

C hairman's Statement 主席報告書

業務回顧及展望

業務回顧

截至二零零五年三月三十一日止，集團錄得營業額達509,208,000港元（二零零四年：446,227,000港元），較去年同期上升14.1%。而是年度之毛利率較去年輕微下跌了0.38%，主要是受到化妝品業務之毛利率攤薄所致。該期間之股東應佔溢利則為75,086,000港元（二零零四年：58,591,000港元），較去年同期上升28.2%。是年度業績之增長主要受惠於東南亞區內經濟改善，顧客消費及抵港旅客均持續增長，本集團香港及澳門區時裝業務之營業額較去年有10.8%之增長，台灣之營業額較去年亦有20.2%之理想增長，而新加坡之業務轉虧為盈，再加上成本控制得宜，雖然新發展之多種品牌化妝品業務因剛處於投資起步階段而有虧損，但整體業績仍錄得28.2%之增長。

時裝業務

過去一年，時裝業務仍然是本集團之營業額及盈利貢獻之主要來源。此業務之營業額從去年446,227,000港元增長11.6%至498,190,000港元。至於分類業績方面，時裝業務之分類業績達88,787,000港元，較去年67,760,000港元上升31%。

Business Review & Prospects

Business Overview

As at 31st March, 2005, the Group recorded a turnover of HK\$509,208,000 (2004: HK\$446,227,000), representing an increase of 14.1% compared with the corresponding period last year. The year's gross profit margin decreased slightly by 0.38% from last year, mainly due to the dilution of gross profit margin by the cosmetics business. Profit attributable to shareholders for the period was HK\$75,086,000 (2004: HK\$58,591,000), representing an increase of 28.2% compared with the corresponding period last year. The improvement in results was mainly attributable to the ameliorating economic conditions in Southeast Asia, which promoted consumption and travel to Hong Kong. Compared with last year, turnover of the Group's fashion business increased by 10.8% in Hong Kong and Macau and 20.2% in Taiwan, while the business in Singapore has returned to profit. As a result of the above, and along with effective cost control measures, the overall results recorded an increase of 28.2% despite the losses sustained by the newly developed multi-brand cosmetics business at the initial investment stage.

Fashion Business

The fashion business remained the key contributor to the Group's turnover and profit during last year. Turnover of this segment increased from HK\$446,227,000 last year to HK\$498,190,000, by 11.6%. The segment result of the fashion business amounted to HK\$88,787,000, representing an increase of 31% from HK\$67,760,000 last year.

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時裝業務 – 香港及澳門市場

截至二零零五年三月三十一日止，集團在香港及澳門共設有61間店舖（二零零四年：59間）。於回顧期內，本地經濟持續改善，失業率下降，在中國放寬旅客來港澳地區政策帶動下，香港及澳門之零售業務持續錄得增長，再配合有效之內部整固措施，包括產品質素之提升、有效之成本控制等，本集團於回顧期內結束了5間表現未合乎理想的店舖，繼而在地區優越且租金相宜的位置開設了7間新店舖，有助提升效益，本財政年度香港及澳門之時裝業務錄得營業額294,405,000港元，較去年265,740,000港元上升10.8%。

時裝業務 – 台灣市場

本年度台灣零售錄得營業額149,642,000港元，較去年上升20.2%。於二零零五年三月三十一日，集團在台灣店舖數目已由去年同期的51間增加至61間，發展步伐符合去年所定之計劃。而本集團更在二零零四年八月份在台北最繁盛地段之一的忠孝東路開設了一間 **Wanko** 之旗艦店，其突出之形象更進一步奠定 **Wanko** 品牌在台灣女裝市場之領導地位。台灣市場於本年度佔集團時裝業務總營業額約30%（二零零四年：27.9%）。

時裝業務 – 新加坡市場

本年度新加坡零售錄得營業額30,412,000港元，較去年同期下跌了7.8%。於二零零五年三月三十一日，集團在新加坡店舖數目由去年同期的11間減少至8間，主要原因是集團策略性地關閉了3間表現未如理想之店舖，再加上強化當地之管理隊伍，令新加坡整年度之業績轉虧為盈，首年錄得有盈利，業績有明顯之改善。

