

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group's Results

In 2006 Chow Sang Sang Group achieved a total turnover of HK\$6,981 million, increasing 21% over 2005. Profit attributable to shareholders went up 58% to HK\$297 million. Earnings per share increased to HK49.3 cents from HK31.1 cents in 2005.

The impetus for the upswing came from the Group's jewellery business, which benefited from both strong sales of gem-set jewellery and trading-in of gold. Contribution from stock and future broking made significant progress, and wholesale of precious metals also brought higher earnings.

Overview

The Group is engaged in three businesses: jewellery retail in Hong Kong, Mainland China, Taiwan and Macau ("Greater China"); wholesale of precious metals and brokerage of stock and futures in Hong Kong.

Chow Sang Sang Jewellery Company Limited together with some of its fellow subsidiaries operate, at the end of 2006, 86 jewellery shops under the name "Chow Sang Sang" in the mainland, and 34 shops in Hong Kong. They also operate 8 jewellery shops under the name "Emphasis Jewellery" in Hong Kong, one in Macau and 20 in Taiwan. Chow Sang Sang also owns and manages the jewellery shop "Midtown Jewelry" in Hong Kong Disneyland.

The retail network in China now covers some 40 cities. It consists entirely of shops owned and operated by the Group. In order to afford better and more effective brand management, the Group has made it a policy not to issue franchises or licences.

The shops are managed through four regional centres located at Qingdao, Shanghai, Guangzhou, and Xian, with area offices in Beijing and Fuzhou as well. Manufacturing is done mainly in owned facilities in Qingdao, Shunde and Hong Kong and bolstered by other suppliers in China and Hong Kong with finished goods or items made to custom design and specification.

Besides jewellery designed in-house, the Group offers customers a wide selection of international brands, such as Stefan Hafner, The Love Diamond, Elara, DTC Forevermark and Marco Bicego. Teams of merchandisers regularly visit Europe and Japan to search the market for new additions.

本集團業績

本集團2006年度營業額達6,981,000,000港元，較2005年上升21%。股東應佔溢利增加58%至297,000,000港元。每股盈利由2005年31.1港仙上升至49.3港仙。

升幅主要來自集團珠寶業務，由強勁的珠寶鑲嵌飾品銷售及回收舊金所帶動。證券及期貨經紀業務貢獻有顯著增長，貴金屬批發業務也有較高收益。

綜觀

本集團經營三方面業務：在香港、中國內地、台灣及澳門（「大中華」）經營珠寶零售；並在香港經營貴金屬批發及證券與期貨經紀業務。

周生生珠寶金行有限公司及其若干聯屬公司於2006年底以「周生生」經營的分店在內地有86家，在香港有34家。以「點睛品」經營的分店在香港有8家，在澳門有1家，在台灣有20家。周生生並擁有香港迪士尼樂園「小鎮珠寶店」的經營權。

中國內地零售網絡目前分佈於40個城市，分店全屬自營。為達致更佳及更有效益的品牌管理，本集團政策是不設特許經營或授權經營。

分店由位於青島、上海、廣州及西安四個區域管控中心管理，並於北京及福州設立地區辦公室。生產主要在青島、順德及香港的自設工場進行，亦有從內地及香港的供應商採購成貨或根據訂製設計及既定規格生產之成品。

本集團除自行設計珠寶飾品外，亦為顧客提供多個國際品牌以供選擇，如Stefan Hafner, The Love Diamond, Elara, DTC Forevermark及Marco Bicego。採購隊伍定期到歐洲及日本搜羅最時尚的飾品。

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Overview (continued)

Selected shops in Hong Kong and China carry Rolex and Tudor watches as official agents. The Group is licensed by the respective owners of intellectual properties such as Disney and Hello Kitty to use them for design and marketing in territories in Greater China.

Since 2005 Chow Sang Sang has been one of 93 worldwide "Sightholders" of the Diamond Trading Company in London, from whom it buys rough diamonds directly. Rough diamonds bought from that company and other sources are polished by contractors in Mainland China. The purpose of buying rough diamonds is to add a channel to the Group's supply of polished diamond that it needs in its jewellery manufacturing. The Group does not intend to develop a diamond polishing and wholesale business *per se*.

World Commercial Sales Company Limited is engaged in the wholesale of gold, platinum and palladium in Hong Kong, its clients being downstream users of the metals. The business, operating under a policy of minimising risks by taking little or no positions on the metals and extending no credits, is high in turnover but low on margin. It is a valuable facility to the jewellery business which is of course a large user of the metals.

