

GARMENT

Garment business recorded a satisfactory 15% growth in turnover. Good performance in South Africa and America was the main reason, especially America where nearly 50% growth in sales was achieved. Following the removal of quota system, shipment to USA in first quarter 2005 increased significantly. Other areas, mainly Europe, recorded slight growth in turnover from last year.

Operating profit from garment was outstanding, a significant increase of 69% from last year. South Africa contributed about 60% of the profit growth while the factories in China and Guatemala contributed the remaining 40% as a result of export growth to USA.

For the coming year, new import restriction in Europe and USA will be imposed. Together with high South African Rand which has resulted in fierce competition in South African market brought by cheaper import garment, management is not optimistic about the outlook of garment division. Yet, all measures will be taken to tackle all uncertain factors and to maintain operating profit.

成衣

成衣業務營業額比去年錄得15%的理想增幅。兩大主要市場南非及美洲均表現優異；尤其是美洲市場，更錄得近五成增長，隨著配額取消，二零零五年第一季度出口美國運貨量大幅增加。其他地區（主要為歐洲）的營業額則比去年輕微增長。

經營溢利方面，成衣業務表現傑出，比去年大幅增加69%。其中南非佔盈利增長額的約六成，中國及中美洲危地馬拉廠房受惠於出口美國營業額增加，貢獻其餘約四成的盈利增長。

展望來年，隨著歐洲及美國新的入口限制措施，南非貨幣持續高企引致進口成衣帶來的激烈競爭，管理層對成衣業務不抱過高期望，唯將積極面對市場的多項不穩定因素，努力維持盈利貢獻。

GARMENT 成衣業務

Canadian sales team discussing product line
for the coming season
加拿大營銷人員正在商討來季服裝系列



The Group's new brand of casual wear product 'Gener8' will be sold in
North America in Spring 2006
集團的新悠閒服品牌「Gener8」將在2006年春季在北美洲銷售

Production line in Panyu garment factory
番禺製衣廠車間



Special effect treatment in Panyu laundry
番禺洗水廠後期處理車間



Production floor in Guatemala factory
危地馬拉製衣廠車間



Production floor in South African factory
南非製衣廠車間

HOTEL, RESTAURANT AND FOOD

As discussed in the interim report, the Group entered into agreements to acquire Foshan Huaqiao Mansion on 25 November 2004 (See circular to Shareholders on 13 December 2004). Huaqiao Mansion is a 4 star hotel which occupied 17,000 square metres of land in the most busy commercial area of Foshan city. The Group took over management of the hotel, now named 'Carrianna Hotel', on 1 January 2005. Total number of rooms sales during the first quarter of 2005 increased by 10% from last year. Excluding Chinese New Year holidays, average occupancy rate reached 76% while operating profit of the hotel also exceeded budget. In addition to good profit contribution potential, Carrianna Hotel also strengthens the Group's portfolio of prime investment properties.

Restaurant and Food business performance was also satisfactory. Excluding Carrianna Hotel, operating profit increased by about 30%, mainly due to growth in mooncake sales profit in the first half of the year.

For the coming year, overall profit growth potential is promising. In addition to Carrianna Hotel, the second Carrianna Restaurant in Shanghai opened in April 2005, a third restaurant in Shenzhen and the first Carrianna Restaurant in Xian planned for the year will all become new source of profit for the Group.

酒店、酒樓及食品

承如中期業績報告提及，集團在二零零四年十一月二十五日簽署收購佛山市華僑大廈的合同（見二零零四年十二月十三日的股東通函）。該酒店位於佛山市中心最繁華的祖廟路，為一間佔地超過17,000平方米的四星級酒店。集團在二零零五年一月一日正式接管該酒店，並改名為佳寧娜大酒店。首季度客房入住數目比去年同期增長達10%，不計算農曆新年期間的假期，入住率達到76%，經營溢利亦超過預算。除良好的盈利能力外，位於佛山市商業中心的佳寧娜大酒店亦可加強集團的優質投資物業組合。

酒樓及食品業務亦錄得理想的業績，扣除佳寧娜大酒店的盈利，經營溢利仍錄得約三成的增長，主要原因為上半年的月餅銷售利潤增加。

展望來年，除佳寧娜大酒店將帶來新的盈利增長外，集團在二零零五年四月開設上海第二間酒樓，加上籌備中及洽談中的深圳第三間及西安第一間佳寧娜酒樓，總體業務應保持良好的增長潛力。

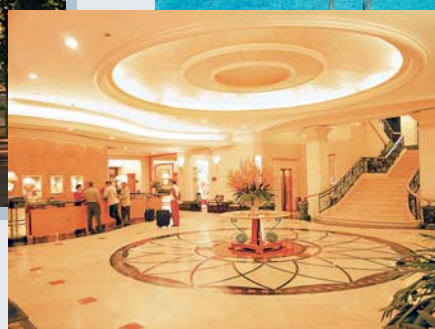
HOTEL, RESTAURANT AND FOOD

酒店、餐飲及食品業務



Carrianna Hotel is a 4 star hotel occupying 17,000 square metres of land in the busiest commercial area of Foshan City.

