

## 管理層討論及分析

### 業務回顧

#### 本集團回顧

於二零零三年，香港之零售市場有如乘坐過山車一樣；本年度上半年沙士期間，零售市場如墮谷底，而於本年度下半年卻戲劇性地反彈回升。

很多公司並無類似之經驗，因此實為真正之挑戰。此時，管理層須於環境急劇改變下發揮其應變及適應能力，而本集團則成功在此環境下發揮這些能力。

對管理層而言，另一項挑戰是如何展示彼等能高瞻遠矚，以及保持業務按預定方向邁進之能力。其實，除靜候機會或採取策略性退守措施外，本集團亦利用逆境創造機會，於租金下降期間比正常更積極地擴充業務。誠如管理層指出，長遠方針不應受到短期發生之任何獨立事件所影響，否則很容易會失去方向。這理論不用長時間已獲得印證。中國政府於第三季放寬內地主要城市經常來港之個人旅客簽證申請，令本集團直接受惠。

本集團年內之營業額增加至749,000,000港元（二零零二年：579,000,000港元），增幅為29%。零售業務以及美容服務部帶動銷售增長。本年度之情況特殊，大部份銷售增長均於本年度下半年產生。於二零零三年下半年之營業額佔近57%，而二零零二年則為53%。

於二零零三年，零售及批發部之營業額增長23.6%至691,000,000港元（二零零二年：559,000,000港元），而美容服務部之營業額上升181%至57,700,000港元（二零零二年：20,500,000港元）。如預期一樣，美容服務部營業額繼續上升至佔本集團總營業額之7.7%（二零零二年：3.5%）。

## Management's Discussion and Analysis

### Operations Review

#### Group Review

Hong Kong's retail market was like riding on a roller coaster in 2003; dived deep into an abyss during the SARS period in the first half of the year, and dramatically had a combat return in the second half of the year.

This was a real challenge to many companies, which seldom would have similar experience of this kind. And it was the time that Management should have shown their capabilities of adjusting and adapting under drastic changing environment. Noticeably, the Group is one of the companies that had demonstrated such capabilities.

This was also a challenge to Management that they should show its quality of forward thinking and keep the business going in the direction as it supposes to be. Indeed, instead of sitting back or taking some tactical retreat measures, the Group took advantage of negative situation by expanding the business faster than normal in a period of which the rental cost was decreasing. As Management has pointed out what should be done for the long term, should not be affected by any isolated incident happened in the short term; otherwise, the direction would be lost easily. It did not take a long time to prove this philosophy was correct. The Group was one of the key direct beneficiaries when PRC government relaxed the visa application for frequent individual travelers to Hong Kong from major Mainland cities in the third quarter.

The Group's turnover for the year increased to HK\$749 million (2002: HK\$579 million), representing an increase of 29%. Sales growth was led by retail operation as well as beauty services division. As this was an exceptional year, most of the sales growth was generated from the second half of the year. Nearly 57% of turnover was made in the second half of 2003, while it was 53% in 2002.

The retail and wholesale divisions' turnover grew by 23.6% in 2003 to HK\$691 million (2002: HK\$559 million); while the beauty services division's turnover increased 181% to HK\$57.7 million (2002: HK\$20.5 million). As expected, the turnover from beauty services division continued to increase to 7.7% of the Group total (2002: 3.5%).

## 管理層討論及分析 (續)

### 業務回顧 (續)

#### 本集團回顧 (續)

本集團之毛利較二零零二年上升31%至280,000,000港元(二零零二年: 214,000,000港元)。於本財政年度終結時, 毛利率上漲至37.36%(二零零二年: 36.94%)。

經營總開支為232,000,000港元(二零零二年: 174,000,000港元), 按年上升33.33%。分銷開支合共達27,400,000港元(二零零二年: 15,500,000港元), 較二零零二年上升76.8%, 主要由於用於零售及美容服務部之廣告及宣傳開支龐大所致。行政開支上升29%至204,000,000港元(二零零二年: 158,000,000港元), 主要由於年內開設新專門店及美容中心而導致上升。

