



INTERIM DIVIDEND

The Directors have resolved to pay an interim dividend of 2.90 HK cents (2004: 2.70 HK cents) per share for the six months ended 30 June 2005 to shareholders whose names appear on the register of members of the Company as at the close of business on Friday, 23 September 2005. The interim dividend is expected to be paid to shareholders by post on or around Wednesday, 28 September 2005.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 21 September 2005 to Friday, 23 September 2005, 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 Tuesday, 20 September 2005.

REVIEW OF OPERATIONS

In the first half of the fiscal year, markets in which the Group had operations were relatively stable. Even China Government's austerity was in force but the economic development in the Mainland still had an impressive growth. Retail sentiment there was rather resilient. On top of keeping the growth of sales in a double-digit, the Management also managed to have improvement in the operational margin. In Australia, retail market became sluggish in the second quarter; Jeanswest operations there still had a mild increase in turnover. The export operations were affected by the uncertainties arising from the threats of European countries and US to limit textile goods from China. Thanks to the Management adhered to the strategy of focusing on the development of retail business and holding the expansion of manufacturing and export operations for years including the investment in adding production facilities in the Mainland. Therefore excess production capacity was not an issue and the impact from the under-performance of our export operations was mitigated as it accounted for less than 30% of the Group's turnover.