

流動現金及資金來源

本集團流動現金充裕，財務狀況亦十分穩健。於一九九九年十二月三十一日，現金及銀行結餘為803,000,000港元，而去年則為339,800,000港元。本公司之營運資金亦增加9%至762,300,000港元。

存貨減至237,700,000港元，而去年則為311,200,000港元。存貨可供銷售日數由44天續降至28天。資本投資從一九九八年53,200,000港元增至119,000,000港元，主要用於擴充門市及配合新形象裝修門市。

在本集團之遠期財務狀況方面，在一九九九年八月派付中期股息45,700,000港元及就建議派付末期及特別股息合共28港仙預留197,800,000港元（假設並無股東選擇以股代息）後，股東資金從1,111,100,000港元上升至年底之1,250,800,000港元，而平均股值回報率為30.5%，去年則為7%。長期融資租賃債務從一九九八年之26,300,000港元下降至22,000,000港元。有關融資租賃債務乃在中國大陸購買租賃土地及樓宇而作出，以人民幣為貨幣單位，須按年息率12厘計算，並以每月按固定分期付款方式償還，直至二零零五年止。尚未償還之人民幣負債並無對沖。於一九九九年十二月三十一日，本集團之總負債對股值比率為0.5，而去年則為0.3。

管理層有信心本集團有足夠資金應付營運所需及把握未來之商機。如有需要，本集團可動用本身之財務資源，包括現金及短期存款，以及來自五家主要往來銀行之貿易信貸與循環信貸共385,800,000港元。於一九九九年十二月三十一日，本集團並無動用任何該等信貸。

LIQUIDITY AND CAPITAL RESOURCES

The Group has an excellent level of liquidity as well as a strong financial position. Cash and bank balances amounted to HK\$803 million as at December 31, 1999, compared with HK\$339.8 million in the previous year. The working capital of the Group also increased by 9% to HK\$762.3 million.

Inventories decreased to HK\$237.7 million, compared with HK\$311.2 million a year earlier. Inventory turnover on sales further improved from 44 days to 28 days. Capital investment was increased to HK\$119 million from HK\$53.2 million in 1998. The increase was mainly due to outlets expansion and renovation of existing outlets to complement to new image.

In terms of the Group's long term financial position, shareholders' equity increased from HK\$1,111.1 million to HK\$1,250.8 million at the end of the year, after the payment in August 1999 of the interim dividend of HK\$45.7 million and allowing for HK\$197.8 million for the proposed final and special dividends totalling 28 HK cents (assuming the scrip option is not exercised by any shareholder). The return on average equity was 30.5% compared with 7% a year earlier. Long term finance lease obligation decreased to HK\$22 million from HK\$26.3 million in 1998. The obligation is denominated in Renminbi and payable by fixed monthly instalments at an annual interest rate of 12% until 2005 for the purchase of a leasehold land and building in Mainland China. The outstanding liability in Renminbi is unhedged. As at December 31, 1999, the Group's total debt to equity ratio was 0.5 compared to 0.3 reported last year.

The management is confident that the Group has sufficient funds to meet its operation requirements and future opportunities. If necessary, the Group can draw upon its financial resources, which include cash and short term deposits, as well as trade finance and revolving loan facilities from five major banks totalling HK\$385.8 million. As at December 31, 1999, the Group had not utilized any of the loan facilities.