本集團之經營溢利為48,200,000港元, 較二零零二年之40,700,000港元上升18.4%。股東應佔溢利增至41,500,000港元(二零零二年: 31,800,000港元), 較上年度上升30.5%。

總而言之, 本集團之表現較我們所預期者為佳, 部份由於中國內地於本年度下半年之強勁支援, 而部份由於管理層於沙士爆發期間仍然堅守其長遠擴展策略所致。然而, 管理層於落實其策略時保持審慎態度, 尤其於成本急劇上漲期間。本集團不會過份樂觀, 致使其承受擴展過度之風險。

#### 零售及批發部回顧

於不穩之一年, 本集團大膽地堅持長遠擴展之策略。本集團史無前例地增加零售專門店之數目, 由二零零二年之13間增加至二零零三年底之21間。於過往年度, 每年平均僅增加3至4間專門店。此外, 已大幅擴充位於西洋菜街之專門店之店舖面積, 以應付中國內地顧客數目之

## Management's Discussion and Analysis (continued)

### Operations Review (continued)

#### Group Review (continued)

The Group's gross profit increased by 31% over 2002 to HK\$280 million (2002: HK\$214 million). By the end of the fiscal year, gross profit margin expanded to 37.36% (2002: 36.94%).

Total operating expenses were HK\$232 million (2002: HK\$174 million), up by 33.33% year-on-year. Distribution expenses totaling of HK\$27.4 million (2002: HK\$15.5 million), rose by 76.8% from 2002. This is mainly due to the strong advertisement and promotion expenses spent on both retail and beauty service divisions. Administrative expenses rose by 29% to HK\$204 million (2002: HK\$158 million). The increase was largely attributable to new outlets and beauty salons opened during the year.

The Group's operating profit amounted to HK\$48.2 million, up by 18.4% from HK\$40.7 million in 2002. The profit attributable to shareholders jumped to HK\$41.5 million (2002: HK\$31.8 million), represented an increase of 30.5% from previous year.

In conclusion, the Group's performance was better than what we expected. This was partly due to the strong support from Mainland China in the second half of the year, and partly attributable to Management's devotion to its long-term expansion strategy despite the occurrence of SARS. Nevertheless, Management is always prudent in implementing its strategies, particularly in the period of which the cost was rising rapidly. The Group would refrain from being too optimistic by letting itself to be exposed under the risk of over expansion.

#### Retail and Wholesale Division Review

In the year of turmoil, the Group boldly attached itself to its long-term expansion strategy. The number of retail outlets increased from 13 in 2002 to 21 by the end of 2003, which is unprecedented in the Group's history. In previous years, only 3 to 4 outlets were added each year on average. In addition, the shop space for one outlet located in Sai Yeung Choi Street was largely expanded to cope with the increased in number of customers from Mainland China. The new outlets together with the expanded one had contributed to a turnover of HK\$659 million

## 管理層討論及分析 (續)

### 業務回顧 (續)

#### 零售及批發部回顧 (續)

增加。新專門店連同該擴充之專門店於二零零三年貢獻659,000,000港元(二零零二年: 528,000,000港元)之營業額。本年度下半年之營業額達375,000,000港元(二零零二年下半年: 282,000,000港元), 較去年同期上升33%。

批發部方面, 本年度上半年之營業額下跌, 主要是由於中國之需求在沙土期間有所下跌所致。然而, 本年度下半年之銷售已全面回復。

於沙土受控後, 本集團已採取措施逐步縮短存貨週期。於二零零三年年底, 銷售存貨週期由二零零三年六月之60日縮減為53日, 此乃管理層認為合適之水平。

#### 合營企業

專門從事訪港旅客業務之專門店於第四季開始營業, 期內錄得處於管理層預期水平之輕微虧損。此外, 一項全新之業務產生虧損實屬正常, 而專門店需要時間獲取營業額以抵銷首數個月之成本支出。現時, 專門店已穩定運作, 並開始獲利。毫無疑問, 於往後年度, 此項策略性投資將繼美容服務後成為另一項推動純利增長之業務。

