

# Management discussion and analysis

## 管理層討論及分析

### 業務回顧

截至二零零三年三月三十一日止年度，本集團憑藉於中國開設多間新專門店，已成功開拓大中華市場。於二零零三年三月三十一日，於中國國內共設有31間 *MOISELLE* 專門店及一間 *imaroon* 專門店，分別位於中國多個城市，包括北京、上海、廣州、杭州、深圳、哈爾濱、瀋陽、長春、大連、鄭州、南京、重慶、無錫、寧波、紹興、貴陽、溫州、台州、昆明、福州及佛山。

於回顧年度，本集團已開展台灣市場之零售業務，並於年底開設有五間 *MOISELLE* 專門店，一間位於臺中，其他均位於臺北。

在香港方面，於二零零三年三月三十一日，本集團擁有22間 *MOISELLE*、12間 *imaroon* 及一間 *M.kids* 零售店舖（二零零二年：21間 *MOISELLE*、8間 *imaroon* 及一間 *M.kids*）。年內，本集團遠赴歐洲國家增購配飾之貨源，包括鞋、披巾及手袋，以增加產品種類，繼續秉承向其客戶提供優質及物有所值產品之宗旨。

本集團已於二零零二年十二月在九龍塘再開設一間 *MOISELLE* 旗艦店。有關於年內就 *moi* 產品開設獨立店舖之計劃已重新考慮，而更新之時間表尚未落實。管理層認為由於近期本地市場之經濟復甦情況尚未明朗，本集團須等待更佳時機再實踐該計劃。

於年內，*imaroon* 產品之銷售有所改善，而直至目前為止，已達至管理層之預期發展。

### REVIEW OF OPERATIONS

The successful exploration of the Greater China market by the Group has further established new stores in the PRC during the year ended 31 March 2003. There were totally 31 *MOISELLE* stores and one *imaroon* store in the PRC as at 31 March 2003, located in various cities in the PRC including Beijing, Shanghai, Guangzhou, Hangzhou, Shenzhen, Harbin, Shenyang, Changchun, Dalian, Zhengzhou, Nanjing, Chongqing, Wuxi, Ningbo, Shaoxing, Guiyang, Wenzhou, Taizhou, Kunming, Fuzhou and Foshan.

During the year under review, the Group commenced retail business in Taiwan market and retained five *MOISELLE* stores at the end of the year. One was located in Taichung and the others were in Taipei.

In Hong Kong, the Group operated 22 *MOISELLE*, 12 *imaroon* and one *M.kids* retail outlets as at 31 March 2003 (2002: 21 *MOISELLE*, 8 *imaroon* and one *M.kids*). During the year, the Group increased the sourcing of accessories, including shoes, shawls and handbags, from European countries to increase the product variety and had continued to aim at providing products with good quality and value for money to its customers.

The Group has opened one more flagship store of *MOISELLE* in Kowloon Tong in December 2002. The plan to open independent stores for the line *moi* during the year has been reconsidered and the renewed schedule has not been concluded. The management considers that due to the uncertainty in the restoration of the economic momentum in the local market recently, the Group should wait for a better timing to continue the plan.

The performance of the *imaroon* line during the year has improved and the development so far has achieved the management's expectation.

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### 財務回顧

#### 概覽

截至二零零三年三月三十一日止年度，本集團之營業額較二零零二年增加約14%，達至約218,203,000港元（二零零二年：191,520,000港元）。有關增幅主要來自本集團於大中華地區，包括中國及台灣但不包括香港及澳門擴展特許經營網絡。於回顧年度，該地區收益增加138%，達至約39,578,000港元（二零零二年：16,627,000港元）。儘管本地零售市場之經濟環境不理想，本集團於香港地區之收益仍取得輕微上升約2%。

年內，本集團之毛利率約為73.4%，而去年則約為78.2%。錄得約4.8個百分點之跌幅主要由於香港零售業務之收益比例減少，而香港境外大中華地區之特許經營業務之收益比例增加所致。

年內，本集團為存貨作出一般撥備約為2,800,000港元（二零零二年：300,000港元）。管理層認為，香港零售市場營商環境持續艱難，將致使增加存貨滯銷之風險，因此增加撥備乃審慎之舉。有關撥備亦導致本年度之毛利減少。

本年度之營運開支合共約為124,799,000港元，而去年則錄得約103,353,000港元，升幅約為21%。營運開支顯著增加主要由於位於香港之零售店舖增加，因此銷售及分銷成本上升至約為14,420,000港元，較去年高出19%，當中包括租金費用約10,336,000港元。

行政及其他經營開支增加約6,721,000港元，達至約32,380,000港元，增幅為26%，主要為撥作發展大中華市場之資源增加所致。回顧年度亦為本集團成為香港聯交所上市集團之首個年度，若干企業及法律費用亦因而增加。

### FINANCIAL REVIEW

#### Overview

The Group's turnover increased by approximately 14% to approximately HK\$218,203,000 (2002: HK\$191,520,000) during the year ended 31 March 2003 compared with 2002. The increase was mainly attributable to the expansion of the Group's franchise network in the Greater China region, including the PRC and Taiwan and excluding Hong Kong and Macau. The revenue of the region increased by 138% to approximately HK\$39,578,000 (2002: HK\$16,627,000) during the year under review. Despite the unfavorable economic environment in the local retail market, the revenue earned from Hong Kong segment increased slightly by approximately 2%.

