



Stores with new image provide pleasant and comfortable shopping environment.  
新形象店舖為顧客提供舒適愜意的購物環境。



## | Letter to the Shareholders

## | 致股東的函件

Tse Tat Fung, Tommy  
謝達峰  
Chairman  
主席

The financial year ended 29 February 2004 has proved to be one of mixed fortunes for the Group. The Group saw sales for the first half of the year being adversely affected by the outbreak of Severe Acute Respiratory Syndrome (“SARS”) in Hong Kong and Mainland China while sales for the second half of the year rebounded strongly with the aid of the easing of travel restrictions for tourists from Mainland China. As a result, in the second half of the year, the Group was able to make up for the sales it lost in the first half of the year due to SARS so that, overall, it was able to achieve a slightly higher turnover for the year than that achieved in the previous financial year.

The impact of SARS has left the Group further financially weakened. As a result, the Group was required to seek, and was granted, a waiver from its banks of some of the provisions of a restructuring agreement dated 3 August 2000 (“Restructuring Agreement”). These waivers are continuing pending a proposed further restructuring the Group’s borrowings and share capital as set out in the announcement made by the Group on 14 May 2004.

對於本集團來說，截至二零零四年二月廿九日之財政年度是好壞參半的一年。在中國大陸及香港所爆發的嚴重急性呼吸系統綜合症（「SARS」）嚴重打擊本集團上半年的銷售額；然而，隨著中國大陸對出境旅客之放寬，下半年的銷售額因而得以反彈回升。藉著下半年銷售額，本集團才能收復上半年因 SARS 而減少的銷售額。全年計算，銷售額更比上年度有輕微回升。

SARS 的沖擊令本集團財務持續疲弱，集團亦向有份參與於二零零零年八月三日簽訂重組協議（「重組協議」）的銀行尋求並已獲得豁免部份條款，此等豁免一直維持至現在，以配合本集團的另一債務及股本重組，詳情已於本集團二零零四年五月十四日之公佈內列明。



謝瑞麟 | Saxx, new store themed with contemporary jazz music, was opened in March 2004 in Shenzhen.  
在2004年3月，以爵士樂為主題的謝瑞麟 | Saxx 全新店舖於深圳開業。



As set out in the abovementioned announcement, it is proposed that, subject to shareholder approval, (i) a revised restructuring agreement will be entered into by the Group with its lenders (ii) a reduction and restructure of the Group's share capital will be completed (iii) part of the Group's borrowings will be converted into shares and (iv) on completion of the aforementioned debt/equity swap, that the Group or its lenders will complete a placement of the Group's shares.

In light of the substantial difficulties experienced by the Group over the last four to five years, I believe that a further restructuring of the Group's capital and borrowings together with the raising of new funds is now essential to ensure that the Group can stabilize its current financial position and rebuild its business to ensure that the Group can meet the competition and

於上述提及的公佈內，提出以下各點尚待股東通過建議：(i)本集團與債權人重新簽訂重組協議；(ii)完成減少及重組集團的資本；(iii)部份集團債務會轉為股本；及(iv)於完成上述之債務／資本轉換同時本集團或債權人亦會配售集團之股份。

有見本集團於過往四、五年內所經歷的主要困難，本人深信集團的資本及債務再重組，以及籌集新資金對穩定現時財務狀況極為重要，從而令集團重建業務，迎合競



grow and prosper going forward. Further announcements will be made by the Group and a circular will be issued to shareholders as and when appropriate in respect to the above. I would ask all shareholders to support the further restructuring of the Group when this matter is put before you.

Notwithstanding the setbacks due to SARS and the limited financial resources of the Group, during the year it has continued to consolidate and refocus its core jewellery business to position itself to embrace the growth opportunities in Hong Kong and Mainland China. I would like to report the progress of these initiatives which have been undertaken and the achievements by the Group since the last annual report:

- The capacity and the quality of our processing factory have been improved to meet the needs of our Mainland China business. To cater for the expansion of the Group and to upgrade the quality of our products, the Group is (subject to new funding), planning to set up a new factory in southern China. It is expected that the new factory can be in production by the end of this financial year.
- Approximately 45% of the Group's outlets have been changed to the new image with the new corporate identity. More outlets will be renovated with the new image to provide our customers with a more pleasant and comfortable shopping environment. It is planned that approximately 65% of the Group's outlets will bear the new image by the end of next financial year.
- We are continuously reviewing the distribution of our retail outlets so as to better serve our customers and exploit profitable business opportunities. In Hong Kong, the new

爭及茁壯成長。於適當時候集團會將以上方案公佈及派發通函與股東。我懇請各股東當議決有關項目時支持再重組本集團。

縱使受著SARS及有限的財政資源所阻礙，本集團於本年度內仍致力於整合及加強本身的核心珠寶業務，以抓緊香港及中國大陸的發展商機。我謹在此向各位匯報自上一份年報至今所採用的方案進度及其成果：

- 我們廠房的生產力及質素已不斷提升以應付我們在中國大陸的業務需求。為應付集團的發展及提升產品質素，本集團計劃於南中國興建一間新廠房（視乎新資金投入情況），估計該新廠房可在本財政年度底投入生產。
- 為配合集團的新定位，集團內約45%的銷售點已用新形象重新裝修。其他銷售點亦會陸續裝修以提供顧客一個舒適、愉快的購物環境。我們計劃於下個財政年度年結時，集團內有約65%銷售點會以新形象投入服務。
- 我們會不斷檢討集團銷售點的分佈，以提升對顧客的服務質素，並開拓更好的商機。在香港的德福花園及屯門

stores in Telford Garden and Tuen Mun Town Plaza have been well received by our customers. Another new store was opened in Causeway Bay in mid June 2004 to serve the increasing number of tourists and the reviving local market.

