

# Chairman's Statement 主席報告書

## 經營業績及財務狀況

截至二零零四年三月三十一日止，集團錄得營業額達446,227,000港元（二零零三年：427,338,000港元），較去年同期上升4.4%。至於該期間之股東應佔溢利則為58,591,000港元（二零零三年重新呈列：30,024,000港元），較去年同期大幅度上升95.1%。

## 業務回顧

於回顧期之第一季，本集團之主要營商市場香港、台灣及新加坡均為非典型肺炎肆虐之重災區，零售業務皆受打擊，致令上半年整體營業額比去年同期下跌了10.3%，唯本集團透過採取穩健有效之成本控制措施，包括香港關閉了7間表現不理想的店舖，並同時在地區優越且租金合理的位置開設新店，此舉令整體營運效益提升，增加了營業額。加上受惠於一連串有利於零售業務之措施如中國放寬旅客來港政策、為國內旅客提供人民幣信用卡付款服務等，實有助於零售業之復甦，刺激及帶動整個香港市場的消費氣氛，致令下半年之整體營業額較去年同期上升16.9%，而毛利亦得到改善，透過有效之成本控制，致使集團之股東應佔溢利大幅上升95.1%，成績令人鼓舞。

## 香港及澳門市場

本年度香港及澳門市場錄得營業額265,740,000港元，較去年微升0.7%。主要原因是首季受到非典型肺炎之打擊，致令上半年香港及澳門之營業額比去年同期下跌15.1%，雖然本年度下半年之營業額比去年同期上升14.1%，但整年度之營業額與去年相若。縱然如此，本集團於年內透過內部整固措施以減低其負面影響，包括有效之成本控制、產品質素的提升以助減少促

## Operating Results & Financial Overview

As at 31st March, 2004, the Group recorded a turnover of HK\$446,227,000 (2003: HK\$427,338,000), representing an increase of 4.4% as compared with the corresponding period of the previous year. Profit attributable to shareholders during the period was HK\$58,591,000 (Restated 2003: HK\$30,024,000), representing a significant increase of 95.1% as compared with the corresponding period of the previous year.

## Business Overview

During the first quarter of the period under review, the havoc wreaked by the Severe Acute Respiratory Syndrome outbreak on the Group's principal markets, namely Hong Kong, Taiwan and Singapore, inflicted a blow on the retail business. As a result, the overall turnover in the first half of the year decreased by 10.3% as compared with the corresponding period of the previous year. As part of its reliable and effective cost control measures, the Group closed down 7 Hong Kong outlets with unsatisfactory performance, while opening new outlets at premises in premium locations available at reasonable rentals. Such measures contributed to the improvement in overall operating efficiency and the increase in turnover. The Group has further benefited from a series of measures favorable to the retail business, including the relaxation of policy governing cross-border visits to Hong Kong and the provision of Renminbi credit card payment services to tourists from Mainland China. Such measures were conducive to the recovery of the retail industry. These measures also stimulated and motivated consumption across the entire Hong Kong market. As a result, the overall turnover in the second half of the year increased by 16.9% over the corresponding period of the previous year, together with an improvement in gross profit. The Group has also adopted effective cost control measures, resulting in the significant increase of 95.1% in profit attributable to shareholders. The result was encouraging.

## Hong Kong and Macau Market

During the year, the Hong Kong and Macau market recorded a turnover of HK\$265,740,000, representing a slight increase of 0.7% over the previous year. During the first half of the year, the turnover of the Hong Kong and Macau market decreased by 15.1% as compared with the corresponding period of the previous year, mainly due to the impact of the Severe Acute Respiratory Syndrome outbreak in the first quarter. Despite the 14.1% increase in turnover during the second half of the year over the previous year's corresponding period, the overall turnover was similar to that of the previous year. Nevertheless, thanks to the Group's internal consolidation measures, such as effective cost control and improvement of product quality

# Chairman's Statement 主席報告書

銷活動以提升產品之毛利率等，致使整年度香港及澳門之分類業績達49,197,000港元，較去年之27,437,000港元有79.3%之強勁增長。截至二零零四年三月三十一日止，集團在香港及澳門共設有59間店舖（二零零三年：62間）。

in order to reduce promotion activities and improve the products' gross profit margin, all designed to minimize the adverse impact of the epidemic, the segment result of the Hong Kong and Macau market during the year reached HK\$49,197,000, representing a substantial increase of 79.3% over the previous year's HK\$27,437,000. As at 31st March, 2004, the Group had altogether 59 outlets in Hong Kong and Macau (2003: 62 outlets).



