







The first flagship store in Guangzhou, China (located on XiaJiu Road) opened in April 2005.
2005年4月·中國首間旗艦店於廣州下九路開業。

Management's Discussion and Analysis

管理層之 討論及分析

Turnover for the year was HK\$1,276 million (2004: HK\$956 million), a 33.5% increase on that achieved last year. The profit for the year was HK\$38 million (2004: HK\$7.5 million), an improvement of HK\$30.5 million on that achieved last year. Earnings per share was HK50.6 cents as compared to HK19.1 cents (after adjusting for capital reorganisation in 2004/05) in last financial year.

本年度的營業額為港幣1,276,000,000元 (2004年:港幣956,000,000元),較去年增長33.5%。本年度盈利為港幣38,000,000元 (2004年:港幣7,500,000元),較去年增加了港幣30,500,000元。每股盈利由去年每股19.1港仙(已就於2004/05年度進行的資本重組調整)增至今年每股50.6港仙。



Business Segment

The Group is engaged in jewellery manufacturing, wholesaling and retailing in Hong Kong, Mainland China and Malaysia. It also manufactures and exports jewellery products to the United States of America and Europe.

During this year the retail market in Hong Kong and Mainland China showed great improvement over that of the last financial year. This, when combined with new store openings in Hong Kong and Mainland China, allowed the Group to record a much improved turnover and profit for the year.

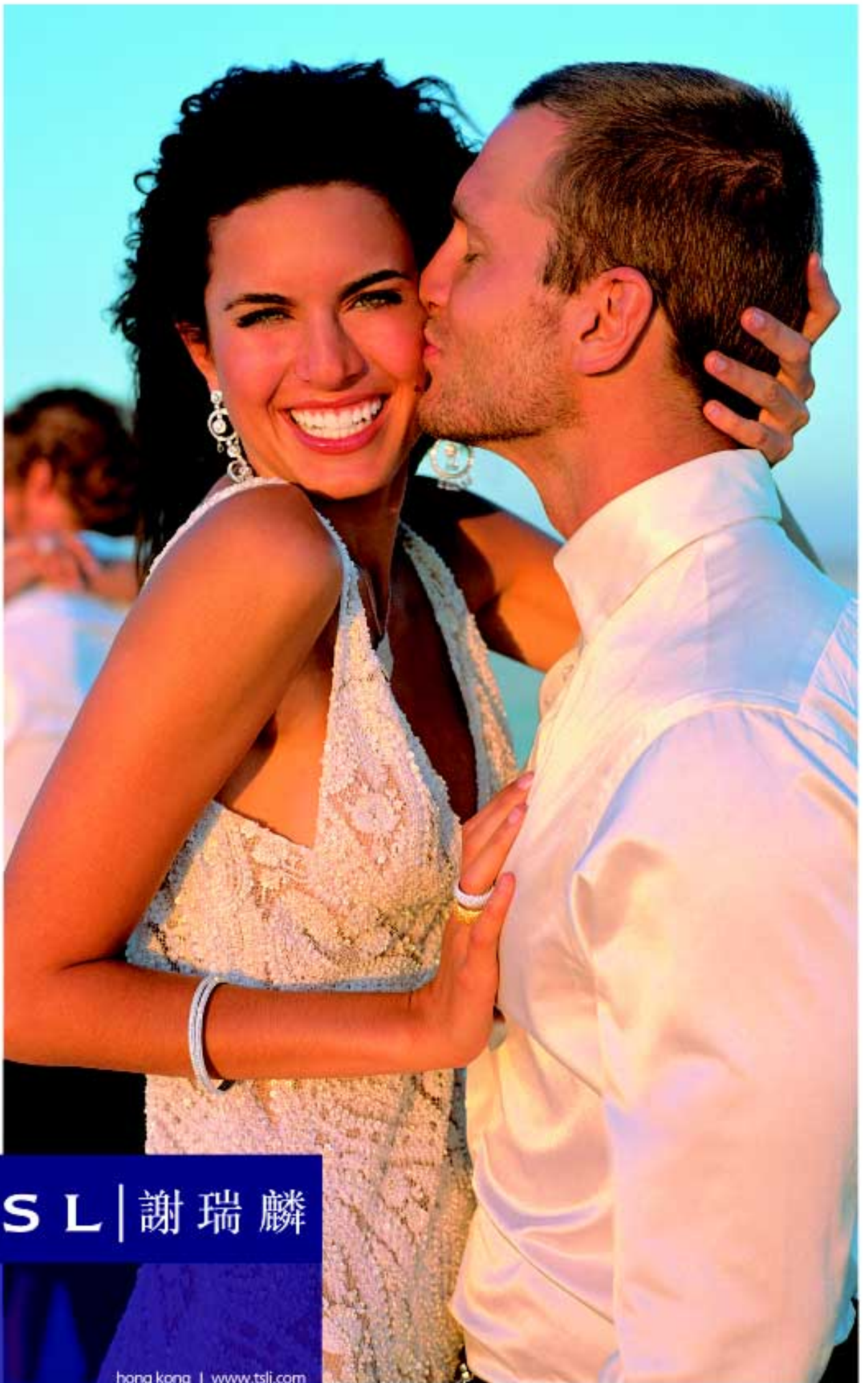
Both our retail and showroom operations in Hong Kong improved as a result of the continuing relaxation of restrictions on Individual Visitor Scheme from Mainland China and the overall rebound of the economy of Hong Kong. With the opening of Disneyland in September 2005, we are cautiously optimistic about the outlook of the tourist industry in Hong Kong and the local economy for the current year and beyond.

