

# Chairman's Statement

## 主席報告



**Chan Sing Chuk, Charles, JP**

*Group Chairman*

**陳聖澤太平紳士**

主席

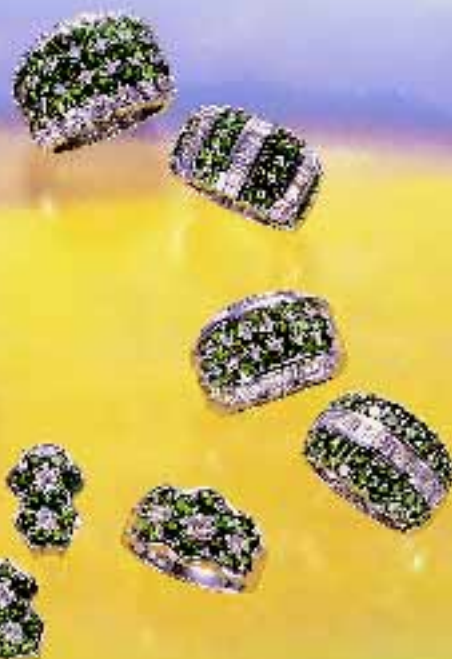
本人謹提呈本公司截至二零零一年六月三十日止財政年度之年報。本集團之營業額為959,819,000港元，去年之營業額則為845,711,000港元，上升約13%。本集團之經營溢利為25,653,000港元，主要源自集團之珠寶首飾及鑽石業務。本集團之股東應佔溢利為20,738,000港元，較去年38,585,000港元減少46.2%。每股盈利為0.078港元，而去年則為0.152港元。

年內，本公司宣派及派付中期股息每股0.01港元（二零零零年：0.01港元）。董事建議就截至二零零一年六月三十日止年度向於二零零一年十二月十七日名列本公司股東名冊之股東派付末期股息每股0.015港元。待股東在本公司於二零零一年十二月十七日舉行之股東週年大會上批准後，末期股息將約於二零零一年十二月二十一日派付。

I am pleased to present the Annual Report of the Company for the financial year ended 30th June, 2001. The Group achieved a turnover of HK\$959,819,000 compared to the turnover of HK\$845,711,000 in the previous year, representing an increase of approximately 13%. The Group's operating profit amounted to HK\$25,653,000 which was mainly contributed from jewellery and diamond operations. The Group's profit attributable to shareholders is HK\$20,738,000 as compared to the profit of HK\$38,585,000 in the previous year, representing a decrease of 46.2% over that achieved in the last year. Earnings per share was HK\$0.078 in comparison to that of HK\$0.152 in the previous year.

During the year, the Company declared and paid an interim dividend of HK\$0.01 per share (2000: HK\$0.01). The Directors recommended to pay to the shareholders whose names are recorded on the Company's register of the members as at 17th December, 2001 a final dividend of HK\$0.015 per share for the year ended 30th June, 2001. Subject to the approval of the shareholders at the annual general meeting of the Company which is to be held on 17th December, 2001, the final dividend will be paid on or about 21st December, 2001.

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本公司將由二零零一年十二月十四日起至二零零一年十二月十七日（包括首尾兩日）止期間暫停辦理股份過戶登記手續，於該期間內將不會辦理股份過戶事宜。為符合取得末期股息及出席本公司將於二零零一年十二月十七日舉行之股東週年大會資格，所有已經填妥之過戶表格連同有關股票，必須於二零零一年十二月十三日下午四時正前送交本公司股份過戶登記處香港中央證券登記有限公司，地址為香港皇后大道東183號合和中心19樓。

### 業務回顧

儘管美國及歐洲經濟狀況未見理想，本集團於本財政年度仍然錄得令人滿意的銷售增長。如去年年報所述，本集團已於市場推廣業務方面注入更多公司資源，用以開發新產品、積極參與貿易展覽以及擴大銷售隊伍等。然而，市場競爭日趨激烈，營業額增加帶來之經濟效益，亦因上述因素導致毛利率下降而抵銷。有見於美國經濟衰退以及客戶還款情況越見不明朗，本集團已作出進一步撥備，本年所呈報之溢利亦因而減少。內部營運方面，本集團已增強管理存貨及間接費用之監控措施。

本集團位於中國番禺及衢州之鑽石切割及打磨業務穩步增長，帶來可觀之投資回報。廠房生產力亦已擴充以配合日後增長之需。現時，本集團有超過1,500名熟練工匠進行鑽石切割及打磨工序，而本集團所經營的兩家鑽石工廠乃居中國同業最具規模之前列者，均以手工精細及效率超卓聞名。

The register of members of the Company will be temporarily closed from 14th December, 2001 to 17th December, 2001, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend and for attendance at the Company's annual general meeting to be held on 17th December, 2001, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Central Registration Hong Kong Limited at 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on 13th December, 2001.

