

1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated accounts are set out below:

(a) Basis of preparation

The accounts have been prepared in accordance with generally accepted accounting principles in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants. The accounts are prepared under the historical cost convention as modified by the revaluation of certain land and buildings.

Certain comparative figures in the profit and loss account have been reclassified to conform with the current year's presentation. The changes included the reclassification of expenses previously classified as administrative and other operating expenses to selling and distribution costs. The new classification of the accounting items was considered to provide a more appropriate presentation of the Group's operating result.

(b) Basis of consolidation

The consolidated accounts include the accounts of the Company and its subsidiaries (the "Group") made up to 31st March. The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill or capital reserve which was not previously charged or recognised in the consolidated profit and loss account.

1. 主要會計政策

本公司於編製該等綜合賬目時所採用之主要會計政策如下：

(a) 編製基準

賬目乃根據香港普遍採納之會計原則及香港會計師公會頒佈之會計準則編製。賬目乃根據歷史成本常規法編製，並就重估若干土地及樓宇而作修訂。

若干比較數字已予重新分類，以符合本年度之賬項編列。有關變動包括將先前分類為行政及其他經營費用之開支重新分類為銷售及分銷費用。對會計項目作重新分類可更適當地呈列本集團之經營業績。

(b) 綜合賬目基準

綜合賬目包括本公司及其附屬公司（「本集團」）截至3月31日止之賬目。在年內購入或售出之附屬公司，其業績由收購生效日起計或計算至出售生效日止（視乎情況而定）計入綜合損益賬內。

所有集團內公司間之重大交易及結餘已於綜合賬目時對銷。

出售附屬公司之收益或虧損指出售所得之收入與集團應佔該公司資產淨值之差額，連同之前並未在綜合損益賬內支銷或入賬之商譽或資本儲備。

1. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**(b) Basis of consolidation (cont'd)**

Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

In the Company's balance sheet the investments in subsidiaries are stated at cost less provision, if necessary, for any diminution in value other than temporary in nature. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Capital reserve arising on shares exchanged on merger represents the difference between the nominal value of the shares of the subsidiaries acquired and the nominal value of the shares issued by the Company as consideration thereof.

(c) Property, plant and equipment

Leasehold land and buildings are stated at cost or valuation, less subsequent accumulated depreciation. Independent valuations are performed every three years. In the intervening years, the directors review the carrying value of the land and buildings and adjustment is made where there has been a material change. Increases in valuation are credited to the revaluation reserve. Decreases in valuation are first offset against increases on earlier valuations in respect of the same property and are thereafter debited to operating profit. Any subsequent increases are credited to operating profit up to the amount previously debited. Upon the disposal of a property, the relevant portion of the realised revaluation reserve in respect of previous valuations is transferred from the revaluation reserve to retained earnings.

1. 主要會計政策 (續)**(b) 綜合賬目基準 (續)**

少數股東權益指外界股東在附屬公司之經營業績及資產淨值中擁有之權益。

在本公司之資產負債表內，附屬公司之投資以成本值減任何非屬暫時性質之減值準備(如有需要)入賬。附屬公司之業績由本公司按已收及應收股息基準入賬。

合併時交換股份所產生之資本儲備乃指所收購附屬公司股份之面值與本公司所發行以作為代價之股份之面值兩者間之差額。

(c) 物業、機器及設備

租賃土地及樓宇乃按成本值或估值減其後累積折舊列賬。租賃土地及樓宇每隔三年將進行獨立估值。而於兩次獨立估值期間之年度，董事將審閱土地及樓宇之賬面值，並於出現重大轉變時作出調整。估值增加將計入重估儲備。估值虧損將首先在有關同一項物業之先前所增加之估值中扣除，其後再在經營溢利中扣除。任何隨後出現在估值上之增加，最高按先前所扣除之數額計入經營溢利中。於出售物業時，就先前估值之變現之重估儲備有關部份，將由重估儲備轉撥至保留盈利。

1. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(c) Property, plant and equipment (cont'd)

Other tangible fixed assets are stated at cost less accumulated depreciation.

Leasehold land is depreciated on a straight-line basis over the unexpired period of the lease. Leasehold buildings is depreciated on a straight-line basis over the unexpired periods of the leases or their expected useful lives to the Group, whichever is shorter.

