



INTERIM DIVIDEND

The Directors have resolved to pay an interim dividend of 2.70 HK cents (2002: 2.70 HK cents) per share for the six months ended 30 June 2003 to shareholders whose names appear on the register of members of the Company as at the close of business on Tuesday, 23 September 2003. The relevant dividend warrants will be despatched to shareholders by post on or around Friday, 26 September 2003.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 19 September 2003 to Tuesday, 23 September 2003, both days inclusive, during which period no transfers of shares shall be effected. In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's share registrars in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by no later than 4:00 p.m. on Thursday, 18 September 2003.

REVIEW OF OPERATION

In the first half of the financial year from January to June 2003, business conditions were affected by the Iraqi War and the epidemic of Severe Acute Respiratory Syndrome ("SARS"). Luckily the American coalition managed to take over Iraq swiftly and SARS was also contained in a relative short period of time attributed to the relentless measures enforced by all parties concerned. As soon as SARS receded at the beginning of June, economic activities in the Mainland rebounded again. The Group's retail business there also resumed its positive growth. Even our sales in April and May were adversely affected, retail turnover in the first half year in the Mainland was still higher than that of the same period of previous year. The Australian retail sentiment was lukewarm due to the global economic downturn. At the beginning of the year, the Group entered into a joint venture with Quiksilver, Inc., a US listed company, to set up retail network in the PRC to market young casual lifestyle apparel. American teenagers are