#### 美容服務部回顧

於二零零三年, 本集團開設兩間並結束一間美容中心, 於年終在香港共有五間美容中心。結束一間美容中心乃由於其鄰近規模更龐大之旗艦店。於業務轉移後, 經營成本效益出現大幅改善。

營業額上升182%至57,700,000港元(二零零二年: 20,500,000港元)。服務計劃之銷售為70,490,000港元(二零零二年: 33,100,000港元)。因此, 年終之遞延收入負債為31,900,000港元(二零零二年: 19,110,000港元)。

## Management's Discussion and Analysis (continued)

### Operations Review (continued)

#### Retail and Wholesale Division Review (continued)

in 2003 (2002: HK\$528 million). The turnover for the second half of the year amounted to HK\$375 million (2002 second half: HK\$282 million), representing an increase of 33% compared to the same period last year.

For the wholesale division, turnover dropped in the first half of the year as it was mainly due to the fall of demand from China during the SARS period. However, sales had been fully recovered in the second half of the year.

The Group had taken actions to lower the inventory turnover period after SARS gradually. The inventory turnover period on sales was brought down to 53 days by the end of 2003 from 60 days in June 2003. This is a level that Management feels appropriate.

#### Joint Venture

The outlet specialized in inbound tourist business was in operation in the fourth quarter. Insignificant loss was results during the period which was within Management's expectation. Moreover, the loss emerged was normal for a completely new line of business, as it took time for the subsidiary's turnover to pick up in line with the cost spent in the first few months. Currently, the outlet's operation has been well established, and become profitable. Undoubtedly, this strategic investment is going to be another venture that maintains the momentum of net profit growth after beauty services in the forthcoming years.

#### Beauty Services Division Review

In 2003, the Group opened two new beauty salons and closed one salon, ending the year with five beauty salons in Hong Kong. The beauty salon was closed because it located in close proximity with much spacious flagship center. The operating cost efficiency was highly improved after the operation was transferred.

The turnover increased by 182% to HK\$57.7 million (2002: HK\$20.5 million). The service package sales was HK\$70.49 million (2002: HK\$33.1 million). As a result, the deferred income liability at the year end was HK\$31.9 million (2002: HK\$19.11 million).

## 管理層討論及分析 (續)

### 業務回顧 (續)

#### 美容服務部回顧 (續)

儘管本年度上半年仍然錄得虧損，美容服務部首次錄得分類業績溢利2,770,000港元(二零零二年：虧損6,450,000港元)，反映美容服務之營運已愈趨成熟，而過去數年注入該業務之初步投資已開始取得成果。

廣告及宣傳開支增加乃導致本年度上半年虧損之主要原因。然而，此等開支實屬建立品牌起步階段必經之路。當業務之規模日益增長後，廣告及宣傳開支之成效將大大增加。此情況已於本年度下半年該業務錄得溢利時出現。

除廣告及宣傳外，管理層亦注重服務之質素，務求於競爭激烈之市場中保持優勢及與別不同之特色。基本上，美容服務部於服務質素上採取兩項基本策略：優質專業及一站式服務。優質專業之服務指環境、設備、服務計劃，尤其僱員等各方面。服務僱員包括註冊醫生、註冊中醫師、營養師、針灸師及合資格美容顧問。在所有專業人士同心協力下，本集團能夠提供一站式服務，給予客戶超乎預期之最高專業準則。

### 展望

#### 零售及批發部

內地訪港旅客仍然是帶動香港零售市場復甦之最大動力。假設沙士將不會於本年度夏季重臨，二零零四年訪港旅客數目將創下另一高峰。根據這合理之預測，本集團將投放更多廣告及宣傳預算，舉辦活動建立品牌，吸納中國內地潛在客戶。於初步發展階段以後，目標客戶為中國訪港旅行團之紅磡及尖東零售專門店之業務穩健地強勁增長。該兩間專門店將於二零零四年開始錄得盈利。

