

Chairman's statement

主席報告

致各股東：

本人謹此代表慕詩國際集團有限公司（「本公司」）董事會（「董事會」）欣然提呈本公司及其附屬公司（「本集團」）截至二零零三年三月三十一日止年度之業績。

業績

截至二零零三年三月三十一日止年度，本集團錄得營業額約218,000,000港元，而股東應佔溢利約為32,000,000港元。

毛利率下跌至73.4%，而去年則錄得78.2%。於年底，存貨對銷售之流轉比率為45日，於去年底則為41日。

業務回顧

於二零零三年財政年度期間，本集團投入重大資源以進一步建立高檔時尚品牌持有人之名聲。為履行將於香港所建立之品牌MOISELLE推廣至鄰近地區之任務，本集團致力研發產品設計、引進多款潮流配飾以增加產品種類、加強宣傳及市場推廣活動，包括舉行時裝表演及透過傳媒進行宣傳以及鞏固本集團作為時尚生活主要元素供給者之形象。

本集團已聘請本地資深設計師研究全球服裝市場日新月異之變化趨勢，以揉合珍貴元素加強創意及市場觸覺度，並專注迎合顧客對潮流服飾之需求。本集團已推出適合不同年齡顧客之服飾，為應付增加之營業額，本集團於中國深圳之自設生產設施已投入服務，並監察其產量務求達至高效益之成效。本集團亦與不少分包商及供應商維持穩定之關係，以確保本集團之連鎖店可取得最佳之貨品流量水平。

Dear Shareholders,

On behalf of the board of Directors (the "Board") of Moiselle International Holdings Limited (the "Company"), I am pleased to present the results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2003.

Results

The Group recorded a turnover of approximately HK\$218 million and profit attributable to the shareholders of approximately HK\$32 million for the year ended 31 March 2003.

Gross margin decreased to 73.4 percent, compared to 78.2 percent in last year. The inventory turnover was 45 days at the year end, compared to 41 days at the end of last year.

Business review

During the fiscal year of 2003, the Group allocated significant resources in furthering its developments in the establishment of a high-end fashion brand owner. With the aim of bringing the Hong Kong sourced brand name, MOISELLE, into the adjacent regions, the Group put efforts on research and development of product designs, broadening product categories by introducing various fashion accessories, increased promotion and marketing activities including fashion shows and exposure on mass media, and strengthening of the Group's image of being a provider of glamorous lifestyle essential element.

The Group has engaged locally trained designers to study the ever-changing trends in the worldwide fashion market, to capture valuable factors consolidating creativity and marketability and to focus on the customers' needs on fashion apparel. Designs for customers from different ages are launched and to cater for the increased turnover, the Group started to operate its own production facilities in Shenzhen, the PRC, of which the production volume was monitored to achieve high efficiency. The Group also maintained stable relationships with numerous sub-contractors and suppliers to ensure optimal level of merchandise flow within the chains of stores of the Group.

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誠如過往所述，本集團不斷發展及開拓中國內地市場，成績超卓。於年內來自大中華地區之營業額已增加至超過整體營業額之18%。於過去十年，中國內地主要城市之生活水平不斷提升，為服飾業之黃金時機。本集團視該等市場為新目標，藉此為本地市場所面對之經濟困境所增加之風險取得槓桿平衡。本集團其中一項策略為與在中國內地服飾市場擁有豐富經驗之業務夥伴合作以增加分銷渠道，並於香港著名購物區開設新店舖以吸引中國遊客，藉此增加在該幅員遼闊市場之品牌知名度。

展望

於下年度上半年，本集團已陸續於中國內地城市如西安、盤錦、南寧、武漢、廈門等開設新店舖，並將繼續增加店舖數目。管理層已實施有效流程以評估各店舖之表現，並不斷確保能夠維持既定之業務方針。

於過去數月，香港經濟因爆發嚴重急性呼吸道綜合症（「非典型肺炎」）及伊拉克戰爭引致全球經濟低迷而受到沉重打擊，當中受到最大影響之行業分別為旅遊業、出口業及零售業。管理層已加強措施以減低因該等事件所帶來之損失。而最近該等不利影響已較本公司於二零零三年四月二十四日刊發之公佈所披露之情況有所紓緩。

