

Chairman's Statement 主席報告書

The Group's results for the year reached a new high with net profit attributable to shareholders at HK\$530 million, an increase of 14% compared to last year.

The global economic condition was not favourable during the year. Product prices plummeted after the US September 11 incident, suppressing profits for the fabric and garment manufacturing businesses. Fortunately prices for raw materials also came down. With strict cost control measures, we were able to maintain the profit margin. Anticipating the current deflation to persist, growth in profit margin will have to come from further cost cuts and the economy of scale in production.

The production capacity of our fabric and garment manufacturing businesses has continued to expand. As retailers gradually centralize the source of their purchases, we believe that our market share will continue to increase. After the abolishment of the quota system after 2004, we trust that our retail customers will depend more heavily on our supply.

Although weather conditions had adversely affected our retail business in the first half-year, satisfactory improvement was seen in the second half-year. Mainland China remains the focus of our development, and we will maintain our multi-brand strategy there. After six years' development, our retail business is now on a solid foundation, a breakthrough in its performance is anticipated.

本年度業績再創新高。股東應佔溢利淨額達5億3千萬港元，較去年上升14%。

期內全球經濟環境並不理想。美國911事件後曾令貨品價格急速下滑，使紡織及製衣業務利潤受壓。尤幸原料價格亦向下調，加上成本受控，邊際利潤仍可保持。本人相信通縮情況仍將持續，本集團務必壓制成本及加強生產效益以改善邊際利潤。

針織布及製衣之生產力仍不斷地在擴展中。由於零售客戶採購方式越趨集中，相信本集團之市場佔有率將不斷提高。二零零四年後全球成衣配額制度取消後，相信零售客戶將更倚賴本集團之供應。

零售業務上半年曾受天氣影響，但下半年已有良好之改善。中國大陸仍為發展重心，仍將用多品牌策略在此擴張。經過六年之發展，零售業務已有良好之根基，可期待業績有更突破之表現。

Chairman's Statement 主席報告書 (continued 續)

I believe business prospects for the group remains bright, and I am confident that the results for the coming year will reach yet another high. The management and I would like to take this opportunity to thank our shareholders and business partners for their support, and our colleagues for their hard work.

Poon Bun Chak

Chairman

Hong Kong, 19 July 2002

本人認為本集團業務前景良好，對來年業績能再創新高充滿信心。本人藉此代表管理層衷心感謝股東及業務伙伴之支持，以及同事們之努力貢獻。

主席

潘彬澤

香港，二零零二年七月十九日