## Management's Discussion and Analysis (continued)

### Operations Review (continued)

#### Beauty Services Division Review (continued)

The beauty services division had achieved a profit on segment result of HK\$2.77 million (2002: loss of HK\$6.45 million) for the first time despite of the fact that it was still making a loss in the first half of the year. This indicates that the operation of beauty services had reached a more mature stage and the initial investment put into the business during the past several years started to pay off.

Increase in advertising and promotion expenses had contributed to the loss in majority in the first half of the year. Yet, this was necessary in the early stage of brand building. When the scale of business is growing larger and larger, the effectiveness of advertising and promotion expenses will be much higher. This phenomenon actually has emerged when the business became profitable in the second half of the year.

Apart from advertising and promotion, Management has also focused on the services delivered to maintain the edge and differentiate from others in this highly competitive market. Basically, the beauty services business is adopting two fundamental strategies in delivering the services: sophistication and one-stop service. Sophistication is expressed in terms of the environment, the equipment, the programs, and the staff, in particular. The service staff include registered doctors, registered Chinese medicine practitioners, nutritionists, acupuncture specialists, and certified beauty consultants. With concerted effort from all these professionals, the Group is able to provide one-stop service with the highest professional standard that exceeds client's expectation.

### Outlook

#### Retail and Wholesale Division

The Mainland inbound tourists are still the biggest momentum that leads to the recovery of the retail market in Hong Kong. Given the probable presumption that SARS will not come back in summer this year, the number of tourist visit in Hong Kong in 2004 will be another new record high. Based on this reasonable forecast, the Group will allocate more advertising and promotion budget in brand building campaigns targeting Mainland China potential customers. After the initial development stage, the operation for retail outlets in Hunghom and Tsimshatsui East, which targeting mainly inbound tours from China are going strong and healthy. These two outlets will start to generate profit in 2004.

## 管理層討論及分析 (續)

### 展望 (續)

#### 零售及批發部 (續)

本地消費方面，由於經濟逐月改善，二零零四年之普遍氣氛為之樂觀。在此等有利條件底下，本集團於二零零三年進行之專門店網絡擴展將有助刺激來年之營業額增長。於二零零四年，管理層將繼續尋找有利之位置進一步擴展分銷網絡。然而，由於近月零售市場改善，加上地產市場投機買賣活躍，推高某些地區之租金，因而令市場上處於合適地點而租金水平合理之鋪位較以往少，故零售網絡之擴展無可避免地受到拖慢。

租金上升亦使經營溢利率受壓。然而，只要營業額將以相當比率上升，本集團租金成本與銷售之百分比將不會大幅改變。

本集團將貫徹實施去年相同之市場策略，分配額外廣告預算以推廣獨家品牌。獨家品牌之銷售比例預期將逐步上升，從而推高毛利率以及經營溢利率。

營業環境已較過往年度好轉，惟本集團時刻保持警覺，不會自滿。本集團每天仍面對各業務分類之激烈競爭。由於香港之零售市場發展成熟，本集團必須努力不懈地從其他零售商中爭取市場佔有率。為保障及進一步提升本集團之市場地位及獲利能力，管理層會根據以客為本之策略，致力做好以下事項：

#### 1. 品牌形象

本集團之營業隊伍採取措施提高購物環境及推銷陳列之質素。最新之店舖形象煥然一新，客戶欣然受落。在長遠方面，此舉可鞏固品牌形象及促使客戶再次光顧本集團。

## Management's Discussion and Analysis (continued)

### Outlook (continued)

#### Retail and Wholesale Division (continued)

For local spending, the general sentiment is optimistic for 2004 as the economy is getting better and better every month. Given the existence of these favorable conditions, our retail network expansion in 2003 will help to boost the turnover growth in the forthcoming year. In 2004, Management continually looks for good locations to further expand the distribution network. However, the recent improvement in the retail market with added fuel from the speculation in the property market has bidden up the rental cost in some districts. This inevitably will slow down the expansion of the retail network as there will be fewer shop locations with reasonable rent available in the market.