Fashion Business – Hong Kong and Macau Markets

As at 31st March, 2005, the Group had altogether 61 outlets in Hong Kong and Macau (2004: 59 outlets). During the period under review, the retail business in both cities continued to register growth, as a result of improving local economic climate, declining unemployment rate, and the mainland's relaxation of policy governing cross-border visits to Hong Kong and Macau. The Group also instituted sound internal consolidation measures, such as improvement of product quality and effective cost control. During the period under review, the Group closed down 5 outlets with undesirable performance, and opened 7 new ones at premium locations available at reasonable rentals. These measures were conducive to the improvement of the Group's operating efficiency. During this financial year, the fashion business in Hong Kong and Macau recorded a turnover of HK\$294,405,000, representing an increase of 10.8% compared with HK\$265,740,000 last year.

Fashion Business – Taiwan Market

During the year, the retail business in Taiwan recorded a turnover of HK\$149,642,000, representing an increase of 20.2% over last year. As at 31st March, 2005, the number of the Group's Taiwan outlets has increased to 61 from 51 in the corresponding period last year, the expansion path of which was consistent with the planning set by the Group last year. A **Wanko** flagship store was opened at Chung Hsiao East Road, one of the most flourishing districts in Taipei, in August 2004. The outstanding image of the flagship store further strengthened the leading position of the **Wanko** brand name in Taiwan's ladies fashion market. During the year, the Taiwan market accounted for approximately 30% of the total turnover of the Group's fashion business (2004: 27.9%).

Fashion Business – Singapore Market

During the year, the retail business in Singapore recorded a turnover of HK\$30,412,000, representing a decrease of 7.8% compared with the corresponding period last year. As at 31st March, 2005, the number of the Group's outlets in Singapore has decreased from 11 during the corresponding period last year to 8, mainly as a result of the Group's strategic closing of 3 outlets with unsatisfactory performance. The closing of the outlets and the strengthened local management team were reasons contributing to the Singapore operations' return to profit during the year. In fact, the market registered profit for the first year, showing significant enhancement in business performance.

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時裝業務 – 其他市場

除了香港及澳門、台灣、新加坡市場外，截至二零零五年三月三十一日止本集團旗之下 **Veeko** 及 **Wanko** 品牌在中國有52間店舖（二零零四年：46間），主要以特許經營方式經營，現時除了一線城市如北京、上海、成都、廣州、深圳、珠海等有 **Veeko** 及 **Wanko** 品牌之店舖外，亦覆蓋至其他地區如重慶、武漢、南京、昆明、南昌、南寧、鄭州以至西安等城市。

化妝品業務

本集團於二零零四年十月份正式開展以連鎖店式經營的化妝品零售業務，成立化妝品專門店 **Colourmix**。截至二零零五年三月三十一日止，建立有7間分店，4間設立於香港，3間位於澳門，而本集團之化妝品零售業務錄得營業額11,018,000港元，佔本集團總營業額2.2%。回顧年內，由於此項業務仍處於投資初期，在廣告推廣、店舖形象概念設計、商標註冊、前期招聘培訓以及有關之開辦費等已涉及相當之費用，故錄得虧損，但本集團仍會審慎繼續擴展化妝品業務，預期化妝品業務於日後將會成為集團增長之主要動力。

Fashion Business – Other Markets

As at 31st March, 2005, besides the markets in Hong Kong and Macau, Taiwan and Singapore, there were 52 outlets on the mainland offering the Group's **Veeko** and **Wanko** products (2004: 46 outlets). Most of these outlets operated by way of franchise. The outlet network under **Veeko** and **Wanko** brand names now covers not only first-tier cities such as Beijing, Shanghai, Chengdu, Guangzhou, Shenzhen and Zhuhai, but also other cities, including Chongqing, Wuhan, Nanjing, Kunming, Nanchang, Nanning, Zhengzhou and Xi'an.