本集團於二零零四年一月參與由香港貿易發展局主辦於香港舉行之「香港國際時尚匯萃」貿易展。

The Group participated in the trade fair organized by the Hong Kong Trade Development Council, "World Boutique Hong Kong", which was held in Hong Kong, in January 2004.

## 台灣市場

本年度台灣市場錄得營業額124,483,000港元，較去年上升14.6%。於二零零四年三月三十一日，集團在台灣店舖數目為51間，店舖數目與去年相若。台灣於本年度佔集團總營業額約27.9%（二零零三年：25.4%），在營業額提升及嚴緊控制成本下，台灣的業務比去年大有改善，分類業績達16,601,000港元，較去年之9,916,000港元上升67.4%。以現時台灣之業務走勢，集團評估仍有發展之空間，因此未來集團會繼續致力拓展台灣之業務。

## Taiwan Market

During the year, the Taiwan market recorded a turnover of HK\$124,483,000, representing an increase of 14.6% over the previous year. As at 31st March, 2004, the Group had 51 outlets in Taiwan, which is similar to the number in the previous year. The Taiwan market contributed to approximately 27.9% of the year's turnover (2003: 25.4%). As a result of the turnover increase and stringent cost control measures, the business in Taiwan improved significantly over the previous year with a segment result of HK\$16,601,000, representing an increase of 67.4% over the previous year's HK\$9,916,000. Given the development trend of its Taiwan business, the Group is of the view that there is further room for development, and will continue to expand its business in Taiwan.

## 新加坡市場

本年度新加坡市場錄得營業額33,000,000港元，較去年同期上升了6.7%。於二零零四年三月三十一日，集團在新加坡店舖數目由去年同期的

## Singapore Market

During the year, the Singapore market recorded a turnover of HK\$33,000,000, representing an increase of 6.7% as compared with the corresponding period of the previous year. As at 31st March, 2004, the number of the Group's outlets in Singapore has decreased from 13 during

# Chairman's Statement 主席報告書

13間減少至11間，主要原因是集團策略性地關閉了2間表現未如理想之店舖，再加上強化當地之管理隊伍，令新加坡整年度之分類業績雖然錄得虧損約1,725,000港元，與去年相若，但本年度之分類業績已由上半年2,503,000港元之虧損明顯改善至下半年778,000港元之盈利。未來集團會維持新加坡市場的店舖數目至現在的水平。

## 其他市場

除了香港、澳門、台灣、新加坡市場外，中國市場亦是集團未來網絡擴展之重點。截至二零零四年三月三十一日止，本集團旗下之品牌在中國已設有46間店舖，遍及深圳、廣州、珠海、上海、北京、大連、成都、重慶、武漢、南京、貴陽等城市。

the corresponding period of the previous year to 11, mainly as a result of the Group's strategic closing of 2 outlets with unsatisfactory performance. Along with the strengthening of the local management team, although the Singapore market's segment result of the year recorded a loss of HK\$1,725,000, which is similar to that of the previous year's, the segment result has improved from a loss of HK\$2,503,000 in the first half year to a profit of HK\$778,000 in the second half year. In the future, the Group will maintain the number of its outlets in Singapore at the existing level.

## Other Markets

Besides the markets in Hong Kong, Macau, Taiwan, Singapore, the market in China will be the focus of the Group's future business expansion. As at 31st March, 2004, there were 46 outlets in China offering brand products of the Group. These outlets are well located in cities like Shenzhen, Guangzhou, Zhuhai, Shanghai, Beijing, Dalian, Chengdu, Chongqing, Wuhan, Nanjing and Guiyang.



本集團於二零零四年三月參與由香港貿易發展局主辦於北京舉行之「香港時尚匯展」貿易展。

The Group participated in the trade fair organized by the Hong Kong Trade Development Council, "Style Hong Kong", which was held in Beijing, in March 2004.