Chow Sang Sang Securities Limited and Chow Sang Sang Futures Limited together maintain 8 offices in Hong Kong as well as internet trading platforms for stocks and futures. The companies aim at a small niche market of retail clients, providing professional personalised service while leveraging on the Group's branding and network. To this end, management puts due emphasis on control, risk management and technology.

Jewellery Retail

Of the Group's total turnover, 40% came from retail of jewellery as compared to 41% in 2005. Turnover rose 17% to HK\$2,785 million, and operating profits increased 75% to HK\$303 million.

Hong Kong & Macau

Shops in Hong Kong and Macau accounted for 80% of the jewellery turnover. Turnover was HK\$2,214 million, 11% over that of 2005.

綜觀 (續)

集團在香港及內地揀選特定分店為勞力士及帝舵錶的特約經銷商。集團亦向如迪士尼及Hello Kitty等知識產權之持有人取得在大中華地區的設計及行銷權。

本集團自2005年起成為倫敦國際鑽石商貿公司全球93家「鑽石配貨商」之一，直接向該公司購入鑽石毛坯。購自該公司及由其他供應商之鑽石毛坯的打磨工作交予內地承包商處理。購入鑽石毛坯目的是為集團珠寶製造所需的成品鑽石增添貨源。集團無意發展鑽石打磨及批發業務。

世界批發行有限公司在本港經營黃金、鉑金及鈹金批發業務，其客戶為貴金屬業務下游用家。此項業務屬高營業額低利潤，營運政策務求將風險減至最低，只存少量倉盤或不作空倉，及不延長信貸期。由於珠寶業務為此項業務主要用家，故此對集團珠寶業務有重大價值。

周生生證券有限公司及周生生期貨有限公司在香港現有8個營業點，亦提供證券及期貨互聯網交易平台。此兩家公司目標是利用集團的品牌及網絡，為一個細小而切合的零售客戶市場提供專業的個人服務。為此，管理層十分注重監控、風險管理及資訊科技。

珠寶零售

珠寶零售佔本集團總營業額40%，2005年為41%。營業額上升17%至2,785,000,000港元，經營溢利上升75%至303,000,000港元。

香港及澳門

香港及澳門分店佔珠寶零售總營業額80%。營業額為2,214,000,000港元，較2005年上升11%。

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Jewellery Retail (continued)

Hong Kong & Macau (continued)

In 2006, a new shop was opened at Shatin Centre and the one at New Town Plaza Shatin was relocated within the mall. The opening of the shop at Skyplaza, Terminal 2 of the Hong Kong International Airport, was delayed and took place in the first quarter of 2007. Emphasis Jewellery opened a new shop at Taikoo Shing in March and one at Telford Plaza in November. During the year, one Chow Sang Sang shop was closed upon the expiration of its lease.

The price of gold went on a continuous climb from December 2005 until May 2006, at which time it took a plunge from the peak. Regaining some ground it remained volatile at relatively high levels to the end of the year. As detailed in the Group's Interim Report 2006, during the first half of the year gross profit shot up thanks to better margins and to gains on the recycling of gold sold back by customers. As was expected, selling by customers abated as the price of gold went off peak, but both inflow and outflow remained brisk throughout the year, the latter being fuelled by demand for bridal ornaments.

Third quarter 2006 was unremarkable, but thanks to the surging economy in Hong Kong and the stream of shoppers from the mainland, performance in the last quarter was so strong turnover registered an increase of 24% over 2005. Benefiting from a HK\$18 million advertising campaign launched in August, sales of diamonds, branded and non-branded, were gratifying, having gone up 23% year on year. At the same time, sales of jewellery priced HK\$100,000 and up increased 28%.

Emphasis Jewellery is positioned as a boutique of jewellery in eclectic styles, with focus on character and exclusivity. Turnover of the Emphasis Jewellery shops increased 39% from 2005. Although Emphasis Jewellery contributes relatively small profits it is making satisfactory progress as it fulfils its mission as a "trend-setter". Its shop in Central was cited in the volume *Cool Shops Hong Kong*, and its poster advertisements won gold and silver in the 2006 annual poster awards organised by the MTR.

Both Emphasis Jewellery and Chow Sang Sang had one sales representative each named by Diamond Trading Company as Forevermark Service Ambassadors of the Year, with the one from Emphasis Jewellery taking the top honour as champion. The company had invited the Ambassadors to visit their facilities in England.