The Group has continued to develop and expand the operations in the mainland China as communicated to you previously. The results so far were fruitful and the turnover in the Greater China region had increased to over 18% of the overall turnover during the year. The increase in living standards of major cities in the mainland China during the past decade presents a golden opportunity for apparel industry. The market had become new focus of the Group and had provided leverage to the increasing risk of local market under the unresolved economic difficulties. One of the Group's strategies is to team up with business partners with proven records of experience in the apparel market of mainland China to increase distribution channels, whilst the establishment of new stores in favorable shopping districts in Hong Kong to attract China tourists had also intended to increase the level of brand presence in the geographically diverse market.

Outlook

During the first half of the year ahead, the Group has continued to open new stores in cities of mainland China such as Xian, Panjin, Nanning, Wuhan, Xiamen, etc, and would continue to increase the number of stores. The management has implemented procedures to measure the performance of individual stores and will continue to keep the operations on the right direction.

In the past few months, the economy of Hong Kong has experienced crippling impacts both from the outbreak of severe acute respiratory syndrome ("SARS") and the global economic downturn due to the Iraq war. The management has extended measures to reduce damages from the events, which affected mostly the tourist industry, the export industry and the retail industry. The adverse impact has lessened currently as compared to the situation disclosed in the announcement of the Company dated 24 April 2003.

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管理層已重新檢視於香港之整體零售業務以及於中國內地及台灣之業務。凡位於香港之零售店舖之經營租賃協議將於下一個財政年度屆滿者，將獲重新審視，而位於人流較少地點且回報率下降之店舖將不會續訂租約。由於現時可以更相宜之租金於較核心地區開設店舖，本集團已與人流暢旺之購物商場（主要位於尖沙咀）訂立新租賃協議。

管理層亦嚴謹控制成本管理，包括經營租賃開支及員工成本，而整體成果將可於下一個年度之財務業績中反映。

管理層明白到本集團高度集中於大中華地區之業務，當相鄰市場同時面對不利因素時，將增加本集團之風險。市場多元化乃本集團下一個重點計劃，而於其他區域實施分銷渠道之可行性乃未來一年之考慮事項。

最近公佈之「更緊密經貿關係安排」（「CEPA」）有助放寬於中國內地參與分銷業務之規定。管理層定必善用新安排為本集團開拓新業務商機。

感謝

本人謹此代表董事會對所有股東及業務夥伴之支持致謝，亦感謝管理層及員工對本集團所作出之努力及貢獻。

陳欽杰

主席

香港，二零零三年七月二十一日

The management has re-examined the overall retail operations in Hong Kong and the operations in mainland China and Taiwan. Retail outlets in Hong Kong with operating lease agreements expiring within the next financial year have been reviewed and no renewal would be made for outlets at peripheral locations with diminishing returns. With better opportunities to occupy outlets at more prime locations at competitive rentals, the Group has engaged in new lease agreements at shopping malls with satisfactory pedestrian flows, mainly in Tsimshatsui.

The management has also exercised more stringent controls on cost management, including operating lease expenditure and staff costs, the overall effects of which could be reflected in the financial results of next year.

The management is aware that the highly concentration of the Group's business in the Greater China region would increase the Group's vulnerability to common adversities across adjacent markets. Market diversification would be the next agenda of the Group and the possibilities of implementing distribution channels in other continents would be considered in the year ahead.

The Closer Economic Partnership Arrangement ("CEPA") recently announced provides loosened requirements of joining distribution business in mainland China. The management would certainly look forward to exploiting new business opportunities for the Group under the new arrangement.

Appreciation

On behalf of the Board, I take this opportunity to thank all the supportive shareholders and our fellow business partners, and to express my gratitude to our management and staff for their hard work and dedication to the Group.

Chan Yum Kit

Chairman

Hong Kong, 21 July 2003