Other tangible fixed assets are depreciated at rates sufficient to write off their cost over their estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Leasehold improvements	20% or over the unexpired lease period, whichever is shorter
Furniture and fixtures	20%
Motor vehicles	20%
Plant and machinery	20%

Major costs incurred in restoring fixed assets to their normal working condition are charged to the profit and loss account. Improvements are capitalised and depreciated over their expected useful lives to the Group.

The carrying amounts of fixed assets are reviewed regularly to assess whether their recoverable amounts have declined below their carrying amounts. When such a decline has occurred, their carrying amount is reduced to their recoverable amount. Recoverable amount is the amount which the Group expects to recover from the future use of the asset, including its residual value on disposal. Expected future cash flows have not been discounted in determining the recoverable amount. The amount of the reduction to recoverable amount is charged to the profit and loss account.

1. 主要會計政策 (續)

(c) 物業、機器及設備 (續)

其他有形固定資產以成本減累積折舊列賬。

租賃土地以直線法按未屆滿之租約年期折舊。租賃樓宇以直線法按未屆滿之租約年期或按其對本集團之預計可使用年期(以較短者為準)折舊。

其他有形固定資產之折舊乃將資產成本值按其預計可使用年期以直線法撇銷。主要折舊年率為：

租賃物業裝修	20%或按租約尚餘期間(以較短者為準)
傢俬裝置	20%
汽車	20%
機器及設備	20%

將固定資產重修至其正常運作狀態之重大支出均在損益賬支銷。裝修改良成本均資本化，並按其對本集團之預計可使用年期折舊。

固定資產之賬面值均定期檢討，以評估其可收回價值是否已跌至低於其賬面值。倘發生了上述之跌價，其賬面值將下調至其可收回價值。可收回價值乃本集團預期日後使用資產可收回之價值，當中包括變賣所得之剩餘價值。預計未來現金流量並無貼現以釐訂可收回價值。遞減至可收回價值之差額已在損益賬內支銷。

1. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**(c) Property, plant and equipment (cont'd)**

The gain or loss on disposal of a fixed asset is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the profit and loss account. Any revaluation reserve balance remaining attributable to the relevant asset is transferred to retained earnings and is shown as a movement in reserves.

(d) Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Payments made under operating leases net of any incentives received from the leasing company are charged to the profit and loss account on a straight-line basis over the lease periods.

(e) Investments in securities**(i) Investment securities**

Investment securities are stated at cost less any provision for diminution in value.

The carrying amounts of individual investments are reviewed at each balance sheet date to assess whether the fair values have declined below the carrying amounts. When a decline other than temporary has occurred, the carrying amount of such securities will be reduced to its fair value. The amount of the reduction is recognised as an expense in the profit and loss account.

1. 主要會計政策 (續)**(c) 物業、機器及設備 (續)**

出售固定資產之收益或虧損指出售所得收入淨額與有關資產賬面值之差額，並在損益賬入賬。有關資產應佔之任何重估儲備結餘轉撥至保留盈利，並列作儲備變動。

(d) 經營租賃

經營租賃指擁有資產之一切得益及風險基本上仍屬於出租公司之租約。根據經營租賃支付之租金扣除租賃公司所給予之獎勵金後以直線法按租期在損益賬支銷。

(e) 證券投資**(i) 投資證券**

投資證券按成本值減去任何減值撥備後列賬。

個別投資之賬面值乃於每年結算日進行複核，以評估其公平價值是否已跌至低於其賬面值。倘某項投資項目出現非屬暫時性質之減值，則該等證券之賬面值將下調至公平價值。有關減值於損益賬確認為開支。

1. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(e) Investments in securities (cont'd)

(ii) Other investments

Other investments held for the long-term are stated at cost less provision for diminution in value other than temporary in nature.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes direct materials and direct labour. In general, costs are assigned to individual items on the first-in, first-out basis. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(g) Deferred taxation

Deferred taxation is accounted for at the current tax rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset is expected to be payable or recoverable in the foreseeable future.

(h) Translation of foreign currencies

Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the profit and loss account.

1. 主要會計政策 (續)

(e) 證券投資 (續)

(ii) 其他投資

其他長期持有之投資，按成本減非屬暫時性質之減值準備列賬。

(f) 庫存

庫存乃按成本值或可變現淨值兩者之較低者入賬。成本值包括直接材料及工資。一般而言，成本值以先入先出法計算入個別產品內。可變現淨值乃按預計銷售所得款項扣除估計銷售費用計算。

(g) 遞延稅項

遞延稅項乃按預期在可見將來產生因計算稅項之溢利與賬目所列之溢利兩者之時間差異所引起之應付負債或應收資產，以現行稅率計算。

(h) 外幣換算

以外幣為本位之交易，均按交易當日之匯率折算。於結算日以外幣顯示之貨幣資產與負債則按結算日之匯率折算。由此產生之滙兌盈虧均計入損益賬。

1. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**(i) Revenue recognition**

Revenue from the sale of goods, at invoiced value net of sales discounts and returns, is recognised on the transfer of risks and rewards of ownership. This generally coincides with the time when cash is received for retail sales and when the goods are delivered to customers and the title has passed for credit sales.

