



CONTINENTAL
HOLDINGS LIMITED

Quattour™
凝聚無邊魅力





陳聖澤博士，太平紳士

集團主席

Chan Sing Chuk, Charles, Ph.D, JP

Group Chairman

本人欣然提呈恒和珠寶集團有限公司(「本公司」)及其附屬公司(「本集團」)截至二零零四年六月三十日止財政年度之年報。

業務回顧

本年內，本集團錄得營業額1,250,000,000港元，與去年1,220,000,000港元比較，增長2.5%。股東應佔溢利為15,200,000港元(二零零三年：10,100,000港元)，增長50%。每股盈利為5.4港仙(二零零三年：3.6港仙)。

面對嚴重急性呼吸系統疾病(非典型肺炎)及中東戰爭所帶來之衝擊，二零零三年為充滿挑戰之一年。然而，本集團仍能維持穩定業務增長。

來年，珠寶製造業之競爭將持續激烈，本集團將竭力發展鑽石及珠寶等核心業務，以維持市場競爭力。

I am pleased to present the annual report of Continental Holdings Limited ("the Company") and its subsidiaries ("the Group") for the financial year ended 30 June 2004.

BUSINESS REVIEW

During the year, the Group has achieved a turnover of HK\$1.25 billion as compared to HK\$1.22 billion of last year, representing a growth of 2.5%. Profit attributable to shareholders was HK\$15.2 million (2003: HK\$10.1 million) a growth of 50% and earnings per share was HK5.4 cents (2003: HK3.6 cents).

Though 2003 was a challenging year, and with the aftermath of the Severe Acute Respiratory Syndrome (SARS) and conflicts in the Middle East, our Group has been able to maintain a steady growth in business.

The competition of jewellery manufacturing will continue to be strong in the coming year. Our Group will maintain our market competitiveness by exerting every effort in our core



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Rosette collection



整體策略為保持低生產成本，透過針對不同目標分部引入創新產品及風格，滲入出口市場。本集團將探討於香港及中國策略地點擴展零售網絡之可行性。

為擴大收入來源並使其更多元化，本集團動用內部資源，連同銀行借貸，收購香港軒尼詩道523至527號物業之權益，交易將於二零零四年年底前完成。管理層相信，此項投資將為本公司帶來貢獻，並進一步增強收入。

業務展望

本集團維持審慎樂觀，並致力維持穩健之資產負債狀況。

business of diamonds and jewellery. The overall strategy is to keep our production costs low and penetrate our export markets by introducing innovative products and styles for different target segments. Our Group will also look into the possibility of extending our retail arms at strategic locations both in Hong Kong and China.

To broaden and diversify the income source, our Group has deployed our internal resources together with bank borrowings to acquire interest of the property at Nos. 523 to 527, Hennessy Road, Hong Kong, transaction of which will be completed before end of 2004. Our management is confident that this investment will contribute and further enhance the income of the company.

BUSINESS OUTLOOK

Our Group remains cautiously optimistic and adopts a discerning effort in maintaining a healthy balance sheet.



Participated in DTC Advertising Campaigns – Celebration Diamonds (Upper) and Natural Diamond Solitaire Campaigns (Below)
參與鑽石推廣中心之推廣活動—祝慶鑽飾(上)及天然單顆美鑽(下)





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Currency of Royalty

Victorian
Black Gold Diamond Collection





流動資金、財務資源及負債

於二零零四年六月三十日，按本集團之銀行借貸對比股東資金計算，本集團之資產負債比率維持於0.15 (二零零三年：0.04) 之低水平。現金及銀行結餘總額為74,911,000港元 (二零零三年：157,730,000港元)，銀行貸款及透支為93,008,000港元 (二零零三年：22,257,000港元)，此變動乃因收購一項投資物業所致。該等銀行貸款及透支以投資物業、若干租賃土地及建築物之第一法定押記、一家附屬公司之股份按揭、投資物業租金收入之轉讓及本公司提供之公司擔保作抵押。



Grand opening of Continental Diamond Ocean Terminal Boutique, ribbon cutting ceremony by Ms. Vicki Chan (General Manager of Continental Diamond), Jessica Hsuan (Famous Hong Kong Actress), Chan Sing Chuk, Charles, Ph. D, JP (Chairman and Managing Director of Continental Holdings Ltd.), Mrs. Chan Cheng Siu Yin, Shirley (Executive Director of Continental Holdings Ltd.), Sofia Rahman (Hong Kong Top Model), Mr. Ip Chi Kin (Director of Continental Holding Ltd.)

