

OVERALL GROUP RESULTS

The results of the Group for the year ended 31 December 2001 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 18 to 79.

The Group's turnover for the year ended 31 December 2001 was HK\$4,686 million, little changed from 2000. The net profit attributable to shareholders was HK\$20 million, a decrease of 64% compared with the 2000 profit of HK\$57 million. Earnings per share were HK4.63 cents compared with HK12.89 cents in 2000.

JEWELLERY

Turnover of the Group's jewellery segment declined by 13% to HK\$1,842 million, 39% of the Group's total turnover. Profit contribution therefrom amounted to HK\$20 million, decreasing 50%.

In both Hong Kong and Taiwan, retailing of jewellery experienced a difficult year. Consumer sentiments were at a low ebb and spending was deeply cut. Political uncertainties in Taiwan added to the woes by depressing the Taiwanese dollar. In the mainland the results were much more encouraging, with existing stores registering gains and new stores adding to the revenue.

In 2002 we expect to stay in a conservative mode in Hong Kong. We will take advantage of the lowered expectations of the property market both to reduce rental cost and to move into superior locations. More out-of-the-shop marketing will be used to boost sales. Likewise in Taiwan, our aim is to increase sales by marketing strategies. In the mainland, we shall continue our strategy of setting up more shops in the first-tier cities.

PRECIOUS METALS

Turnover from wholesale of precious metals in Hong Kong increased by 12% to HK\$2,812 million, which is 60% of the Group's total turnover; however profit contribution decreased by 28% because of price competition.

We expect this to continue to be a high-volume low-profit business, with little room for either reduction of cost or improvement in margin.

集團整體業績

本集團截至2001年12月31日止年度之業績及本公司與本集團於該日之財務狀況載於財務報告第18頁至第79頁內。

集團本年度之營業額為4,686,000,000港元，與2000年度相若。股東應佔溢利為20,000,000港元，較2000年錄得之57,000,000港元下跌64%。每股盈利4.63仙，2000年每股盈利為12.89仙。

珠寶

本集團之珠寶業務營業額下跌13%至1,842,000,000港元，佔集團總營業額39%。溢利貢獻20,000,000港元，下跌50%。

香港及台灣之珠寶零售業經歷了困難的一年，市民消費意欲低迷，消費大幅緊縮；台灣政治的不明朗令台幣偏軟，進一步影響業績。國內業績則相對令人鼓舞，分店均錄得增長，新店的開設亦有助提高收益。

踏入2002年，本集團在香港將維持審慎的經營模式。集團將把握持續向下的物業市場以減低租金開支及爭取有利位置，並致力增加店外行銷方式以刺激銷售。台灣方面，計劃透過市場策略增加銷售。至於國內業務，將繼續於各首要城市開設新店。

貴金屬

年內貴金屬批發業務營業額增長12%至2,812,000,000港元，佔集團總營業額60%，但溢利貢獻則因價格競爭下跌28%。

預料貴金屬批發業務仍為高銷量低利潤之業務，下調成本或增加利潤之空間十分有限。

SECURITIES AND COMMODITIES

A year long bearish market, commission-cutting and competition from banks took their toll on this segment of our business. A loss was incurred as revenue dropped 47% to HK\$26 million.

Despite the delayed removal of the minimum commission rate, 2002 will be a difficult year for our securities business. We will continue our efforts to trim costs and improve efficiency. Our internet trading platform, www.338.net, has been gaining usage. Already offering features not found elsewhere, the system will be judiciously enhanced to keep it at the front of the pack. With more marketing effort, increased margin lending, we hope to close the gap during the year.

INVESTMENTS

Rental revenue from investment properties amounted to HK\$6 million, which accounted for less than 1% of the Group's overall turnover. Most of the Group's properties are held for our own use as jewellery shops and factory premises. The Group does not have a significant exposure despite the weakness of the property market.

The shares in Hong Kong Exchanges and Clearing Limited are held by the Group as a long term investment. As at 31 December 2001, the unrealised holding gain amounted to HK\$72 million (2000: HK\$109 million).