珠寶零售(續)

香港及澳門(續)

於2006年，一家新店在沙田中心開業，而位於沙田新城市廣場的分店已於商場內重新配置的舖位營業。位於香港國際機場二號客運大樓翔天廊的新店延遲至2007年第一季開業。點睛品於3月份在太古城開設一家新店，另於11月份在德福廣場增設一家新店。年內有一家周生生分店於租約期滿後結業。

金價自2005年12月開始持續攀升，至2006年5月升至最高位後突然回落，收復失地後一直在較高水平反覆徘徊至年底。概如本集團2006年中期報告所提及，由於消費者回售黃金予集團，回收舊金收益及毛利率均錄得顯著增長，令集團上半年度毛利大增。一如所料，隨著金價從高位回落，消費者回售黃金熱潮亦放緩，但年內之黃金回售及銷售業務仍保持興旺，銷售主要受惠於婚嫁飾品的需求。

2006年第三季表現只屬一般，但在香港經濟暢旺及內地旅客消費的因素推動下，第四季表現強勁，營業額較2005年同期增加24%。受惠於8月份投放18,000,000港元所進行之宣傳活動，無論品牌及非品牌鑽石飾品銷售表現令人滿意，較去年同期上升23%。此外，售價在100,000港元或以上的珠寶銷售亦有28%增長。

點睛品已定位為推崇個性及獨特品味之時尚珠寶店。點睛品營業額較2005年增加39%。雖然點睛品的毛利貢獻相對較少，但發展令人滿意，已達到帶領潮流之目標。不單位於中環之分店被列載於刊物 *Cool Shops Hong Kong*，其地鐵廣告海報亦榮獲由地鐵公司舉辦的2006年度最佳地鐵廣告大獎中的一項金獎及一項銀獎。

點睛品及周生生各有一名營業代表榮獲國際鑽石商貿公司嘉許為年度Forevermark傑出服務大使，其中點睛品代表更勇奪冠軍此項最高榮譽。各傑出服務大使均獲邀參觀該公司位於英國當地設施。

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Jewellery Retail (continued)

Hong Kong & Macau (continued)

The main items of expenditure remained shop rentals and personnel emoluments. Renewal of leases during the year saw increases averaging 16%. Basic salaries were modestly adjusted up 2% at the beginning of the year but strong turnover over the entire year drove up profit-based bonus awards. Overall, personnel emoluments increased 12% over 2005.

Capital expenditure for the year was mostly incurred in opening of new shops and renovation of existing ones. The total amount was HK\$11 million.

Mainland China

The turnover in China advanced 76% to HK\$502 million, contributing 18% of the total jewellery retail, up from the 12% in 2005.

Major contributors of gross profit were the shops in Beijing, Shanghai, Guangzhou and Xian. However, other cities such as Fuzhou and Jinan also boasted individual shops whose gross profits reached “championship level” during the year.

In 2006, 25 new shops were opened, bringing the total to 86. Shops were opened for the first time in the cities Tianjin, Hefei, Chengdu, Kunshan, Kunming, Xuzhou, Guiyang and Ningbo.

The pleasing growth, we believe, can be attributed to several factors: our frontline staff have matured as our training efforts bore fruit; we have enhanced our recognition in the mainland as the network grows; and our sales, marketing and product teams have been tuned to work together effectively.

Capital expenditure in the year amounted to HK\$25 million, the bulk of which went to the opening of new shops.

Taiwan

Turnover of Emphasis Jewellery in Taiwan decreased by 28% to HK\$69 million, accounting for 2% of the total (2005: 4%).

Our loss in Taiwan widened as the retail sector continued to be impacted by political turmoil and cutthroat competition. We are redoubling our efforts in changing the product mix and consolidating the store network.

珠寶零售(續)

香港及澳門(續)

店舖租金及人事費用仍為主要開支項目。年內續租之平均租金增幅為16%。基本薪金於年初作適當調升2%，由於全年營業額表現強勁，以利潤作為計算基礎的業務獎金亦因而上升。整體而言，人事費用較2005年上升12%。

