in the world will be quota-free to ship garments to all major markets. This will mean even more severe competition than today. We will examine closely the viability of each of our production facilities and will only keep those factories that can prove themselves to be competitive, efficient and cost-effective. In the long run, we will position ourselves more into garment trading business as manufacturing will be getting more and more difficult. Along with the plan to expand into garment trading, we will also try to establish more of our presence in such major market places like the U.S.A. and Europe in the form of sales and distribution offices.

APPRECIATION

I would like, on behalf of the Board and shareholders, to express our appreciation to the Company's employees for their efforts and loyal service to the Company during the past year.

By Order of the Board
Chan Sui Kau
Chairman

Hong Kong, 22nd July, 2003