## 展望

在業務發展方面，本集團計劃未來一年在香港及澳門區會增加8間店舖，致使店舖數目達至67間。這會透過關閉一些租約期滿而效益不大的店舖，並繼續在地區優越且租金合理的位置開設新店，有助提高集團之營業額及盈利能力。台灣之整體表現持續向好，

## Prospects

As part of its business development, the Group plans to open 8 more outlets in Hong Kong and Macau in the coming year, bringing the total number of outlets to 67. This will be done by closing down some outlets with expired lease terms and low profitability, while continuing to open new outlets at premises in premium locations available at reasonable rentals. Such measures will improve the Group's turnover and profitability. As the overall performance of the Taiwan market remains favorable, the Group

# Chairman's Statement 主席報告書

集團計劃至二零零五年三月底台灣之店舖數目會增加12間左右，令台灣區店舖數目增加至63間。至於新加坡，集團將會緊貼市場走勢，不時對該區之業務作出檢討，採取適當之調整行動。中國區方面，集團亦會隨著中國市場經濟持續增長，加強 **Wanko** 及 **Veeko** 兩個品牌在中國之推廣，集團計劃來年再增加約20間特許經營店舖，逐漸將中國零售網絡擴大。為了配合未來零售業務的擴展，本集團於二零零三年十月份在國內新增了一間面積約30,000平方米的成衣製造廠，比原有生產之廠房面積擴充了約60%，剛在二零零四年四月份正式投產，此等部署對於生產成本之控制及未來業務的競爭力上有進一步的優勢。

經過多年來之經營，**Wanko** 及 **Veeko** 這兩個深入民心的女裝品牌已奠定了其女裝市場之領導地位。未來，集團仍會繼續致力提供物超所值的貨品，提升產品的質素，包括強化貨品本身的設計、採用高級布料以及加強品牌的潮流感，亦會繼續致力於員工之培訓以提升員工整體的服務質素，為顧客提供優質的服務，為品牌提供有力的支持。再配合以預期來港旅客人數持續上升，香港的零售環境可望於來年有明顯的增長，集團對於未來的發展表示樂觀及充滿信心。截至二零零四年／二零零五年財政年度首季，香港及澳門、台灣、新加坡可比較店舖之營業額較去年同期分別錄得有42%、18%、2%之增長。未來，集團亦不斷尋求其他擴展商機，物色其他高增值且有前景的零售業務發展，積極探討時裝以外之其他零售業務發展之可行性，令集團之業務更多元化，為股東爭取最佳的業績及回報。

plans to open around 12 more outlets in Taiwan by the end of March 2005, bringing the total number of outlets in Taiwan to 63. Meanwhile, the Group will keep abreast of the market trend in Singapore and from time to time review its Singapore business, making adjustments where necessary. Following the China's economic growth, the Group will enhance the marketing of the brand names **Wanko** and **Veeko** in China. The Group plans to open approximately 20 franchised outlets, gradually expanding the retail network in China. In collaboration of its future expansion in retail business, the Group in October 2003 leased a new garment manufacturing plant in China with an area of approximately 30,000 square meters, which is 60% larger than the area of the existing production plant. The new plant came into operation in April 2004. Such deployment gave the Group further advantages in the control of production cost and future competitiveness.

After many years of development, the popular brand names of **Wanko** and **Veeko** have finally established themselves as leaders of the ladies fashion market. In the future, the Group will continue to offer products of superb value and improve product quality, by enhancing their design and using high-quality fabrics to match with more trendy design. In order to improve the overall quality of services rendered by its staff and provide better service to its customers, the Group will also continue its emphasis on staff training with a view to providing strong support to its brand names. With the number of visitors to Hong Kong expected to rise, Hong Kong's retail industry is anticipated to grow significantly in the coming year. The Group is optimistic and confident about its future development. As at the end of the first quarter of the financial year 2004/2005, the turnover of comparable outlets in Hong Kong and Macau, Taiwan, Singapore recorded an increase of 42%, 18%, 2% respectively over the corresponding period of the previous year. In the future, the Group will continue to seek other development opportunities in retail businesses with high value-adding prospects. The Group will actively explore the possibility of development in other areas of retail industry with a view to diversifying its business and delivering better results and return to shareholders.



## 流動資金及財務資源

本年度，集團之營運資金由截至二零零三年三月三十一日止114,852,000港元上升至167,748,000港元，而其流動比率及速動比率則維持於穩健水平，分別為5.64倍及4倍。

存貨可供銷售天數由截至二零零三年三月三十一日止年度的38天增加至回顧年度的48天，存貨周轉期增加了10天主要由於本集團之存貨由截至二零零三年三月三十一日止44,895,000港元上升至二零零四年三月三十一日止的59,064,000港元。

於年結日，本集團之現金及銀行結存為100,278,000港元（二零零三年：43,210,000港元），並無任何未償還銀行借貸及透支（二零零三年：無），而借款總額為466,000港元（二零零三年：684,000港元）。

於年結日，本集團之負債比率為0.002（二零零三年重新呈列：0.0036）乃以本集團總借款額466,000港元（二零零三年：684,000港元）以及股東資金232,359,000港元（二零零三年重新呈列：188,632,000港元）計算。

於二零零四年三月三十一日，本集團之銀行融資設施為60,567,000港元（二零零三年：60,549,000港元），當中本集團已動用之融資金額（即銀行擔保）為3,365,000港元（二零零三年：1,270,000港元（即銀行擔保））。管理層相信現有之財務資源足以應付日後之擴展計劃。如有需要時，本集團亦可以優惠條款取得額外融資。

## Liquidity and Financial Resources

The Group's working capital increased from HK\$114,852,000 as at 31st March, 2003 to HK\$167,748,000 for the year while its current ratio and quick ratio were maintained at a healthy level of 5.64 and 4 times respectively.

