

For this year, the Group's turnover and net profit from ordinary activities attributable to shareholders both reached record high at HK\$3,093 million and HK\$302 million respectively. Compared to HK\$2,725 million and HK\$191 million of last year, the increases were 13% and 58%. The Board recommends a final dividend of HK6.0 cents (last year: HK3.0 cents) per share. Including interim dividend, total dividend per share will be HK9.0 cents, an increase of 80% over last year's HK5.0 cents.

The recovery of the Asian economies was a major contributor to the improvement of our results, and our retail business benefited especially prominently. Apart from good business results, the financial position of the Group remained strong. Total liabilities to equity ratio, bank borrowings to equity ratio, receivables turnover on sales period and inventory turnover on sales period were all at a healthy level. At the end of this financial year, the Group's cash and bank balances minus total bank borrowings were about HK\$120 million.

Steady growth was recorded for the production and sales of knitted fabric business, with the US remaining our major market. Due to the Asia economic recovery, the proportion of sales to this area had gone up. In view of the favourable market conditions, capital expenditure had been increased gradually. We expect the expanded productivity would be able to cope with the growth in business next year.

The retail business in China grew rapidly. At the end of this fiscal year, there were about 400 shops. Besides Baleno our major brandname, we had launched other brandnames such as Bambini, Samuel & Kevin and IP Zone to target different types of customers. We believe that this will provide greater flexibility for our long term development in the huge China market. With China being the main focus of our retail business, this year we also worked at developing the Hong Kong and Taiwan markets. The number of shops in these two cities are expected to grow quickly.

本集團本年度之營業額及股東應佔經常業務溢利淨額均創新高，分別為30億9千3百萬港元及3億2百萬港元。比較去年之27億2千5百萬港元及1億9千1百萬港元，分別上升13%及58%。董事會建議派發末期股息每股港幣6.0仙(去年：港幣3.0仙)。連同中期股息，每股股息總額為港幣9.0仙，較去年之港幣5.0仙增加80%。

本年度業績良好主要由於亞洲之經濟情況逐漸改善，尤以零售業務之受惠至為明顯。除業績良好外，本集團財務狀況亦十分穩健。總負債與資本比率、銀行借貸與資本比率、應收帳週轉期及銷售存貨週轉期均處於健康水平。本會計年度結算時，本集團之現金及銀行結餘減去總銀行借貸約為1億2千萬港元。

生產及銷售針織布業務增長穩定，仍以美國為最主要市場。由於亞洲經濟復甦，在此地區之銷貨比例已提升。由於市場情況理想，資本投資已逐步增加。預料已擴大之生產力足夠應付來年之業務增長。

零售業務在中國發展迅速。本財政年度完結時已有零售店約400間。除主力Baleno品牌外，亦已經營Bambini、Samuel & Kevin及IP Zone等品牌以迎合不同類型之顧客。我們相信此舉在長遠發展中國此一龐大市場過程中更具靈活性。除中國為零售業務之重心外，本年度亦開始大力開拓香港及台灣兩地之業務。預計短期內此兩地之店舖數目將迅速增加。

In the midst of the economic turmoil last year, we adopted a cautious business policy in order to consolidate our financial strength. This year, with market conditions improving and backed by our strong finances, the Group had expanded its businesses more aggressively. With increased productivity of the fabric plants and the fast expansion of the retail network, we are optimistic about the results of the coming year. The entry of China into the World Trade Organization is anticipated to provide business opportunities, the Group is earnestly looking into all possibilities in this regard.

This year the Group celebrated its 25th anniversary. It has been due to the devotedness of our colleagues, great support of our business partners and shareholders that the Group has been able to grow continuously. I would like to thank you all on behalf of the board.

Poon Bun Chak

Chairman

Hong Kong, 22 August 2000

去年度在亞洲金融風暴下，本集團採取較審慎業務政策，目的在鞏固財務實力。本年度在市場好轉及財務狀況良好下，業務之擴展已更具野心地進行。在針織布生產力上升及零售網絡快速增長下，預料明年之業績仍甚為樂觀。中國即將加入世貿將會帶來無限商機，本集團已積極研究及尋找發展機會。

今年為本集團之二十五週年紀念。本集團之不斷成長，全賴各同事之努力貢獻、各業務夥伴及股東們之鼎力支持。本人謹在此代表董事會致衷心感謝。

主席

潘彬澤

香港，二零零零年八月二十二日