Escalated rental cost will also put pressure on the operating margin. Nevertheless, the Group's rental cost percentage to sales will not be changed significantly as long as the turnover will increase at a comparable rate.

Following the same marketing strategy last year, the Group will continue to allocate additional budget on promoting exclusive products. The proportion of sales of exclusive products is expected to increase gradually, and in turn, boost the gross margin as well as the operating margin.

The business environment is surely not as tough as in previous years, but we always alert ourselves not to be too complacent. We are still facing strong competition everyday in all business segments. As Hong Kong retail market is so mature and developed, the Group has to work very hard to gain market share from other retailers. To secure and further enhance our market positioning as well as the Group's profitability, Management based on customer-focused strategy strives to do better and better on the following:

#### 1. Brand Image

The Group's operation team is taking measures to enhance the shopping environment and merchandising display. The latest shop image displayed has brought a fresh look that was well received by consumers. In the long run, this could help to strengthen our brand image and induce customers to purchase from the Group repeatedly.

管理層討論及分析 (續)

展望 (續)

零售及批發部 (續)

**2. 採購**

採購對所有零售業務來說也是成功關鍵。因此，採購及產品開發部密切注視市場之改變，務求作出最準確之採購決定。提供足夠之產品種類但避免積壓過量存貨為隊伍之最終目標。利用有效之資料開採，管理層可有效直接地運用最新建立之EPOS及存貨監控系統所產生之資料作出有關決策。

**3. 僱員培訓**

管理層認為忠心之客戶建基於信任及信心。因此，本集團促使營業隊伍貢獻更多資源，透過持續專業培訓強化銷售隊伍之服務質素及水準。

美容服務部

貫徹執行多年之卓悅美容中心擴展計劃，已為未來增長打下穩固基礎。由於該業務在二零零三年下半年已開始錄得溢利，管理層預期美容服務部將於短期內繼續達致更多經營溢利貢獻。這目標較預定之時間得以更早達成，主要由於推出彩光美容護理後令服務使用率上升所致。

位於澳門之纖體美容及保健中心剛剛投入營業，成為本集團第六間中心。由於本集團於投資美容服務業務時十分謹慎，管理層預期於二零零四年下半年僅開設一至兩間新中心。儘管美容中心之數目不及零售網絡之增長快速，美容服務佔本集團二零零三年之收益7.7%，而二零零二年則僅為3.5%。收益組合改變之趨勢很可能在未來數年繼續維持。

Management's Discussion and Analysis (continued)

Outlook (continued)

Retail and Wholesale Division (continued)

**2. Merchandising**

Merchandising is always the key of success for all retailing business. So merchandising and product development teams closely monitor the market changes all the time and endeavor to make the relevant purchase decision in the most precise manner. Providing sufficient product differentiation but avoiding accumulation of excess stocks is the ultimate goal of the teams. With proper data mining, Management is making use of the information derived from the newly established EPOS and inventory control system much more effectively and efficiently in making relevant decisions.

**3. Staff Training**

Management recognizes that customer loyalty is built on trust and confidence. As such, we dedicate our operation team to devote more resources to reinforce our sales team service quality and standard through ongoing professional trainings.

Beauty Services Division

After several years of commitment in the execution of its expansion plan of Bonjour salons, solid foundations were laid for future growth in bottom line. As the business started to make profit in the second half of 2003, Management expects beauty services division will continue to contribute more and more operating profit in the near term. This has been achieved early than we planned mainly because the rate of redemption was higher after the introduction of intensive pulsed light treatment.