業務分部

本集團分別於香港、內地及馬來西亞從事珠寶製造、批發和零售業務。並同時製造以及出口珠寶產品到美國及歐洲。

本年度的香港及內地零售市場均較上一個財政年度有著明顯的改善。隨著本集團在香港及內地的新店舖陸續開業，本集團在營業額及利潤均錄得顯著的改善。

賴於香港整體經濟復甦以及內地個人自遊行計劃的逐步放寬，我們香港的零售及門市業務得以繼續增長。在迪士尼樂園即將於2005年9月開幕的形勢帶動下，我們對於香港的旅遊業及本地經濟在今年及往後的一段日子持審慎樂觀的態度。



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Turnover and profitability of the business in the Mainland China grew satisfactorily. The increasing affluent population of the Mainland China creates a large demand for quality jewellery products. Number of outlets in the Mainland China has increased from 86 of last year to 103 by the end of February, 2005 to tap the growth potential of the market. The Group has also introduced the new brand 謝瑞麟|Saxx to the Mainland China market to better serve the different segments of the market. The increasing number of outlets helps to increase turnover and profitability and to capture the gains from the economies of scale.

The Malaysian operation remains stable in the year under review.

The Group resumed its export business a few years ago and has attained encouraging growth both in turnover and profitability during the year. We believe export business will continue to grow steadily over the years and become one of the major sources of growth of the Group.

內地業務的營業額及利潤皆有令人滿意的增長。內地富裕人口的不斷增加，造就了大量對品質珠寶的需求。為了把握此市場的增長空間，我們在內地的零售點數目，已由去年的86間增加至截至2005年2月28日止的103間。今年本集團亦於內地推出新品牌謝瑞麟|Saxx，以迎合不同消費層的需要。此零售點數目上的增長可提高我們的營業額及利潤。

馬來西亞業務於過往一年保持平穩。

近年本集團恢復出口業務，在過往一年營業額及盈利均有令人鼓舞的增長。我們相信出口業務在未來數年將會持續穩定增長，並成為本集團其中一項重要的增長來源。



TSL always strives for quality service. In 2005, TSL's sales team was awarded the "Services and Courtesy Award Programme" as well as the "Mystery Shoppers Program - Services Industry Leader" by the Hong Kong Retail Management Association. The award winning story made headlines in the magazines in Hong Kong, including (top) Recruit, East Week and Next magazines.

