

Chairman's Statement

Year 2005 was remarkable for Carry Wealth. Despite the severely challenging business environment in the global apparel industry, the Group recorded turnover growth of 21.9% to HK\$1,103.8 million and turned its business around with profit attributable to equity holders up to HK\$65.7 million. Basic earnings per share was 18.25 HK cents. The Board of Directors has proposed the payment of a final dividend of 5.0 HK cents per ordinary share. Together with the interim dividend of 2.0 HK cents per ordinary share paid on 4th October, 2005, the total dividend for the whole year amounted to 7.0 HK cents per ordinary share.

From 1st January, 2005 onwards, quotas on textile trade among member countries of the World Trade Organisation were eliminated. Threatened by Mainland China textile and apparel imports flooding their markets, the US and EU governments adopted special safeguard measures last year which in turn prompted buyers to divert sourcing from Mainland China to other developing countries. Capturing this opportunity, the Group boosted the production capacity in Indonesia and procured quite a substantial volume of orders.

In November 2005, Mainland China reached agreement with the US restricting import growth of certain sensitive Chinese apparel products for each of the three years ending 31st December, 2008. Despite the re-imposition of restriction, the agreement clarified the "rules of the game" for both buyers and vendors. In particular, the capped quantities for the Group's main product categories are vast. Looking ahead, given its competitive advantages, the Group will actively and progressively establish a production base in Mainland China.

More and more players in the apparel industry today are making corporate social responsibility an integral part of their business mission. The Group's major customers are devoted to monitoring their supply chains and fine tuning their policies and programs based on the changing global environment, including consumer concerns and market expectations. Upholding social responsibility is of primary concern to the Group in its corporate development. The Group continued to invest additional resources into strengthening the manpower of its compliance team during the year. I am pleased that the Group completed formulation of its "Code of Conduct" and all its production bases have adopted the code. We have reinforced our social responsibility principles so that our employees and the management can have access to useful guidelines for fulfilling our obligations as a socially responsible corporation.

To further improve the working environment and enhance safety and efficiency, our Hong Kong office introduced 5-S, a widely-practised management methodology originated from Japan. Aimed at creating and maintaining a quality working environment within an organization, 5-S stands for "Structurise, Systematise, Sanitise, Standardise and Self-discipline". At the concerted efforts of all employees, the Company was formally accredited by the Hong Kong 5-S Association in September 2005, marking a milestone in the Company's pursuit of management excellence.

Chairman's Statement

In 2005, the Group adopted a new corporate logo, which conveys to all stakeholders its commitment to exploring and fully developing business opportunities ahead supported by its strong business foundation and expertise. The Group will strive to enhance its competitive advantages by continuously streamlining its operations, boosting its productivity, imposing stringent cost control measures and, more importantly, nurturing staff development.

The performance of the Group in 2005 reflected the determination and courage of our management and employees. Carry Wealth is moving ahead with great confidence and momentum. My heartfelt appreciation goes to the Board, the management team and all employees of the Group. I also wish to thank our customers, suppliers, business associates and shareholders for their unwavering support.

Rusli Hendrawan

Chairman

23rd March, 2006