The beauty and health salon in Macau has just started its operation. This is the sixth salon operating by the Group. As the Group is particularly cautious in investing beauty services business, Management expects that there will be only 1 to 2 new salons opening in the second half of 2004. Despite the fact that the number of beauty salons is not growing as fast as retail network, the beauty services accounted for 7.7% of the Group's revenue in 2003, while it was only 3.5% in 2002. This trend of changing revenue composition is likely to be maintained for the next several years.

## 管理層討論及分析 (續)

### 展望 (續)

#### 美容服務部 (續)

與相對較為成熟之零售市場不同，美容服務市場乃處於發展階段，客戶更加注重保健及個人形象，樂意付出更多來滿足彼等對美容之需求。因此，本集團計劃推行一連串密集式廣告活動，以鞏固客戶對本集團品牌之認識。配合貫徹提供專業優質服務之經營策略，本集團定能在市場達致成熟及穩定時獲取最大之合理市場佔有率。

#### 流動資金、財務資源及資本架構

本集團之流動資金及財務資源水平繼續保持強健。於二零零三年十二月三十一日，本集團之現金及銀行存款為61,400,000港元(二零零二年：18,600,000港元)。於二零零三年十二月三十一日，本集團之銀行借貸為13,600,000港元(二零零二年：8,600,000港元)，當中12,500,000港元(二零零二年：6,900,000港元)須於12個月內償還。年內，本集團取得額外入口及出口銀行信貸9,300,000港元作其營運所需。於二零零三年十二月三十一日，本集團之負債資產比率為0.14(二零零二年：0.41)，該比率乃根據本集團之銀行借貸及100,100,000港元(二零零二年：22,800,000港元)之股東資金計算。

由於本集團大部份資產、收款及付款是以港元或美元進行，故外匯波動風險輕微。於二零零三年十二月三十一日，本集團並無外幣銀行借貸。本集團之銀行借貸按銀行最優惠利率或銀行同業之間之短期資金借貸利率以浮動息率計息。本集團將繼續注視外匯狀況，如有需要，將透過遠期外匯合約對沖其外匯風險。

## Management's Discussion and Analysis (continued)

### Outlook (continued)

#### Beauty Services Division (continued)

Unlike retail market, which is comparatively mature, the beauty services market is at the growth stage as consumers are becoming more conscious on health and self-image and willing to spend more to meet their own desire of beauty. As a consequence, the Group plans to launch intensive advertising campaigns continuously so as to consolidate our brand name among the consumers. Collaborating with consistent professional quality services provided, these certainly would enable the Group to capture the biggest possible share of the market when the market reaches mature and stable.

#### Liquidity, Financial Resources and Capital Structure

Our liquidity and financial resources position continued to be strong. The Group's cash and bank deposits as at 31 December 2003 amounted to HK\$61.4 million (2002: HK\$18.6 million). The Group's bank borrowing as at 31 December 2003 were HK\$13.6 million (2002: HK\$8.6 million), out of which HK\$12.5 million (2002: HK\$6.9 million) were repayable within 12 months. During the year, the Group obtained additional import and export banking facilities of HK\$9.3 million for its operation. The Group's gearing ratio as at 31 December 2003 was 0.14 (2002: 0.41), and was calculated based on the Group's bank borrowings and shareholders' funds of HK\$100.1 million (2002: HK\$22.8 million).

The Group has little exposure to foreign exchange fluctuations as most of its assets, receipts and payments are in Hong Kong or US dollar. As at 31 December 2003, none of the Group's bank borrowings were in foreign currency. The Group's bank borrowings were on floating rate basis at either bank prime rate or short-term inter-bank offer rates. The Group will continue to monitor its foreign exchange position and, if necessary, will hedge its foreign exchange exposure by forward foreign exchange contracts.