The Group's inventory turnover on sales increased from 38 days for the year ended 31st March, 2003, to 48 days in the year under review. The adjustment of 10 days in inventory turnover period was mainly due to the increase in inventories from HK\$44,895,000 as of 31st March, 2003, to HK\$59,064,000 as of 31st March, 2004.

As at the balance sheet date, the Group's cash and bank balances amounted to HK\$100,278,000 (2003: HK\$43,210,000) and there was no outstanding bank borrowings and overdraft (2003: Nil) whereas the total borrowings was HK\$466,000 (2003: HK\$684,000).

As at the balance sheet date, the gearing ratio of the Group is 0.002 (Restated 2003: 0.0036) which is calculated based on the Group's total borrowings of HK\$466,000 (2003: HK\$684,000) and the shareholders' fund of HK\$232,359,000 (Restated 2003: HK\$188,632,000).

As at 31st March, 2004, the Group had banking facilities amounting to HK\$60,567,000 (2003: HK\$60,549,000), of which HK\$3,365,000 representing bank guarantees (2003: HK\$1,270,000 representing bank guarantees) was utilised by the Group. The management believes that existing financial resources will be sufficient to meet future expansion plans and, if necessary, the Group will be able to obtain additional financing on favorable terms.

# Chairman's Statement 主席報告書

## 資產抵押

於年結日，本集團就本集團獲授一般銀行融資而向若干銀行作抵押之資產42,297,000港元（二零零三年：40,699,000港元）。

## 或然負債

於二零零四年三月三十一日，本公司就本公司若干附屬公司獲授銀行提供擔保84,390,000港元（二零零三年：84,390,000港元）。於二零零四年三月三十一日，附屬公司已動用之款額（即銀行擔保）為2,998,000港元（二零零三年：922,000港元（即銀行擔保））。

## 員工及薪酬政策

於年結日，本集團僱有3,316名員工（二零零三年：2,881名），本集團主要根據業內慣例釐定員工薪酬，包括保險及醫療福利。本集團亦已根據個人業績表現採取一套獎勵計劃予員工。除基本薪酬福利外，部份主要員工更獲分配認股權，以作為獎勵及增強員工對集團的忠誠度。

## 致謝

本人謹代表董事會同仁，衷心感謝全體員工之忠誠服務、貢獻及努力，對一直支持本集團之各位股東、客戶、供應商及業務夥伴亦深表感謝，並希望各位繼續為本集團的成功作出貢獻。

承董事會命  
主席兼董事總經理  
鄭鐘文

香港，二零零四年七月六日

## Pledge of Assets

As at the balance sheet date, the amount of assets pledged by the Group to certain banks to secure general banking facilities granted to the Group was HK\$42,297,000 (2003: HK\$40,699,000).

## Contingent Liabilities

At 31st March, 2004, the Company had guarantees of HK\$84,390,000 (2003: HK\$84,390,000) to certain banks in respect of banking facilities granted to certain subsidiaries of the Company. The amount utilised by the subsidiaries was HK\$2,998,000 representing bank guarantees (2003: HK\$922,000 representing bank guarantees) as at 31st March, 2004.

## Staff and Remuneration Policies

As at the balance sheet date, the Group had 3,316 employees (2003: 2,881). The Group mainly determines staff remuneration (including insurance and medical benefits) in accordance with the industry's practices. The Group also implemented a reward scheme for its staff based on their individual performances. In addition to their basic remuneration and welfare, some key employees were granted share options as reward and incentive to enhance their loyalty to the Group.

## Appreciation

On behalf of the Board, I would like to extend my heartfelt thanks to all the employees for their devotion, contribution and diligence and my deepest gratitude to all the shareholders, customers, suppliers and business partners for their continuous support. I sincerely hope that all of you will continue to contribute to the success of the Group.

By Order of the Board  
**Cheng Chung Man, Johnny**  
Chairman and Managing Director

Hong Kong, 6th July, 2004