年內之資本性開支主要投放在開店及重裝現有分店。總金額約為11,000,000港元。

中國內地

中國內地營業額躍升76%至502,000,000港元，由2005年佔珠寶零售總額12%上升至18%。

主要毛利貢獻之分店位於北京、上海、廣州及西安。然而，其他城市如福州及濟南則以擁有毛利於年內達「冠軍」水平的個別分店而自豪。

年內開設25家新店，使分店總數達86家。年內首次於天津、合肥、成都、昆山、昆明、徐州、貴陽及寧波等城市開店。

本集團相信，令人滿意的業績增長源於幾個主要因素：前線人員經培訓後漸趨成熟；分店網絡擴展提高內地對本集團的認受性；及銷售、行銷與貨品團隊各方面的有效協作。

年內之資本性開支總金額為25,000,000港元，主要作開店之用。

台灣

台灣點睛品的營業額下跌28%至69,000,000港元，佔總營業額2%（2005年：4%）。

受到政治混亂及同業間割喉式競爭拖累，令集團在台灣之虧損擴大。集團正加倍積極調節貨品組合及整固分店網絡，以改善業績。

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Wholesale of Precious Metals

As the prices of gold and platinum hovered at high levels, turnover rose 38% to HK\$4,041 million, bring in operating profit of HK\$9 million, being a 30% increase over 2005.

Profit margin tends to be low and vary widely according to demand and supply. World Commercial Sales Company Limited, our wholesale arm, enjoys felicitous relationships with several suppliers, especially one that is a major player in platinum, giving us an edge over our competition.

Securities and Futures Broking

The stock market in Hong Kong continued its buoyancy throughout the year, with the Hang Seng Index closing above 20,000 for the first time ever in December.

Riding on the active market, our transaction volume reached HK\$22 billion, as compared to HK\$12 billion in 2005. The growth is in line with the market and is better than the average performance of Group C brokers. Commission income and operating profit were HK\$54 million (+72%) and HK\$31 million (+147%) respectively.

During the year, financing to clients for 55 initial public offerings ("IPO") subscriptions generated a net revenue of HK\$4.5 million but at a shrunken percentage rate that reflected how competition from banks continue to erode our profitability. Our overall commission rate went down to 0.21% from last year's 0.23%.

Investments

Properties

The Group holds properties mainly for its own use as office, jewellery shops and factory premises. Rental income from investment properties stood at HK\$8 million, less than 1% of the Group's overall turnover.

Shares in Hong Kong Exchanges and Clearing Limited

Shares in Hong Kong Exchanges and Clearing Limited ("HKEC"), received as distribution from the merger of the stock and futures exchanges in 2000, are being held by the Group as available-for-sale investments. As at 1 January 2006 and 31 December 2006, the Group held 4,953,500 shares of HKEC and the unrealised gain on the holding amounted to HK\$421 million (2005: HK\$159 million).

貴金屬批發

營業額因黃金及鉑金價格徘徊於高水平而上升38%至4,041,000,000港元，經營溢利因而較2005年上升30%至9,000,000港元。

邊際利潤趨向低水平，並隨供求情況而大幅變異。經營集團批發業務的世界批發行有限公司與若干供應商關係友好，尤其是當中一家主要鉑金供應商，造就本集團此項業務更具競爭優勢。

證券及期貨經紀

年內本港證券市場持續向好，恒生指數收市在12月份更首次衝破20,000點。

在活躍的證券市場帶動下，集團交投量由2005年的120億港元上升至220億港元，增長與市場一致，亦較C組經紀的平均表現為好。佣金收益及經營溢利分別為54,000,000港元(+72%)及31,000,000港元(+147%)。

年內為55項首次公開招股而向客人提供融資的淨收入達4,500,000港元，但由縮減的百分比率可見在與銀行的激烈競爭下，盈利續受侵蝕。整體的佣金率自去年0.23%下跌至0.21%。

投資

物業

本集團持有之物業大部分自用為辦公室、珠寶店及廠房。投資物業帶來之租金收入維持在8,000,000港元，佔本集團總營業額少於1%。

香港交易及結算所有限公司股份

於2000年證券及期貨交易所合併而獲分配之香港交易及結算所有限公司(「港交所」)股份，列為本集團持有可供出售投資。於2006年1月1日及2006年12月31日，本集團持有4,953,500股港交所股份，未變現收益為421,000,000港元(2005年：159,000,000港元)。

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Finance

Financial Position and Liquidity

The Group centralises funding for all its operations through the corporate treasury based in Hong Kong, which is also given the management of the Group's gold and foreign exchange holdings. This policy achieves better control of treasury operations and lower average cost of funds.

As at 31 December 2006, the Group had net cash and cash equivalents of HK\$285 million, and total undrawn bank and other credit facilities of approximately HK\$685 million. The Group generates strong recurring cashflow from its core jewellery business.