During the year, the Group's gross profit margin was approximately 73.4%, as compared to approximately 78.2% of last year. The decrease of approximately 4.8 percentage points was mainly attributed to the decrease in proportion of revenue from retail operations within Hong Kong and the increase in proportion of revenue from franchise operations in the Greater China region outside Hong Kong.

The Group has made a general provision of inventories of approximately HK\$2.8 million (2002: 0.3 million) during the year. The management considered that it was prudent to provide for the increasing difficulties in the business environment of retail market in Hong Kong, which rendered the increased risk of the inventories being obsolete. The provision also caused the decrease in gross profit for the year.

Operating expenses for the year totaled approximately HK\$124,799,000, compared to approximately HK\$103,353,000 for last year, increased by approximately 21%. The significant increase was mainly caused by the increase in number of retail outlets in Hong Kong, and thereby the increase in selling and distribution costs of approximately HK\$14,420,000, 19% as compared to last year, in which the rental expenses attributed approximately HK\$10,336,000.

The administrative and other operating expenses increased by approximately HK\$6,721,000, 26% to approximately HK\$32,380,000. The increase in resources applied in developing the Greater China market accounted for the main reason. The year under review was also the first full year in which the Group operated as a listed group on SEHK. There were certain corporate and legal expenses increased accordingly.

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## 管理層討論及分析

### 資金流量及財政資源

於本年度，本集團以發行新股之所得款項淨額及內部賺取之流動現金供應其業務資金所需。本集團採取審慎之財務政策，以備必要時可履行財務責任和保持足夠之營運資金作為本集團業務發展之用。於本年底，本集團之定期存款及現金結存約為62,000,000港元（二零零二年：58,000,000港元）。於二零零三年三月三十一日，本集團與多家銀行維持綜合銀行信貸約69,000,000港元（二零零二年：59,000,000港元），當中約2,000,000港元（二零零二年：3,000,000港元）已予以動用。

本集團繼續保持穩健之財務狀況。於二零零三年三月三十一日，流動比率（流動資產除以流動負債）為6.4倍（二零零二年：4.2倍），而資本負債比率（銀行借貸及應付融資租賃款除以股東權益）為20.4%（二零零二年：31.6%）。

### 資產抵押

於二零零三年三月三十一日，賬面值約47,000,000港元（二零零二年：47,000,000港元）之投資物業及租賃土地及建築物已抵押予銀行，作為向本集團提供銀行信貸之抵押品。

### 或然負債

於二零零三年三月三十一日，本公司因銀行向若干全資附屬公司提供按揭貸款及信貸約32,000,000港元（二零零二年：39,000,000港元）作出擔保而擁有或然負債。

### 僱員

於二零零三年三月三十一日，本集團在香港及中國聘用655名員工。僱員薪酬維持具競爭力之水平，並酌情發放花紅。其他僱員福利包括強制性公積金、法定保險、培訓課程及一項購股權計劃。

### Liquidity and financial resources

During the year, the Group financed its operations with both the net proceeds from the new issue and internally generated cash flows. The Group adopts a prudent financial policy such that it can meet the financial obligations when they fall due and maintain a sufficient operating fund for the development of the Group's business. At the end of the year, the Group's aggregate fixed deposits and cash balances amounted to approximately HK\$62 million (2002: HK\$58 million). As at 31 March 2003, the Group maintained aggregate composite banking facilities of approximately HK\$69 million (2002: HK\$59 million) with various banks, of which approximately HK\$2 million (2002: HK\$3 million) was utilised.

The Group continues to enjoy healthy financial position. As at 31 March 2003, the current ratio (current assets divided by current liabilities) was 6.4 times (2002: 4.2 times) and the gearing ratio (aggregate of bank borrowings and finance lease payables divided by shareholders' equity) was 20.4% (2002: 31.6%).

### Charge on assets

As at 31 March 2003, investment properties and leasehold land and buildings with a carrying value of approximately HK\$47 million (2002: HK\$47 million) were pledged to secure banking facilities granted to the Group.

### Contingent liabilities

As at 31 March 2003, the Company had contingent liabilities in relation to guarantees given to banks against mortgage loans and facilities extended to certain wholly owned subsidiaries amounting to approximately HK\$32 million (2002: HK\$39 million).

### Employees

The Group employed 655 employees in Hong Kong and the PRC as at 31 March 2003. Salaries of employees are maintained at competitive levels while bonuses are granted on a discretionary basis. Other employee benefits include mandatory provident fund, statutory insurance cover, training programmes and a share option scheme.