Cosmetics Business

The Group launched its cosmetics retail chain business in October, 2004 and established the **Colourmix** stores. As at 31st March, 2005, there were 7 outlets, of which 4 were in Hong Kong and 3 in Macau. The Group's cosmetics retail business recorded a turnover of HK\$11,018,000, accounting for 2.2% of the Group's total turnover. The cosmetics business recorded a loss in the year under review as the investment was still in its initial development stage, during which it had already incurred substantial amount of expenses on advertising, shop image and concept design, trademark registration, initial recruitment and training and relevant formation costs. Nevertheless, the Group will continue to expand the cosmetics business in a prudent manner. We anticipate that the cosmetics business will become a major source of growth for the Group in future.



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在時裝業務發展方面，本集團計劃香港及澳門區未來一年會集中於現有店舖之增長，但仍會策略性地結束一些表現未合乎理想的店舖，繼而在地區優越且租金相宜的位置開設新店舖，有助提高集團之營業額及盈利效益，致使可以抵消部份因租金上升帶來之壓力。台灣之整體表現持續向好，仍有擴展店舖之空間，未來集團會繼續發展台灣區之業務。至於新加坡，經過對該區之業務檢討以及採取適當之策略調整，新加坡終於在二零零四/二零零五年度為集團帶來盈利貢獻，未來集團會以審慎之步伐發展新加坡市場，計劃至二零零六年三月三十一日止會逐步擴展店舖數目至13間。至於中國區方面，集團亦會隨著中國市場經濟持續增長，將會加強 **Wanko** 及 **Veeko** 兩個品牌在中國之推廣，計劃來年再增加約20間之中國區特許經營店舖，逐漸將中國零售網絡擴大。

Prospects

As part of its fashion business development, the Group will concentrate on the sales growth of existing outlets in Hong Kong and Macau in the coming year. Nevertheless, it will close down some underperforming outlets and open new ones in premium locations available at reasonable rentals. These measures will help to improve the Group's turnover and profitability, as well as partly relieve the pressure caused by rental increase. As the overall performance of the Taiwan market remains favorable, there is room for opening further outlets, and the Group will continue to expand its business in Taiwan. After a business review and appropriate strategic adjustments, the Singapore market finally made profit contribution to the Group during the year 2004/2005. The Group will develop the Singapore market in a prudent manner, and plans to increase the number of outlets to 13 by 31st March, 2006. On the mainland, the Group will step up its efforts in promoting the **Wanko** and **Veeko** brands, taking advantage of the ongoing economic growth. For the coming year, the Group plans to enlarge the retail network in the PRC by adding approximately 20 franchise outlets.



本集團於二零零五年三月參與由香港貿易發展局主辦於北京舉行之「香港時尚匯展」貿易展。

The Group participated in the trade fair organized by the Hong Kong Trade Development Council, "Style Hong Kong", which was held in Beijing, in March, 2005.

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至於化妝品業務方面，透過這半年來運作及市場推廣之策略，已將 **Colourmix** 這個品牌建立起來，其充滿色彩、潮流感及空間感的店舖設計，給顧客一個舒適的購物享受；再加上積極部署之市場推廣，例如贊助2005年度國際華裔小姐競選，更成為「2005年度國際華裔小姐競選大會選定化妝護膚品專門店」，此外更經常擔任受歡迎電視娛樂節目之贊助商等，令 **Colourmix** 之知名度增加，為 **Colourmix** 未來之發展奠下重要的基礎。展望未來，本集團將會繼續拓展 **Colourmix** 店舖，有鑑於現時位於遊客區之店舖反應符合預期，故未來會以遊客區為發展之重點，例如二零零五年七月份 **Colourmix** 會在尖沙咀遊客區柏麗大道開設一間旗艦店，集團期望到二零零六年底店舖數目達20間，而發展之步伐會按租金之走勢而作出合理之調整。此外集團亦會致力豐富產品系列、增加獨家經銷之美容產品、培訓員工提供優質專業之服務等。現時化妝品業務雖然只佔集團總營業額的2.2%，尚未為集團帶來貢獻，但本集團對此業務充滿遠境，長遠看好該業務發展，期望一至二年後能為集團帶來貢獻，而本集團更有信心化妝品業務於日後將會成為集團增長之主要動力。