### BUSINESS REVIEW

In spite of the economic condition in USA and Europe, our Group was able to achieve satisfactory growth in sales during the financial year. As mentioned in the last annual report, the Group has devoted more corporate resources in marketing activities such as developing new products, increasing trade fair exposure and expanding the sales team. However, the economic benefits of increased turnover has been affected by lower gross profit margin due to market competition. In view of the recessionary US and European economies and the increased uncertainties in customers repayment of outstanding receivables, the Group has made a further provision, resulting in a lower reported profit for the current year. Internally, the Group has been able to set up more control mechanisms over inventory and overheads.

The Group's diamond cutting and polishing operations located in Panyu and Quzhou of the PRC enjoyed steady growth and generated satisfactory return on our investments. The factories have expanded their production capacities to meet future growth. Currently, the Group has over 1,500 skilled workers in diamond cutting and polishing processes. In fact, the Group operates two of the largest diamond factories in the PRC and the two operations are best known for its commitment to quality work and efficiency.

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本地市場方面，雖然香港零售市場未見喜色，本集團零售業務已取得收支平衡。本集團已計劃於未來開拓新市場。

### 投資

恒和環保科技（香港）有限公司（「恒和」）於中國江門市生產環保合成纖維板及櫃門。恒和於美國之銷售辦事處於九月開始向各大家居用品中心、櫥櫃製造商積極進行市場推廣及宣傳工作。此外，本集團亦已加強研究及科技，以進一步減低生產成本。

本集團擁有 Standard Ceramics, Inc. 15% 權益，該公司於美國從事燒結碳化硅產品之開發及製造。二零零一年二月，Standard Ceramics, Inc. 於紐約西區美國破產法院根據第11章申請重組。董事現正考慮多項可行性，包括出售該公司及／或其資產。股東務請注意，本集團已於截至二零零零年六月三十日止之上個財政年度就該1,900,000美元之投資作出全數撥備。

本集團之物業發展項目由 Henble Limited 負責營運。目前，地基及樁帽工程均已完成，僅輕微落後於原訂進度，管理層相信該項目將不會因此而受到負面影響。二零零一年六月三十日後，本集團已選訂上蓋建築之主要承包商，而該項目預期將於二零零二年第四季完工。

### 展望

全球經濟存在相當不明朗因素，特別是本年九月發生九一一事件之後。董事相信，就本集團業務而言，該等不明朗因素相信僅對本集團產品之需求帶來短至中期影響。本集團預期，待美國經濟消化九一一

Turning to the local market, the Hong Kong retail business sector remains weak. The Group's retail operation managed to achieve a breakeven result. The Group plans to tag new market segment in future.

### INVESTMENT

Wilber Investments Limited ("Wilber") produces environmental friendly MDF-like fiber board and cabinet doors in Jiangmen, PRC. In September this year, Wilber's USA selling office commenced aggressive marketing and promotion to major home improvement centers and cabinet manufacturers. Meanwhile, research and technological enhancement have been deployed to lower production cost.

The Group has a 15% interest in Standard Ceramics, Inc. which is engaged in development and manufacture of silicon carbide products in USA. In February 2001, Standard Ceramics, Inc. applied for Chapter 11 restructuring under the United State Bankruptcy Court, Western District of New York. The Directors are considering possible options including a sales of the company and/or its assets. Shareholders should note that the Group has already made full provision for its USD1,900,000 investment in its accounts for the preceding financial year ended 30th June, 2000.

The Group's property development project is operated under Henble Limited. At present, foundation and pile cap works have been completed with minor delay. The management believes that the minor delay has no negative impact on the project. Subsequent to 30th June, 2001, main contract on superstructure was approved and the project is targeted to be completed by the last quarter of 2002.

### OUTLOOK

World wide economic outlooks are subjected to complicated uncertainties, especially after the 9-11 incident in September this year. The Directors believe that, as far as the Group's business is concerned, these are likely to be short and medium term impact on the demand for the Group's products. The management

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**CONTINENTAL**  
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事件的影響而復甦，消費支出回復正常水平後，珠寶首飾業務將會逐步轉好。本集團將會繼續於市場推廣方面投入資金，以確保本集團及其產品的競爭力得以保持，並為本集團及其產品建立品牌知名度及公司形象。