(上圖) TSL 一向以客為先, 致力提供優質服務。2005年, TSL | 謝瑞麟的零售隊伍於香港零售管理協會之傑出服務大獎, 榮獲「神秘顧客計劃 - 行業服務領袖」大獎。是次得獎獲得多間媒體報導, 包括 (由上至下) Recruit、東周刊及壹週刊等。



Mr. Ben Sin who is one of our experienced frontline salesman, was awarded the "On the Job Performance Award" by HKRMA in 2004. 擁有豐富經驗的冼雲仲更獲得「最佳現場服務獎」。

Employees

At the end of the financial year, the Group had approximately 1,860 employees. Employees are rewarded on a performance basis with reference to market rates. Other employee benefits include medical cover and subsidies for job-related continuing education. The Group also has an employee share option scheme. No options were granted pursuant to the scheme during the year.

Retail front line staff are provided with formal on-the-job training by external professional trainers. Experience sharing with seniors at in-house seminars and discussion groups enhance intra-departmental communications.

Plans for Investments

The improved retail environment in Hong Kong and the growth opportunities in Mainland China has meant that our competitors are expanding more rapidly and new competition is entering the industry. To embrace the business opportunities and to stand against the current and new competition, the Group has budgeted but not committed

僱員

在本財政年度末本集團約有1,860名員工。員工會根據表現並參考市場價格獲得回報，其他員工福利包括醫療及與工作有關的持續進修津貼。本集團亦有實行員工購股權計劃。本年度並沒有按此計劃授與購股權。

本集團聘請專業培訓人員為前線員工提供正式在職培訓。高層員工亦會舉辦講座分享工作經驗及小組討論，以增強部門與部門之間的溝通。

投資計劃

香港零售業之改善及內地之增長機會吸引了競爭者的急速擴張及為此行業帶來新的競爭。為了迎合此商機及抵禦現有及未來的激烈競爭；在2005/06財政年度，本集團預算而未落實的資本開支（落實數目視乎資金情況）約為70,000,000港元，主要用作裝修及搬遷店舖，

capital expenditure (committed amount subject to funding availability) for the financial year 2005/06 amounts to approximately HK\$70 million, where a major portion goes to renovation or relocation of outlets, expansion of outlets in Hong Kong and Mainland China, building new production plants, and investment in new information technology infrastructure. It is planned that such capital expenditure will be financed by internal resources and new bank financing.

Liquidity, Capital Structure and Gearing

All the Group's borrowings are denominated in local Hong Kong dollars. Interest is determined on the basis of inter-bank market rates.

As at 28 February 2005, the Group had total borrowings from banks and financial creditors of HK\$94.5 million. Of this, HK\$72.4 million was due to Partner Logistics Limited, a company controlled by Mr. Tse Tat Fung, Tommy, the substantial shareholder and a director of the Group and HK\$20.7 million was due to three banks, which together are secured by all the assets and undertakings of the Group (collectively "the Lenders"). A new loan agreement was entered into with the Lenders on 27 September 2004 pursuant to which the repayment of this debt was rescheduled out over two to three years. There was also a balance of HK\$1.4 million of obligations under finance leases.

The capital reorganisation, the open offer and the profit for the year increased the shareholders fund from HK\$40.5 million to HK\$242.5 million. The gearing (ratio of interest bearing borrowings less cash and bank balances to net asset value) was reduced from 5.1 times to 0.05 times.

The Group had cash balance of HK\$81.8 million which is sufficient for the present working capital requirements.

Charges on Group Assets

(a) At 28 February 2005, debentures were executed by the Group in favour of its bankers and financial creditors charging, by way of fixed and floating charges, all of the undertakings, properties and assets of the Company and 17 of its subsidiaries as security for, inter alia, all obligations and liabilities, actual or contingent, from time to time owing by the Group to the bankers and financial creditors. Rental revenue of the Group is also charged in favour of the Group's bankers.