佳寧娜大酒店位於佛山市中心最繁華的祖廟路，是一間佔地超過17,000平方米的四星級酒店



The Group opened its second Carrianna Restaurant in Shanghai at the Howard Johnson Hotel in April 2005

集團在2005年4月在古象酒店開設上海的第二間佳寧娜酒樓

Function room at Carrianna Restaurant in Carrianna Friendship Square

佳寧娜友誼廣場大酒樓貴賓廳格調高雅，適合重要商務宴請



PROPERTY AND LOGISTICS

The Group's associate company "China South International Industrial Materials City (Shenzhen) Co., Ltd" completed construction of the first phase of the industrial material distribution centre in Pinghu, Shenzhen, and the four markets started operation in late 2004. Some of the shops in the distribution centre was sold to the public with satisfactory response and the corresponding sales profit was the main source of profit for the year. For shops to be leased to industrial material suppliers, rental rate was satisfactory and increased continuously after the Chinese New Year holidays.

For the Group's wholly owned investment properties 'Carrianna Friendship Square' and 'Imperial Palace', rental rate continued to be satisfactory and is the Group's stable source of cash income.

For the coming year, further property sales income will be recorded by "China South City". Together with rental income, 'China South City' will continue to provide significant profit. On the other hand, the Group rented part of 'Carrianna Friendship Square' to the adjacent 'Friendship Department Store' and renovated the corridor which linked the two shopping malls so as to improve people traffic between the two malls. These measures will further improve rental value of both malls.

物業及物流

集團投資的聯營公司「華南國際工業原料城（深圳）有限公司」，其位於深圳平湖的原材料交易中心第一期四個交易場已經建築完成並於二零零四年年底開始營業。部份可出售的商舖，出售進度理想，為截至二零零五年度三月三十一日止年度提供盈利來源。出租商舖方面，反應令人鼓舞，出租率在農曆新年假期後，不斷增加。

集團全資擁有的主要出租物業，深圳市「佳寧娜廣場」及「駿庭名園」繼續保持良好的出租率，為集團的穩定現金收益來源。

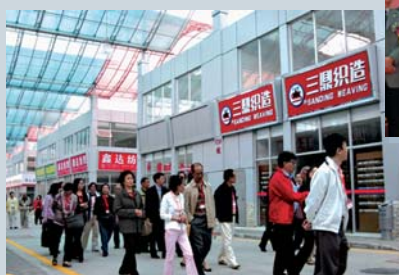
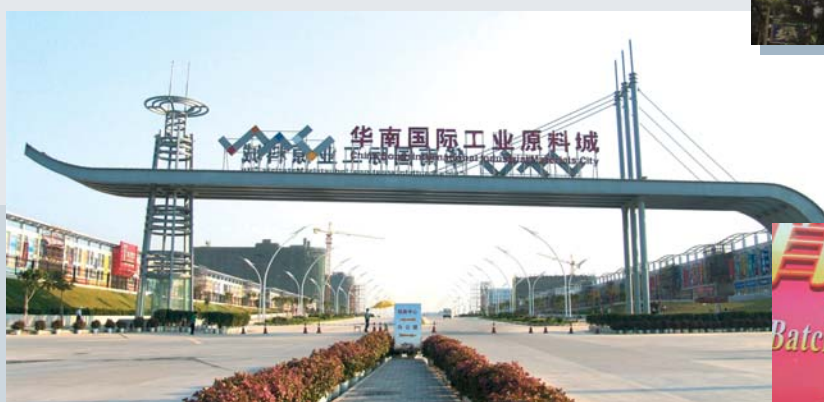
展望來年，「華南城」將繼續有銷售收入入賬，加上租金收益，將會為集團提供可觀盈利。此外，集團與「佳寧娜廣場」相鄰的「友誼百貨」進行合作，將部份商場租賃於友誼百貨並重新布置連接兩個商場的連廊，使兩個商場的人流更為流通，將有助進一步提高各自的商場租值。

PROPERTY AND LOGISTICS

物業及物流



The Group's wholly owned investment properties 'Carrianna Friendship Square' and 'Imperial Palace' continued to deliver satisfactory rental rate and is the Group's stable source of cash income. 深圳市「佳寧娜廣場」及「駿庭名園」繼續保持良好的出租率，為集團的穩定現金收益來源。



China South International Industrial Materials City started operation in December 2004. The first phase of 4 industrial materials distribution centres has a total floor area of 360,000 square metres.

華南國際工業原料城首期四個共佔360,000平方米樓面面積的工業原材料分銷中心已經在2004年12月開業。