



# CHAIRMAN'S STATEMENT

## 主席報告

### TO ALL SHAREHOLDERS

On behalf of the Board (the "Board") of Artfield Group Limited (the "Company"), I am pleased to present the annual report of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2005 to shareholders.

### DIVIDENDS

The Board does not recommend the payment of any dividend for the year ended 31 March 2005 (2004: Nil).

### FINANCIAL REVIEW

The Group recorded a turnover of approximately HK\$238,300,000 for the year ended 31 March 2005 (2004: HK\$229,925,000). It represents an increased of 3.6% or HK\$8,375,000 as compared with last year. Despite the fact that the Group still recorded a net loss of HK\$2,670,000 in the year under review, the results represent an improvement of HK\$13,868,000 from last year's performance. The loss was mainly attributable to the loss from the operations of the Group's overseas offices. The performance of each of the Group's businesses are set out in more details in the Management Discussion and Analysis of the annual report of the Company for the year ended 31 March 2005.

### 致各位股東

本人謹代表雅域集團有限公司(「本公司」)董事會(「董事會」)欣然向各股東提呈本公司及其附屬公司(統稱「本集團」)截至二零零五年三月三十一日止年度之年報。

### 股息

截至二零零五年三月三十一日止年度，董事會不建議派發任何股息(二零零四年：無)。

### 財務回顧

本集團錄得截至二零零五年三月三十一日止年度之營業額約港幣238,300,000元(二零零四年：港幣229,925,000元)。與去年比較，有3.6%或港幣8,375,000元增長。儘管本集團於本年度仍然錄得港幣2,670,000元之虧損淨值，但已比去年之表現改善港幣13,868,000元。該虧損主要歸咎於本集團海外辦事處之營運。本集團各項業務之表現在本公司截至二零零五年三月三十一日止之年報內的管理層討論及分析內有更詳細報告。

## MAJOR ACHIEVEMENTS IN THE YEAR

During the year under review, management has re-doubled their efforts in cost control and has endeavoured to improve the production effectiveness and efficiency by eliminating wastage and reducing material and purchasing cost. Notwithstanding the marked increase in materials cost due to the surge in oil price and an upswing in the PRC economy, the gross profit margin of the Group's products has been improved with reduction in operating costs despite increase in sales. These are the main contributors to the improvement of the Group's financial performance in this year.

The Group's clock's manufacturing division, Artfield Industries (Shenzhen) Limited, has been accredited ISO9001:2000 Quality Management System Certification in January 2005. This shows the Group's determination to maintain high quality standard and an open recognition of its achievement. For efficiency and cost reasons, the Group has, and will, deployed adequate resources to continue to improve production facilities.

The Group has started to restructure the USA and Germany offices in the second half of the financial year with a view to clamping down the loss in operations. The restructure is nearing completion and it is anticipated that the losses from these two offices would be substantially reduced in the coming financial year.

During the year under review, the Group has strengthened its financial position through disposal of two properties. The proceeds were used in the payment of bank borrowings, resulting an improvement in the Group's gearing ratio and lightening the Group's interest burden.

## 本年度主要成就

於回顧年內，管理層加倍努力於控制成本，並致力消除浪費、減低物料及採購成本以改善生產效益及效率。儘管由於燃油價格上升及中國經濟起飛引致物料成本顯著上漲，本集團產品毛利仍然得到改善。儘管銷售提升，營運成本卻減少，這是本集團於本年度財務表現最為顯著的改善。

本集團時鐘生產部份，雅域實業(深圳)有限公司，於二零零五年一月獲得ISO9001:2000品質管理系統證書認可。這證明了本集團致力維持高品質標準之決心外，其成績亦獲得公開肯定。為了提高效率及控制成本，本集團已經或將會投入適當資源繼續改善生產設施。

本集團由下半年之財政年度已開始重組美國及德國辦事處之架構，希望減低營運虧損。架構重組已接近完成，集團期望這兩所辦事處之虧損在即將來臨之財政年度會大幅減少。

於回顧年內，本集團通過出售兩項物業以強化本身之財政狀況。收益已用作支付銀行貸款以改善集團之負債比率及減輕集團之利息負擔。



## MAJOR ACHIEVEMENTS IN THE YEAR (Continued)

In conclusion, we consider that the Group has laid a firm foundation in the financial year ended 31 March 2005.

## STRATEGIC DIRECTION

Going forward, the Group continues to leverage on its core competence and strategic fitness that it has established in its long history of operations.

The Group shall continue to carry out the cost reduction programme so as to achieve cost effectiveness in its manufacturing and trading operations.

Whilst recognising that the Group operates in niche marketing environment, the Group shall continue to expand its businesses geographically, penetrating new market segments and culture group; and through products marketing with new products and the Group's well-received brand names, Wehrle, Klik and Artex. With growing economy in the PRC and the immense opportunity and vast potential brought about by the PRC's accession to the WTO, the Closer Economic Partnership Arrangement between Hong Kong and the PRC as well as the Olympic Games in Beijing in the year 2008, the Group poises to expand its sales outlets in major cities of the PRC with a view to capturing further sales turnover in the PRC retail sales market.

As a public listed company, the Group shall keep abreast with good corporate governance practices in a bid to strengthening the Group's management and internal control system.

## 本年度主要成就 (續)

總括而言我們認為本集團在到二零零五年三月三十一日止之財政年度已建立穩固基礎。

## 策略性方向

展望將來，本集團會繼續憑藉本身在歷史悠久營運歷史中建立的核心能力及適合策略。

本集團會繼續進行降低成本計劃以達致提高生產及貿易營運成本效益。

本集團認定其為運作於特色之市場環境下，本集團仍繼續把業務擴展至不同地域，融入不同市場類別及文化背景，並推廣新產品銷售及本集團深受接納之品牌「Wehrle」、「Klik」及「Artex」。中國經濟增長，藉著中國加入世界貿易組織，內地及香港更緊密經貿關係之建立，以及2008年於北京舉辦之奧林匹克運動會帶來巨大商機及潛力下，本集團已作好準備在中國主要城市擴展銷售網點，希望在中國零售市場獲取更多營業額。

作為一家上市公司，本集團將遵從良好的企業管治常規以強化本集團之管理及內部監控系統。

## APPRECIATION

On behalf of all my fellow directors, I sincerely thank all of our staff for their loyalty, commitment and hard work, and our customers, suppliers and shareholders for their continuing support.

By Order of the Board

**LIANG Jin You**

*Chairman*

Hong Kong, 21 July 2005

## 致謝

本人謹代表董事會就全體職員之忠誠、投入與勤奮，以及各客戶、供應商和股東不斷的支持致以衷心謝意。

承董事會命

梁金友

主席

香港，二零零五年七月二十一日