FINANCE

The Group operates a central treasury which co-ordinates all financing and cash management activities at the corporate level resulting in better control and lower overall cost of funds.

The Group has foreign currency exposure in US dollars, Renminbi and Taiwanese dollars. If and when required, foreign currency loans may be arranged to lessen the impact of fluctuations. Despite such actions, the decline of the Taiwanese dollar has had an impact on our results.

Funding was mainly derived from internal resources. As at 31 December 2001, the Group's total cash on hand was HK\$186 million and total undrawn facilities amounted to HK\$475 million. Financing for expansion is thus assured.

證券及期貨

市場全年處於熊市、經紀佣金下調以及銀行界之競爭，令該業務收入下跌47%至26,000,000港元，引致虧損。

最低經紀佣金制度雖延遲撤銷，2002年本集團之證券業務仍會是困難的一年。本集團將繼續致力縮減開支及提高效率。互聯網證券交易平台 www.338.net 使用量續有增長。現時的系統已擁有別家欠奉的性能，集團更會因應情況而陸續添加。集團計劃加強市場推廣，及增加孖展借貸以減除虧損。

投資

投資物業帶來之租金收入為6,000,000港元，佔集團總營業額不足1%。本集團所持大部份物業用於經營珠寶店及廠房。因此，物業市道雖然疲弱，本集團所承受的風險不大。

本集團在香港交易及結算所有限公司之股份以長期投資持有。於2001年12月31日，未變現之投資持有利益為72,000,000港元（2000年：109,000,000港元）。

財務

本集團集中統籌各項業務所需資金及現金管理，令資金得到較佳管控，並減低整體融資成本。

本集團外幣風險主要在美元、人民幣及台幣。倘有需要，將盡量安排外幣貸款以減輕匯價波動之影響。惟台幣偏軟仍對本集團業績造成一定影響。

本集團所需資金主要來自內部儲備。於2001年12月31日，本集團之流動現金為186,000,000港元及尚未使用之備用信貸達475,000,000港元，足以應付發展所需。

FINANCE (continued)

It is the Group's policy to obtain financing on an unsecured basis whenever possible. The Company guarantees banking and other facilities granted to its subsidiaries. The Group's banking facilities was secured by time deposits of HK\$31 million (2000: HK\$16 million), and certain fixed assets and investment properties with a net carrying value of HK\$233 million (2000: HK\$250 million). At 31 December 2001, the Group's total bank loan amounted to HK\$10 million (2000: Nil). Details of charges on group assets are set out in notes 14 and 15 to the financial statements.

HUMAN RESOURCE

As at 31 December 2001, the Group had 1,319 employees. Employees are rewarded on a performance basis within the general framework of the Group's salary and bonus system. Other employee benefits include provident fund, insurance, medical cover and subsidies for continuing education. The Group has not adopted any share option scheme.

During the year, our retail chain Emphasis was honoured by the Hong Kong Retail Management Association as a "Service Industry Leader" and a "Service Category Leader of Watch & Jewellery Category".

財務(續)

本集團政策乃盡量以無抵押方式取得所需融資。本公司為其附屬公司所獲銀行及其他信貸提供擔保。本集團之銀行融資以定期存款 31,000,000 港元 (2000 年 : 16,000,000 港元) 及部份淨值達 233,000,000 港元 (2000 年 : 250,000,000 港元) 之固定資產及投資物業抵押。於 2001 年 12 月 31 日, 本集團之銀行貸款總額為 10,000,000 港元 (2000 年 : 無)。集團資產抵押詳情載於財務報告附註 14 及 15。

人力資源

於 2001 年 12 月 31 日, 本集團員工總數為 1,319 人。員工的薪酬政策, 以員工表現為評核標準。其他員工福利包括公積金、保險、醫療保障及進修補助。本集團並未採用購股權計劃。

於本年內, 本集團之零售連鎖店點睛品獲香港零售管理協會頒發「行業服務領袖獎」及「鐘錶及珠寶店組別服務領袖獎」。