或然負債

Contingent Liabilities

|               | 二零零三年<br>2003<br>千港元<br>HK\$'000 | 二零零二年<br>2002<br>千港元<br>HK\$'000 |
|---------------|----------------------------------|----------------------------------|
| 由銀行就付予業主之租金擔保 | 1,289                            | —                                |

資產抵押

Charges on Assets

於二零零三年十二月三十一日，本集團之銀行信貸合共約80,000,000港元，以下列各項作擔保：

As at 31 December 2003, the Group's banking facilities totalling approximately HK\$80 million were secured by the following:

- |  |   |
|--|---|
| (a) 本集團合共5,600,000港元之銀行存款；                     | (a) the Group's bank deposits totalling HK\$5,600,000;  |
| (b) 由本公司董事提供之個人擔保（該等個人擔保已於年終後解除並以本公司之公司擔保代替）；及 | (b) personal guarantees provided by the directors of the Company (these personal guarantees were released subsequent to the year end and replaced by corporate guarantee of the Company); and |
| (c) 本集團持有之所有租賃土地及樓宇及本公司董事持有之若干租賃土地及樓宇之第一法定押記。  | (c) first legal charges over all leasehold land and buildings held by the Group and certain leasehold land and buildings held by directors of the Company.                                    |

股息

Dividend

董事會已建議於二零零四年六月二十一日或之前派付末期股息每股6.3港仙，惟須待股東在將於二零零四年六月二日舉行之應屆股東週年大會上批准方可作實。連同中期股息每股2.6港仙，本年度之股息總額將為8.9港仙，而股息率為於二零零三年六月三十日之股份發售價（配售及公開發售）每股0.90港元約9.9%。

The Board of Directors has recommended a final dividend of 6.3 HK cents per share to be paid on or before 21 June 2004, subject to shareholders' approval at the forthcoming annual general meeting to be held on 2 June 2004. Together with the interim dividend of 2.6 HK cents per share, the total dividend for the year will be 8.9 HK cents, achieving a dividend yield of approximately 9.9% on the share offer price of HK\$0.90 per share in placing and public offer on 30 June 2003.

現金流量

Cash Flow

經營業務現金流入由二零零二年之44,900,000港元減少至二零零三年之24,700,000港元，主要由於年內增設8間零售專門店使存貨增加；應收貿易賬款、已付訂金及預付款項57,600,000港元，連同應付貿易賬款、應計開支及遞延收益36,000,000港元增加所致。

Cash inflow from operating activities decreased to HK\$24.7 million 2003 from HK\$44.9 million in 2002. It is mainly due to the increase in inventories, trade receivable, deposits paid and prepayments for HK\$57.6 million together with the increase in trade payable, accrued charges and deferred revenue for HK\$36 million as 8 more retail outlets were opened during the year.

投資活動現金流出由上年度之34,200,000港元減少至二零零三年之29,600,000港元。有關減少主要是由於應付股東款項減少4,000,000港元及年內購入固定資產25,800,000港元所致。

Cash outflow from investing activities decrease to HK\$29.6 million in 2003 from HK\$34.2 million in the prior year. The decrease was largely due to the decrease in amount due to shareholders for HK\$4.0 million and an acquisition of fixed assets of HK\$25.8 million during the year.



## 管理層討論及分析 (續)

## Management's Discussion and Analysis (continued)

### 現金流量 (續)

融資活動現金流入由二零零二年之現金流出160,000港元增加至二零零三年之51,100,000港元。此項大幅增加主要是由於發行新股份籌集所得資金49,200,000港元及新增有抵押銀行貸款13,900,000港元所致，而年內之股份發行開支為7,700,000港元，而已付股息則為5,700,000港元。

### Cash Flow (continued)

Cash inflow from financing activities increased to HK\$51.1 million in 2003 from HK\$0.16 million cash outflow in 2002. The significant increase was mainly due to the funds raised on the new issues of shares for HK\$49.2 million and new secured bank loans for HK\$13.9 million, contrasted with the share issuance expenses for HK\$7.7 million and dividend paid for HK\$5.7 million during the year.