恒和鑽石海港城分店之開幕典禮一剪綵嘉賓包括恒和鑽石總經理陳慧琪小姐、影視紅星宣萱小姐、恒和珠寶集團主席陳聖澤博士太平紳士、恒和珠寶集團董事陳鄭小燕女士、名模特兒李嘉慧小姐及恒和珠寶集團董事葉志堅先生。

LIQUIDITY, FINANCIAL RESOURCES AND GEARING

As of 30 June 2004, the Group had a low gearing ratio of 0.15 (2003: 0.04), calculated on the basis of the Group's bank borrowings over shareholders' funds. Total cash and bank balances was HK\$74,911,000 (2003: HK\$157,730,000) while bank loans and overdrafts was HK\$93,008,000 (2003: HK\$22,257,000). The movement represents the acquisition of an investment property. These bank loans and overdrafts are secured by first legal charges over investment properties, certain leasehold land and buildings, share mortgage of a subsidiary, assignment of rental income of an investment property and corporate guarantees executed by the Company.



Continental Diamond Boutique in Ocean Terminal, Tsim Sha Tsui, opened in November 2003

位於尖沙咀海運大廈之恒和鑽石店於二零零三年十一月開業。



Sponsorship of Cable TV「感動中國」(program dedicated to Top 10 scientists in China) Award Ceremony
贊助有線電視「感動中國」頒獎典禮(向十位中國科學家致敬之節目)

資產抵押及或然負債

於二零零四年六月三十日，本集團之投資物業、若干租賃土地及建築物及一家附屬公司之股份，經已按予銀行作為一般銀行信貸融資之抵押。香港稅務局(「稅務局」)正審查本公司一家附屬公司之稅務事宜。本公司董事認為本集團之稅務撥備中肯，而有關上述稅務局審查之稅務約為6,600,000港元。

資本結構

本集團所有借貸均以港元結算，利息按香港銀行同業拆息或最優惠利率釐定。

本集團於截至二零零四年六月三十日止年度之資本結構並無任何變動。考慮到本公司目前之財務狀況，及並無出現不可預見之情況下，管理層預期無需改變資本結構。

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

As of 30 June 2004, the Group's investment properties, certain leasehold land and buildings and shares of a subsidiary company were pledged to bank to secure the general banking facilities. The Inland Revenue Department ("IRD") of Hong Kong is in the process of reviewing the tax of a subsidiary of the Company. The directors of the Company are of the opinion that the Group's tax provision is fairly presented. The tax liabilities relating to the aforementioned review by IRD are approximately HK\$6.6 million.

CAPITAL STRUCTURE

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

There was no change to the Group's capital structure during the year ended 30 June 2004. In the light of the current financial position of the Company and provided there is no unforeseeable circumstance, the management does not anticipate the need to change the capital structure.



僱員人數、酬金政策及購股權計劃

本集團合共聘用約2,300名僱員，當中大部分聘於中國。本集團主要按業內慣例釐定僱員之薪酬。本公司並無採納任何購股權計劃。

匯率波動風險及相關對沖

除英國附屬公司外，本集團所有交易及借貸均主要以美元及／或港元為單位。在聯繫匯率下，匯率波動風險甚微。本集團在年內並無運用金融工具進行對沖。於二零零四年六月三十日，並無未結算之對沖工具。

致謝

本人謹代表董事會向本集團之管理人員及員工於年內竭誠服務及勤奮工作、客戶對吾等產品之信心及支持，以及股東之信賴及支持致以衷心謝意。

承董事會命
主席
陳聖澤

香港，二零零四年十月二十日

NUMBER OF EMPLOYEES, REMUNERATION POLICIES AND SHARE OPTION SCHEMES

The Group employs a total of approximately 2,300 employees with the majority in the PRC. The Group remunerates its employees largely based on the industrial practice. There is no share option scheme being adopted by the Company.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

With the exception of the UK subsidiary, all transactions and the borrowings of the Group are primarily denominated in US Dollars and/ or Hong Kong Dollars. The risk of foreign exchange fluctuations is minimal under the peg. During the year, the Group did not use any financial instrument for hedging purposes. As of 30 June 2004, there was no hedging instrument outstanding.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express my sincere gratitude to the Group's management and staff member for their dedication and hard work, our customers for their confidence and support for our products and our shareholders for their trust and support.

On behalf of the Board
Chan Sing Chuk, Charles
Chairman

Hong Kong, 20 October 2004