As for the cosmetics business, after six months of development and marketing efforts, the Group has already established the **Colourmix** brand. The colorful, trendy and spacious shop design provides the customers with a comfortable environment for shopping. The Group also implemented a range of proactive marketing initiatives, such as sponsoring the Miss Chinese International Pageant 2005, in which it was designated as “Preferred Retail Shop for Cosmetics and Beauty Products to the Miss Chinese International Pageant 2005”, and sponsoring several popular TV shows. All these measures have contributed to the **Colourmix** brand’s rising reputation, laying a solid foundation for its future development. The Group will continue to expand the number of **Colourmix** outlets, focusing on tourist districts where response to existing outlets has been up to expectation. For example, a **Colourmix** flagship store will be opened in Park Lane, Tsim Sha Tsui in July 2005. The Group expects that the number of **Colourmix** outlets will reach 20 by the end of 2006, but the speed of expansion will be subject to reasonable adjustments according to rental levels. The Group will also diversify its product mix, increase the number of exclusively distributed products, and enhance service quality through staff training. Although currently the cosmetics business only accounts for 2.2% of the Group’s turnover and is yet to bring any contribution, the Group believes that it has promising long-term prospects. We expect that this segment will begin contributing to the Group’s business after the next year or two, and are confident that it will become a major source of growth for the Group in future.



Colourmix 成為「2005年度國際華裔小姐競選大會選定化妝護膚品專門店」。

Colourmix was designated as “Preferred Retail Shop for Cosmetics and Beauty Products to the Miss Chinese International Pageant 2005”.

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於二零零五年五月六日，本集團旗下之三大品牌：**Wanko**、**Veeko**及**Colourmix**喜獲香港超級品牌協會頒贈『超級品牌』之榮譽，這個獎項顯示了本集團之品牌無論在顧客之忠誠度、產品質素、市場優勢及接受程度均被一致肯定，而『超級品牌』之殊榮更使消費者在識別優質品牌上加上一份信心標誌。未來，本集團仍會繼續致力提供物超所值的貨品，提升產品的質素，亦會繼續致力於員工之培訓以提升員工整體的服務質素，為顧客提供優質的服務，為品牌提供有力的支持。而是次業務多元化將可提高威高集團日後之盈利能力，集團對於未來的發展表示審慎樂觀及充滿信心。

On 6th May, 2005, the Group's **Wanko**, **Veeko** and **Colourmix** brands were awarded "Superbrands (超級品牌)" by the Hong Kong Superbrands Council (香港超級品牌協會). The award has demonstrated the universal recognition of the customer loyalty, product quality, market dominance and acceptance of the Group's brands, as well as boosted consumers' confidence by helping them identify quality brand names. The Group will continue to offer products with superb value, improve product quality and enhance the service standards of its employees through staff training, with a view to providing even better services and strong support to the brands' development. Our diversified business portfolio will strengthen the Group's profitability in the future, and the Group is cautiously optimistic and fully confident of its prospects.

本集團旗下三大品牌：**Wanko**、**Veeko**及**Colourmix**榮獲香港超級品牌協會頒贈「超級品牌」之榮譽。The Group's **Wanko**, **Veeko** and **Colourmix** brands were awarded "Superbrands" by the Hong Kong Superbrands Council.



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流動資金及財務資源

本年度，集團之營運資金由截至二零零四年三月三十一日止167,748,000港元上升至204,381,000港元，而其流動比率及速動比率則維持於穩健水平，分別為5.85倍及3.85倍。

存貨可供銷售天數由截至二零零四年三月三十一日止年度的48天增加至回顧年度的60天，存貨周轉期增加了12天主要由於本集團之存貨由截至二零零四年三月三十一日止59,064,000港元上升至二零零五年三月三十一日止的84,385,000港元，其增加主要是來自化妝品之存貨。

於年結日，本集團之現金及銀行結存為95,575,000港元（二零零四年：100,278,000港元），並無任何未償還銀行借貸及透支（二零零四年：無），而借款總額為278,000港元（二零零四年：466,000港元）。

於年結日，本集團之負債比率為0.001（二零零四年：0.002）乃以本集團總借款額278,000港元（二零零四年：466,000港元）以及股東資金282,451,000港元（二零零四年：232,359,000港元）計算。

於二零零五年三月三十一日，本集團之銀行融資設施為80,572,000港元（二零零四年：60,567,000港元），當中本集團已動用之融資金額（即銀行擔保）為3,230,000港元（二零零四年：3,365,000港元）。管理層相信現有之財務資源足以應付日後之擴展計劃。如有需要時，本集團亦可以優惠條款取得額外融資。

Liquidity & Financial Resources

The Group's working capital increased from HK\$167,748,000 as at 31st March, 2004 to HK\$204,381,000 for the year while its current ratio and quick ratio were maintained at a healthy level of 5.85 and 3.85 times respectively.