### 財務回顧

### Financial Review

#### 所得款項用途

#### Use of Proceeds

本集團自二零零三年七月按每股0.90港元之價格新發行及配售65,640,000股本公司股份籌集得約38,000,000港元(扣除有關開支)。本公司之股份已於二零零三年七月十六日在香港聯合交易所有限公司主板成功上市。由二零零三年七月十六日(上市日期)至二零零三年十二月三十一日期間，本集團已投資以下款項以達致售股章程所載之業務目標：

The Group raised approximately HK\$38 million, net of related expenses, from the new issue and placing of 65,640,000 shares of the Company at HK\$0.90 per share in July 2003. The Company's shares were successfully listed on the main board of the Stock Exchange of Hong Kong Limited on 16 July 2003. During the period from 16 July 2003 (date of listing) to 31 December 2003, the Group has incurred the following amounts to achieve the business objectives as set out in the Prospectus:

| 所得款項用途計劃                  | Schedule of Use of Proceeds  | 售股章程所披露金額<br>Amount disclosed in the Prospectus<br>(百萬港元)<br>(HK\$ million) | 截至二零零三年十二月三十一日止所用之實際金額<br>Actual amount used up to 31 December 2003<br>(百萬港元)<br>(HK\$ million) |
|---------------------------|--|---|---|
| 在香港增設五間零售專門店及在澳門開設一間零售專門店 | For opening five additional retail outlets in Hong Kong and one retail outlet in Macau | 17  | 15.4<br>(附註1)<br>(Note 1)   |
| 在香港增設三間纖體美容及保健中心          | For the establishment of three additional beauty and health salons in Hong Kong        | 15  | 10.2<br>(附註2)<br>(Note 2)   |
| 市場推廣發展                    | For marketing development  | 5   | 5   |
| 一般營運資金                    | For general working capital  | 1   | 1   |
|                           |  | 38  | 31.6  |

## 管理層討論及分析 (續)

### 財務回顧 (續)

### 所得款項用途 (續)

附註：

1. 自本公司於二零零三年七月十六日上市起，已分別於香港及澳門合共開設四間及一間零售專門店。
2. 自本公司於二零零三年七月十六日上市起，已於香港開設合共兩間纖體美容及保健中心。

新股發行及配售餘下之所得款項淨額現時主要以有擔保存款之形式存放於香港之持牌銀行。

### 人力資源

於二零零三年十二月三十一日，本集團於香港及澳門特區約有725名僱員(二零零二年：458名僱員)。高級管理人員團隊共有11人，當中約半數已於本集團工作超過5年。本集團十分重視人力資源，並認為吸引及挽留高質素僱員對本集團持續成功十分重要。

本集團向高級經理及一般僱員授予購股權，以獎勵及挽留高才幹之管理層隊伍。同時，本集團亦為不同級別之僱員提供可觀之薪金計劃及按目標而定之花紅。此等獎勵計劃加強僱員間之士氣及促進高效率，進一步強化董事會採納此策略方向之決策之信心。

## Management's Discussion and Analysis (continued)

### Financial Review (continued)

### Use of Proceeds (continued)

Notes:

1. Total four retail outlets in Hong Kong and one retail outlet in Macau were opened since the company was listed on 16 July 2003.
2. Total two beauty and health salons in Hong Kong were opened since the company was listed on 16 July 2003.

The remaining net proceeds from the new issue and the placing are currently placed on principal guaranteed deposits with licensed banks in Hong Kong.

### Human Resources

On 31 December 2003, the Group had around 725 employees (2002: 458 employees) in both Hong Kong and Macau S.A.R.. The senior management team consisted of 11 people, in which about half of them had been with the Group for over 5 years. The Group treasures people as valuable human resources and recognizes the importance of attracting and retaining high quality staff for the Group's continuous success.

The Group offers share options to the senior managers and general staff, as a means to reward and retain high caliber of the management team. In the meantime, competitive remuneration packages and goal-oriented bonuses are paid to different levels of staffs. These rewarding packages strengthen the morale among the staffs and led to high efficiencies, which further reinforced the confidence of the Board's decision to have adopted this strategic direction.