本集團另將繼續提升兩間鑽石切割打磨工廠之生產力，並加強工匠於先進鑽石切割及打磨技術方面之培訓。本集團將於鑽石業務投入更多資源，包括已打磨的鑽石及原石，憑藉我們於特別切割方面之技術，我們更能夠緊密配合客戶的市場推廣計劃，協助其開拓業務，因而享有優勢。

最後，預期中國將放寬對黃金之監管，本集團將抓緊於中國開拓珠寶首飾業務方面之商機。

### 流動資金及財務資源

本集團一向採取審慎的財務管理方針，並一直維持穩健的資產負債狀況。於二零零一年六月三十日，本集團之資產負債比率維持於0.03（二零零零年：0.02）（按本集團之銀行借貸及股東資金之比例計算）之低水平，現金及銀行結餘總額為151,735,000港元（二零零零年：126,944,000港元），較銀行貸款及透支結餘17,164,000港元（二零零零年：8,991,000港元）為高。該等銀行貸款及透支由本集團之投資物業、若干租賃土地及物業和在建物業之首次法定押記以及一家附屬公司之股份按揭作擔保。於二零零一年六月三十日，已抵押資產的賬面淨值為125,571,000港元（二零零零年：121,369,000港元）。

expects that a gradual recovery on the jewellery business will happen when the US market recovers from the 9-11 incident and back to normal consumer spending. In the meantime, the Group will focus on costs control. A rationalization program will be pursued to transfer a majority of the Group's operation to Mainland China for cost effectiveness and efficiency. The Group will continue to deploy its resources in marketing to ensure that the Group and its products will remain competitive and to enhance the brand name and corporate image of the Group and its products.

The Group will also enhance the capacity of the two diamond polishing factories and the training of workers to polish stone with advanced cutting and polishing technique. The Group will allocate more resources in the loose diamond segment, both polished and roughs, with our ability to process special cuts and makeable stones, which gives us the niche to support the customers' unique marketing program for their business development.

Finally, the Group will explore opportunities for jewellery business in the PRC to take advantage of expected de-regulation on gold control policies in China.

### LIQUIDITY AND FINANCIAL RESOURCES

In line with the Group's prudent financial management, the Group has been able to maintain a healthy balance sheet. As at 30th June, 2001, the Group had a low gearing ratio of 0.03 (2000: 0.02), calculated on the basis of the Group's bank borrowings over shareholders' funds, total cash and bank balances was HK\$151,735,000 (2000: HK\$126,944,000) exceeding bank loans and overdrafts of HK\$17,164,000 (2000: HK\$8,991,000). These bank loans and overdrafts are secured by first legal charges over investment properties, certain leasehold land and buildings and property under development of the Group and share mortgage of a subsidiary. As 30th June, 2001, the net book value of the pledged assets amounted to HK\$125,571,000 (2000: HK\$121,369,000).

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### 僱員人數、酬金政策及購股權計劃

於二零零一年六月三十日，本集團合共聘用約2,300名僱員，當中大部分駐於中國。本集團主要按業內慣例釐定僱員之薪酬，於年內並無採納任何購股權計劃。

### 匯率波動風險及相關對沖

本集團之買賣交易及借貸均主要以美元及／或港元為單位，而基於現行港元與美元之掛鈎安排，匯率波動所致之風險甚微。

### 致謝

本人謹代表董事會向本集團之管理人員及員工於年內竭誠服務及勤奮工作、客戶對吾等產品之信心及支持，以及股東之信賴及支持致以衷心謝意。

陳聖澤  
主席

香港，二零零一年十月二十二日

### NUMBER OF EMPLOYEES, REMUNERATION POLICIES AND SHARE OPTION SCHEMES

As at 30th June, 2001, the Group employed a total of approximately 2,300 employees, the majority of whom are employed in the PRC. The Group remunerates its employees largely based on industry practice. No share option scheme was adopted during the year.

### EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

Both the sales and purchase transactions and the borrowings of the Group are primarily denominated in United States Dollars and/or Hong Kong Dollars, the risk of foreign exchange fluctuations is minimal under the existing linked exchange rate system for Hong Kong Dollar against United States Dollar.

### ACKNOWLEDGEMENT

On behalf of the Board, I would like to express my sincere gratitude to the Group's management and staff member for their dedication and hard work, our customers for their confidence and support for our products, and our shareholders for their trust and support during the year.

Chan Sing Chuk, Charles  
Chairman

Hong Kong, 22nd October, 2001



Two masterpieces, Dangling Dazzling Diamonds Set (left) and Chandelier Set (right) were presented in the Hong Kong Jewellery & Watch Fair in September, 2000.

於二零零零年九月舉行之香港珠寶鐘錶展覽會展示之兩套珍品：Dangling Dazzling Diamonds Set (左)、Chandelier Set (右)。