The Group's policy is to obtain financing on an unsecured basis whenever possible. Total borrowings as at 31 December 2006 amounted to HK\$127 million, which was unsecured and repayable in one year. The Group has a low gearing ratio of 5%, based on net debt of HK\$127 million and shareholders' equity of HK\$2,558 million. As at 31 December 2006, the current ratio was 2.8, based on current assets of HK\$2,645 million and current liabilities of HK\$942 million. Most of the cash is deposited in the leading banks of Hong Kong in either HK dollar or US dollar.

Foreign Exchange Risk Management

The Group considers its foreign currency exposure insignificant. The Group has foreign currency exposure in Renminbi ("RMB"), New Taiwan dollars, Euro and Japanese Yen. Currency risks are managed by partly financing non-Hong Kong dollar assets with loans denominated in the relevant currency. As at 31 December 2006, total foreign currency borrowings excluding RMB borrowings amounted to approximately HK\$7 million (2005: HK\$5 million). RMB loans at year end amounted to RMB100 million (2005: RMB76 million) and are used for the operations in Mainland China.

Most of the Group's assets and liabilities, revenues and payments are in HK dollar and US dollar.

財務

財務狀況及流動資金

本集團營運資金集中由香港總公司財政部門統籌，該部門亦負責管理本集團持有之黃金及外匯。此政策令各項營運現金流量得到較佳監控，減低平均融資成本。

於2006年12月31日，本集團持有現金及等同現金為285,000,000港元，未動用之銀行及其他信貸額約為685,000,000港元。本集團之核心珠寶業務將繼續提供龐大的經常性現金流量。

本集團政策盡量以無抵押方式取得融資。於2006年12月31日之借貸總額為127,000,000港元，為無抵押及須於一年內償還。本集團維持低水平的負債比率5%，是以淨負債127,000,000港元及股東權益2,558,000,000港元為基礎計算。於2006年12月31日，以流動資產2,645,000,000港元及流動負債942,000,000港元為計算基礎之流動比率為2.8。大部分現金以港元或美元存於本港具領導地位的銀行。

外匯風險管理

本集團外匯風險很小，外幣風險主要在人民幣、新台幣、歐羅及日元；管理方法是以外幣債務為手上同幣資產融資。於2006年12月31日，不計人民幣之外幣借款約為7,000,000港元（2005年：5,000,000港元）。於年底之人民幣借款為100,000,000人民幣（2005年：76,000,000人民幣），作為中國內地營運資金。

集團大部分資產及負債、收入及付款均以港元及美元結算。

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Finance (continued)

Charges on assets

The Company guarantees banking and other facilities granted to its subsidiaries. Some of the Group's banking facilities are secured by certain items of properties with a net carrying value of HK\$153 million (2005: HK\$142 million), and listed equity investments of HK\$298 million (2005: HK\$87 million). As at 31 December 2006, the Group's total bank loan and gold loan amounted to HK\$127 million (2005: HK\$98 million) and HK\$118 million (2005: HK\$116 million), respectively.

Human Resources

The Group employs 2,639 persons total in the territories it operates. During the year it phased in a unified system of sales awards based on gross profits and bonus schemes based on adjusted net profits. Allocation of the awards and bonuses is tied to performance appraisal. The entire system is geared to give incentive to employees to upgrade their productivity.

A new MPF service provider was added to give employees a wider choice of investment funds. While all new contributions will be passed to the new provider, employees are given the choice of how much of their previously accumulated funds they wish to switch from the old one to the new.

The Group continued to allocate considerable resources to training and development, especially to employees in Mainland China. In order to nurture frontline managers for the expanding network, mainland employees have been given numerous opportunities to engage in exchange with their Hong Kong counterparts.

Outlook

Although the stock market showed signs of overheat and has taken some retreats in the first quarter, the prospect is still positive as a significant number of IPO is said to be lined up for the year. The brokerage business is expected to continue its steady, if small by comparison, contribution to profits.

The strong jewellery sales of the 2006 Christmas season continued past the Chinese New Year, both in Hong Kong and in Mainland China. Indications are such that both economies will enjoy healthy expansion in 2007, thus providing growth opportunities to our jewellery business.