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

Consultancy fee income in respect of technical support and consultancy services is recognised on an accrual basis and is determined in accordance with the terms of the service agreement.

Commission income in relation to introducing brokerage activities is recorded in the accounts based on trade dates. Accordingly, only those transactions whose trade dates fall within the accounting year have been taken into account.

Premium income from bullion trading is recognised upon the settlement of the bullion trading transactions.

(j) Retirement benefit costs

The Group's contributions to the defined contribution retirement scheme are expensed as incurred and, where applicable, are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. The assets of the scheme are held separately from those of the Group in an independently administered fund.

1. 主要會計政策 (續)**(i) 收益確認**

銷貨收益(按發票值減去銷售折扣及退貨後計算)在擁有權之風險及回報轉移後確認，風險及回報之轉移通常與零售時收取現金以及除貨銷售時貨品付運予客戶及所有權轉讓同時發生。

利息收入在計及未償還本金額及適用利率後按時間比例確認。

有關提供技術支援及顧問服務之顧問費收入按應計基準確認，並根據服務協議之條款釐訂。

有關經紀介紹業務之佣金收入乃根據交易日期記錄於賬目內。因此，只有交易日期屬會計年度內之交易始予入賬。

黃金買賣之溢價收入於黃金買賣交易結算時確認。

(j) 退休福利成本

本集團向界定供款退休計劃所作之供款，乃於產生時支銷，並可就於全數取得供款前退出計劃之僱員而所沒收之供款作扣減供款之用(如適用)。該計劃之資產由一項獨立管理基金持有，與本集團之資產分開。

2. REVENUE AND TURNOVER

The Group is principally engaged in the retailing and wholesaling of gold jewellery and gold ornaments, gem-set jewellery and gemstones, and other accessory items. Revenues recognised during the year are as follows:

2. 收益及營業額

本集團主要從事金飾與黃金裝飾品、鑽石首飾及寶石以及其他配飾之零售及批發業務。年內確認之收入如下：

		Group 集團	
		2001 HK\$'000 千港元	2000 HK\$'000 千港元
Turnover	營業額		
Sale of goods	銷售貨品	1,605,764	1,711,841
Other revenues	其他收入		
Interest income	利息收入	2,680	2,005
Consultancy fee income	顧問費收入	1,956	1,607
Commission income	佣金收入	1,250	41
Premium income	溢價收入	1,086	241
Others	其他	247	1
		7,219	3,895
Total revenues	總收益	1,612,983	1,715,736

2. REVENUE AND TURNOVER (CONT'D)

An analysis of the Group's turnover and contribution to operating profit for the year by principal activity is as follows:

2. 收益及營業額 (續)

本年度本集團按主要業務活動劃分之營業額及經營溢利之貢獻分析如下：

		Turnover 營業額		Operating profit 經營溢利	
		2001 HK\$'000 千港元	2000 HK\$'000 千港元	2001 HK\$'000 千港元	2000 HK\$'000 千港元
Retailing	零售	1,539,883	1,649,810	77,410	90,242
Wholesaling	批發	65,881	62,031	5,165	8,587
		1,605,764	1,711,841	82,575	98,829

All of the Group's sales are made within Hong Kong during the two years ended 31st March 2000 and 2001.

本集團在截至2000年及2001年3月31日止之兩個個別年度之所有銷售額均於香港進行。

3. OPERATING PROFIT

Operating profit is stated after crediting and charging the following:

3. 經營溢利

經營溢利已計入及扣除下列項目：

		Group 集團	
		2001 HK\$'000 千港元	2000 HK\$'000 千港元
Crediting	計入		
Write back of provision for slow-moving inventories	撥回滯銷 存貨撥備	2,285	-
Net exchange gains	匯兌收益淨額	855	837
Charging	扣除		
Cost of inventories sold	已售貨品成本	1,286,401	1,380,429
Depreciation of fixed assets	固定資產折舊	12,972	12,527
Deficit on revaluation of land and buildings	土地及樓宇重估虧絀	-	1,098
Loss on disposal of fixed assets	出售固定資產之虧損	501	107
Operating lease rentals in respect of land and buildings	土地及樓宇經營 租賃之租金	53,442	55,101
Auditors' remuneration	核數師酬金	1,418	1,150
Staff costs (including directors' emoluments)	員工成本 (包括董事酬金)	120,784	118,600
Provision for slow-moving inventories	滯銷存貨撥備	-	2,214
Provision for diminution in value of other investment	其他投資減值撥備	1,006	-