擴張香港及內地的銷售點，興建新廠房及投資新資訊科技系統。此等資本開支計劃由內部資源及新的銀行融資支付。

資產流動性、資本結構及負債比率

本集團之全部貸款均以本地港元定值，利息則按銀行同業借貸之市場息率釐定。

於2005年2月28日，本集團的貸款總額為94,500,000港元，在此貸款額中，欠Partner Logistics Limited的有72,400,000港元，該公司是由本集團的主要股東及董事謝達峰先生所控制；另結欠三間銀行20,700,000港元（統稱「借款人」）。該等貸款均以本集團的所有資產及業務作抵押。於2004年9月27日，本集團與借款人簽訂新協議，據此，該等債務的還款期重新安排為二至三年。此外，於結算日，負債中有1,400,000港元為融資租賃承擔。

本年度之股本重組、公開發行新股及盈利貢獻令股東資金由40,500,000港元上升至242,500,000港元。負債比率（附息貸款減現金及銀行結餘與淨資產值之比率）由5.1倍減至0.05倍。

本集團現持有現金81,800,000港元，足以應付現時營運資金之需求。

本集團資產抵押

(a) 於2005年2月28日，本集團已訂立債權證，以本公司及其17間附屬公司之所有業務、物業及資產透過固定及浮動抵押付予銀行及財務債權人作為抵押，以為其中包括本集團不時欠銀行及財務債權人的所有實際或有負債及債務的抵押品。本集團之租金收益亦抵押予本集團之銀行。

- (b) At 28 February 2005, the Group pledged the capital contribution to a subsidiary of the Group amounting to US\$235,000 and all the benefits accruing to the pledged equity interest of 11.625% of the subsidiary to the Group's bankers and financial creditors as security for, inter alia, all obligations and liabilities, actual or contingent, from time to time owing by the Group to the bankers and financial creditors.
- (c) At 28 February 2005, the Group pledged all rights, titles and interests in 56.46% of the entire share capital of Infinite Assets Corp. and Tse Sui Luen Investment (China) Limited and all benefits accruing to the pledged equity interest to the Group's bankers and financial creditors as security for, inter alia, all obligations and liabilities, actual or contingent, from time to time owing by the Group to the bankers and financial creditors.
- (b) 於2005年2月28日，本集團把其於一間附屬公司的235,000美元出資額及其於該附屬公司的11.625%已抵押股本權益所累計的一切利益抵押予本集團的銀行及財務債權人，以作為其中包括本集團不時欠銀行及財務債權人的所有實際或或有負債及債務的抵押品。
- (c) 於2005年2月28日，本集團把其於Infinite Assets Corp.和謝瑞麟投資(中國)有限公司總資本額的56.46%的一切權利、所有權和權益，及已抵押股本權益所累計的一切利益抵押予本集團的銀行及財務債權人，以作為其中包括本集團不時欠銀行及財務債權人的所有實際或或有負債及債務的抵押品。

Exchange Rates

During the year, the transactions of the Group were mainly denominated in local currencies, Renminbi and US dollars. The impact of the fluctuation of foreign exchange rates of these currencies is insignificant to the Group.

Contingent Liabilities

- (a) At 28 February 2005, the Company has issued guarantees to banks and financial creditors in respect of general banking and other credit facilities extended to certain subsidiaries of the Company amounting to HK\$95,346,000 (2004: HK\$248,427,000).
- (b) As at 28 February 2005, tax treatments adopted by the Group relating to certain offshore income and agents commission payments and promoter fees arising in prior years are being challenged by the IRD. In the event that the Group is not successful in defending these challenges, the Group may be subject to significant additional tax liabilities and possibly penalties.

Save as mentioned above, as at 28 February 2005 the Group did not have any other material contingent liabilities.

匯率

於本年內，本集團的交易主要以本地貨幣、人民幣及美金為單位，此等貨幣的匯率浮動對本集團並無重大影響。

或有負債

- (a) 於2005年2月28日，本公司就銀行及財務債權人給予部分附屬公司一般銀行及其他貸款融資信貸，向銀行及財務債權人作出合共95,346,000港元(2004年：248,427,000港元)的擔保。
- (b) 於2005年2月28日，本集團就以往年度的若干離岸收入及代理佣金支出與業務推廣費用的稅務處理方法受到稅務局質疑。如果本集團為這些項目提出的抗辯不獲接納，本集團或須額外承擔大額稅務負債和罰款。

除上述外，截至2005年2月28日止，本集團並無其他重大或有負債。