財務(續)

資產抵押

本公司為其附屬公司取得銀行及其他信貸提供擔保。本集團為銀行融資提供的抵押品包括賬面淨值達153,000,000港元(2005年:142,000,000港元)之若干物業及298,000,000港元(2005年:87,000,000港元)之上市股份投資。於2006年12月31日,本集團之銀行貸款及黃金借貸總額分別為127,000,000港元(2005年:98,000,000港元)及118,000,000港元(2005年:116,000,000港元)。

人力資源

集團在各地共僱用2,639位人員。年內開始統一獎金制度,逐步實施以毛利及經調整淨利為計算業績獎及花紅的基準,並依據員工之表現釐定分配獎金。整個制度以獎勵作為推動員工提升表現的動力。

年中加入新的強積金服務提供者,使員工在投資上有更多的選擇。員工除了將新供款轉由新提供者管理外,也可選擇將部份以往的累計強積金資金從舊賬戶轉移至新賬戶。

本集團繼續投放相當多的資源在培訓發展方面,特別以培訓內地員工為重點。為培養前線管理人員配合集團網絡的擴展,集團為內地員工提供不同機會與香港員工交流。

展望

雖然證券市場呈現過熱訊號及在首季曾稍有倒退,但年內有相當數量的首次公開招股活動準備推出,前景仍然樂觀。雖然經紀業務對集團溢利貢獻相對少,但預期能繼續提供穩定的收益。

本港及中國內地在2006年聖誕期間的珠寶銷售強勁,一直延續至農曆新年之後,顯示兩地的經濟均會於2007年健康發展,為集團珠寶業務帶來增長的機會。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Outlook (continued)

In Hong Kong, our shop at 628 Nathan Road is due to be expanded in the second half to approximately two times its present area, allowing us to provide an unprecedented shopping experience to mainland visitors. A store at Elements, a mall that is uniquely a part of a vast complex of offices, 5 and 6-star hotels and residential towers situated on top of a huge transport hub in Kowloon, will offer customers upmarket jewellery in luxurious ambience. An Emphasis Jewellery shop will open at Queensway Plaza in the second quarter.

In Mainland China, at the end of the first quarter of 2007 the number of shops stands at 90 and it will pass 100 in the middle of the year. Shops will be set up for the first time in cities such as Urumqi and Lanzhou, and more will be opened alongside existing one in cities such as Chongqing, Wuhan, Harbin, Fuzhou and Beijing.

In order to increase profitability and to enhance our brand image, we have launched a major effort to increase the ratio of designs developed and produced in-house while continuing to source proprietary and exclusive designs from other manufacturers.

As our network in Mainland China expands, our supply chain management is put to the test at the same time as our investments in infrastructure and advertising achieve higher efficiency. At our production centres we are building up capacity as well as technical capability. We are constantly honing our logistical procedures in order to shorten lead times without impinging on system robustness or security.

In order to meet the demands of the expanding retail network, the intranet system for shop management will receive a major hardware upgrade aimed at providing faster response and higher capacity. At the same time, soft- and hardware upgrades on the human resource management system will be implemented so as to extend its application Group wide.

Our retail strategy is, simply put, to reach the hearts of our customers by the sincerity and geniality of our staff, and the excellence and quality of our jewellery.

展望 (續)

集團位於香港彌敦道628號分店面積將於下半年度擴充至現時的兩倍，將為內地遊客提供前所未有的購物享受。一家新店將在座落於九龍交通交匯處的大型購物中心Elements開業，上蓋為商廈、五星及六星級酒店及住宅，將為顧客提供高檔及時尚的珠寶。而一家點睛品新店將於第二季在金鐘廊開業。

內地分店數目於2007年第一季末達90家，於年中將超越100家。集團將首次在烏魯木齊、蘭州等城市設店，同時在重慶、武漢、哈爾濱、福州及北京等已設點之城市加開新店。

為增加利潤及提升品牌形象，集團著力增加生產自家開發款式的比例，並繼續向其他供應商物色專有及設計獨特的產品。

隨著內地分店網絡不斷發展，集團在基建及宣傳的投資取得較高成效的同時，供應鏈管理則備受考驗。除提高各生產中心的產量及技術，集團不斷改善物流程序，於不影響系統之健全及保安情況下，縮短補貨時間。

為配合零售網絡的擴展，集團將提升用於分店管理之內聯網系統的主要硬件，藉此加快回應及增大容量。同時，人力資源管理系統的軟件及硬件將會提升，從而使其應用擴展至全集團。

本集團策略是以員工的真誠和親切的服務，及優質的貨品，令顧客感到安心、稱心、開心和銘心。