4. FINANCE COSTS

4. 財務費用

		Group 集團	
		2001 HK\$'000 千港元	2000 HK\$'000 千港元
Interest on trust receipt loans	信託收據貸款利息	54	29

5. TAXATION

5. 稅項

Hong Kong profits tax has been provided at the rate of 16% (2000: 16%) on the estimated assessable profit for the year.

香港利得稅乃按照本年度估計應課稅溢利依稅率16%(2000年：16%)提撥準備。

The amount of taxation charged to the consolidated profit and loss account represents:

在綜合損益賬內支銷之稅項如下：

		Group 集團	
		2001 HK\$'000 千港元	2000 HK\$'000 千港元
Hong Kong profits tax	香港利得稅	14,594	17,840
Over provision in prior years	往年度準備剩餘	(2,033)	-
Deferred taxation (note 19)	遞延稅項(附註19)	(393)	-
		12,168	17,840

6. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

6. 股東應佔溢利

The profit attributable to shareholders is dealt with in the accounts of the Company to the extent of HK\$40,069,000 (2000: HK\$34,666,000).

在本公司賬目內所處理之股東應佔溢利為40,069,000港元(2000年：34,666,000港元)。

7. DIVIDENDS

7. 股息

		2001 HK\$'000 千港元	2000 HK\$'000 千港元
Interim, paid, of HK\$0.025 (2000: HK\$0.025) per ordinary share	已派中期股息每普通股0.025港元 (2000年：0.025港元)	11,983	11,400
Final, proposed, of HK\$0.05 (2000: HK\$0.05) per ordinary share	擬派末期股息每普通股0.05港元 (2000年：0.05港元)	23,276	22,800
		35,259	34,200

8. EARNINGS PER SHARE

8. 每股盈利

The calculation of basic earnings per share is based on the Group's profit attributable to shareholders of HK\$71,305,000 (2000: HK\$80,371,000) and the weighted average number of 460,367,382 (2000: 456,000,796) ordinary shares in issue during the year.

The calculation of diluted earnings per share is based on the Group's profit attributable to shareholders of HK\$ 71,305,000 and the weighted average number of 467,193,758 ordinary shares in issue during the year after adjusting for the effects of all potential dilutive ordinary shares deemed to be issued at no consideration if all outstanding share options granted under the share option scheme of the Company had been exercised.

The Company had no potential dilutive ordinary shares that were outstanding during the year ended 31st March 2000 and hence, no diluted earnings per share is shown for the previous year.

每股基本盈利乃根據年內之本集團股東應佔溢利71,305,000港元(2000年：80,371,000港元)及年內已發行普通股之加權平均數460,367,382股(2000年：456,000,796股)計算。

每股攤薄盈利乃根據本集團之股東應佔溢利71,305,000港元及年內所有受潛在攤薄普通股之影響作出調整後(假設因所有根據本公司購股權計劃授出之購股權被悉數行使後，被視為以不收取代價方式下已發行之普通股股份)之已發行普通股之加權平均數467,193,758股計算。

於截至2000年3月31日止年度，本公司並無已發行而具潛在攤薄影響之普通股，故此並無呈列上一年度之每股攤薄盈利。

9. RETIREMENT BENEFIT COSTS

Prior to 1st December 2000, the Group operates a defined contribution pension scheme for its employees established pursuant to the Occupational Retirement Schemes Ordinance (the “ORSO Scheme”). The assets of the ORSO Scheme are held under a provident fund managed by an independent administrator. Under the ORSO Scheme, the employees and the employer are respectively required to contribute 5% of the employees’ monthly salary. The employees are entitled to 100% of the employer’s contributions after 10 years of completed service, or at a reduced scale after the completion of 3 to 9 years of service. Where there are employees who leave the ORSO Scheme prior to vesting fully in contributions in accordance with the rules of the ORSO Scheme, the unvested employer’s contributions will be used to reduce the future contributions of the employer.