The Group's inventory turnover on sales increased from 48 days for the year ended 31st March, 2004, to 60 days in the year under review. The adjustment of 12 days in inventory turnover period was mainly due to the increase in inventories from HK\$59,064,000 as of 31st March, 2004, to HK\$84,385,000 as of 31st March, 2005 of which the increase mainly contributed by inventories of cosmetics products.

As at the balance sheet date, the Group's cash and bank balances amounted to HK\$95,575,000 (2004: HK\$100,278,000) and there was no outstanding bank borrowings and overdraft (2004: Nil) whereas the total borrowings was HK\$278,000 (2004: HK\$466,000).

As at the balance sheet date, the gearing ratio of the Group is 0.001 (2004: 0.002) which is calculated based on the Group's total borrowings of HK\$278,000 (2004: HK\$466,000) and the shareholders' fund of HK\$282,451,000 (2004: HK\$232,359,000).

As at 31st March, 2005, the Group had banking facilities amounting to HK\$80,572,000 (2004: HK\$60,567,000), of which HK\$3,230,000 representing bank guarantees (2004: HK\$3,365,000) was utilised by the Group. The management believes that existing financial resources will be sufficient to meet future expansion plans and, if necessary, the Group will be able to obtain additional financing on favorable terms.

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資產抵押

於年結日，本集團就本集團獲授一般銀行融資而向若干銀行作抵押之資產47,889,000港元（二零零四年：42,297,000港元）。

或然負債

於二零零五年三月三十一日，本公司就本公司若干附屬公司獲授銀行提供擔保106,390,000港元（二零零四年：84,390,000港元）。於二零零五年三月三十一日，該等銀行擔保之已動用款額為2,885,000港元（二零零四年：2,998,000港元）。

員工及薪酬政策

於年結日，本集團僱有3,500名員工（二零零四年：3,316名），本集團主要根據業內慣例釐定員工薪酬，包括保險及醫療福利。本集團亦已根據個人業績表現採取一套獎勵計劃予員工。除基本薪酬福利外，部份主要員工更獲分配認股權，以作為獎勵及增強員工對集團的歸屬感。

致謝

本人謹代表董事會同仁，衷心感謝全體員工之忠誠服務、貢獻及努力，對一直支持本集團之各位股東、客戶、供應商及業務夥伴亦深表感謝，並希望各位繼續為本集團的成功作出貢獻。

主席
鄭鐘文

香港，二零零五年七月五日

Pledge of Assets

As at the balance sheet date, the amount of assets pledged by the Group to certain banks to secure general banking facilities granted to the Group was HK\$47,889,000 (2004: HK\$42,297,000).

Contingent Liabilities

At 31st March, 2005, the Company had provided guarantees of HK\$106,390,000 (2004: HK\$84,390,000) to certain banks in respect of banking facilities granted to certain subsidiaries of the Company. At 31st March, 2005, HK\$2,885,000 (2004: HK\$2,998,000) of these facilities has been utilised.

Staff & Remuneration Policies

As at the balance sheet date, the Group had 3,500 employees (2004: 3,316). The Group mainly determines staff remuneration (including insurance and medical benefits) in accordance with the industry's practices. The Group also implemented a reward scheme for its staff based on their individual performances. In addition to their basic remuneration and welfare, some key employees were granted share options as reward and incentive to enhance their loyalty to the Group.

Appreciation

On behalf of the Board, I would like to extend my heartfelt thanks to all the employees for their devotion, contribution and diligence and my deepest gratitude to all the shareholders, customers, suppliers and business partners for their continuous support. I sincerely hope that all of you will continue to contribute to the success of the Group.

Cheng Chung Man, Johnny
Chairman

Hong Kong, 5th July, 2005