- A new concept store themed with contemporary jazz music was opened in late March 2004 in Shenzhen. The brand name, 謝瑞麟|Saxx, is an extension of the Group's quality products and services to the young and trendy consumer segment in Mainland China. The performance of this new concept store is encouraging and the Group will be carefully expanding the number of outlets under this brand in Mainland China to cater the needs of this segment of the market.
- Our efforts of continuously improving the quality of our products and services to our customers have been well recognized by the market and the industry. In May 2004, we had the honour of, once again, being awarded the "Superbrands Hong Kong" status by Superbrands Ltd. The selection criteria of the award consist of goodwill, consumer loyalty and overall market acceptance. Our Hong Kong retail operation has recently been awarded not only the Service Category Leader but also the Service Industry Leader under the mysterious shopper scheme run by Hong Kong Retail Management Association ("HKRMA"). Besides, our frontline colleagues, Mr. Winky Fok and Mr Liu Chi Shing, were selected as the finalists in the 2003 Service and Courtesy Award run by HKRMA. On the product front, our jewellery designers have also won design awards in different categories of various local and international jewellery design competitions. For example, Ms Vicky Tam, our Chief Designer, won an award in the design contest themed with Nature's The Miracle organized by De Beer's Diamond Trading Company ("DTC") which attracted over 300 entries worldwide.



市廣場開業的新舖均備受顧客歡迎。另一新店舖亦已於二零零四年六月中旬於銅鑼灣開業，以應付遊客數量之增加和本地市場的復甦。

- 一間以現代爵士音樂為主題的新店已於二零零四年三月下旬於深圳開業，以"謝瑞麟|Saxx"這品牌作為集團優質產品的延續，迎合中國大陸年輕、追上潮流顧客的需要。該新概念店舖的成績令人鼓舞，集團亦將審慎地增加該品牌的銷售點以迎合大陸市場這顧客層的需求。
- 我們一直致力於改善及提升產品質素及顧客服務水平，這方面的努力廣為市場及業界所認同。於二零零四年五月，我們再次榮獲「超級品牌」的美譽，當中的評選準則包括商譽、客戶忠誠度及整體市場接受程度等。集團的香港零售業務近期亦屢獲殊榮，在香港零售管理協會舉辦的"神秘顧客計劃"中，不單奪得"組別服務領袖"獎，更勇奪"行業服務領袖獎"。我們前線的同事同樣表現出色，霍偉業先生及廖志誠先生憑著專業的服務水平，於香港零售管理協會舉辦的二零零三年傑出服務比賽中成功晉身總決賽。在產品設計方面，我們的珠寶設計師亦于連串的本地及國際珠寶設計比賽中獲得不同獎項。我們的首席設計師譚文蕙小姐，在一個由戴比爾斯集團成員公司國際鑽石商貿公司(DTC)所舉辦，主題為"大自然的奇蹟"的設計比賽中，于超過三百位來自世界各地參賽者中脫穎而出，贏得獎項。



- We have completed the information technology blue print of the Group during the year. A new information technology structure (subject to new funding) is to be built over the coming two to three years. The new information technology system will enable the Group to serve our customers more effectively with timely and accurate information and more efficiently by streamlining the operation procedures.

We believe the above initiatives and the further proposed restructure of the Group are important steps to lead the Group to growth and to our mission to become the leading, most innovative, efficient and profitable jewellery retailer in Asia. We shall, with the support of shareholders, steadfastly and painstakingly work to complete the above initiatives in order to achieve our mission. On behalf of the Board, I would like to take this opportunity to express our thanks to our bankers, business partners, shareholders and staff for their continuing efforts and supports in the past year and in the future.

**Tse Tat Fung, Tommy**  
*Chairman*

Hong Kong  
23 June 2004

- 我們已於年內完成了集團的資訊科技藍圖，將於未來二至三年內逐步建立新的資訊科技架構(視乎新資金投入情況)。這個新的資訊科技系統可簡化運作程序，使集團掌握更適時及準確的資訊，為顧客提供更有效率及更優質的服務。

我們深信上述的建議及集團重組方案皆為重要步伐，帶領集團繼續發展，達到我們的目標，成為亞洲具領導地位、最有創意、效率及盈利的珠寶零售商。要達至我們的目標，我們必須堅定不移和努力不懈地實行上述建議，當中股東的支持絕對不可或缺。本人謹代表董事局，向各往來銀行、商業伙伴、股東及員工衷心致謝，感謝他們長久以來的支持和鼓勵。

**謝達峰**  
*主席*

香港  
2004年6月23日