Effective from 1st December 2000, the Group discontinued its contribution to the ORSO Scheme and joined a Mandatory Provident Fund scheme (the “MPF Scheme”) established pursuant to the Mandatory Provident Fund Schemes Ordinance. Accrued benefits of the employees in the ORSO Scheme had been transferred to the MPF Scheme as voluntary contributions to the MPF Scheme.

Contributions to the MPF Scheme is made in accordance with the statutory requirements which is calculated at 5% of the relevant income of each employee up to a maximum amount of HK\$1,000 per month. For employees who have selected to make additional voluntary contributions, the contributions made by both the employer and the employee remain the same as previously in the ORSO Scheme and the excess of the total contributions over the statutory contributions would be vested in the voluntary contribution.

All statutory contributions under the MPF Scheme are immediately fully vested on the employees.

9. 退休福利成本

於2000年12月1日前，本集團根據職業退休計劃條例，為其僱員設立一項界定供款退休金計劃（「職業退休計劃」）。職業退休計劃之資產由一項由獨立管理人管理之公積金持有。根據職業退休計劃，僱員及僱主須按僱員之每月薪金分別供款5%。僱員於完成10年服務後，可取得僱主100%之供款，或僱員於完成3-9年服務後，可按遞減比例獲得僱主部份之供款。僱員若於根據職業退休計劃可以收取全部供款之前退出職業退休計劃，未收取之僱主供款將用作減輕僱主之未來供款額。

自2000年12月1日起，本集團終止其對職業退休計劃之供款，並加入根據強制性公積金計劃條例設立之強制性公積金計劃（「強積金計劃」）。僱員於職業退休計劃之累算權益已轉撥至強積金計劃，以作為強積金計劃之自願供款。

於強積金計劃之供款乃根據法定規定作出，該供款額乃按個別僱員之有關入息之5%計算，最高供款額為每月1,000港元。就選擇作出額外自願供款之僱員而言，僱主與僱員所作出供款數額與過往根據職業退休計劃所作出者相同，而供款總額超出法定供款之部份將歸作自願供款。

根據強積金計劃所作出之所有法定供款將即時全數歸於僱員所有。

9. RETIREMENT BENEFIT COSTS (CONT'D)

For voluntary contributions to the MPF Scheme, the employees are entitled to 100% of the employer's contributions and the accrued interests thereon after 10 completed years in either joining the ORSO Scheme or MPF Scheme whichever is earlier, or at a reduced scale after the completion of 3 to 9 years of service. Unvested employer's contributions in both instances shall be used to reduce future contributions of the employer.

During the year, the Group's contributions to the schemes are as follows:

9. 退休福利成本 (續)

至於強積金計劃之自願供款方面，僱員於加入職業退休計劃或強積金計劃(以較早者為準)10週年後，可取得僱主100%之供款及應計利息，或僱員於完成3-9年服務後，可按遞減比例獲得僱主部份之供款。於此兩種情況下，未收取之僱主供款將用作減輕僱主之未來供款額。

年內，本集團向該等計劃之供款如下：

		Group 集團	
		2001 HK\$'000 千港元	2000 HK\$'000 千港元
Gross contributions	供款總額	4,701	4,080
Forfeited contributions used by the Group to reduce the existing level of contributions	本集團用以扣減現有 供款水平之被沒收供款	(892)	(792)
Net contributions charged to profit and loss account for the year	年內於損益賬中 支銷之供款淨額	3,809	3,288

At 31st March 2001, unutilised forfeited contributions amounted to HK\$381,000 (2000: HK\$124,000).

於2001年3月31日，尚未動用之被沒收供款為381,000港元(2000年：124,000港元)。

10. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The aggregate amounts of emoluments payable to the directors of the Company during the year are as follows:

		Group 集團	
		2001 HK\$'000 千港元	2000 HK\$'000 千港元
Fees	袍金	825	841
Basic salaries, housing allowances, other allowances and benefits in kind	基本薪金、房屋津貼、 其他津貼及實物利益	6,599	4,893
Performance discretionary bonuses	按表現／酌情發放之花紅	1,983	2,326
Directors' pensions	董事退休金	221	209
Benefit from exercise of share options	行使購股權所得利益	184	-
		9,812	8,269

During the year, options to subscribe for 13,148,000 shares in the Company were granted to the directors under the share option scheme (note 17) at an exercise price of HK\$0.34 per share. The expiry date of the option is 13th June 2010. During the year, 800,000 options had been exercised by the directors. At the date of exercise, the market price of the shares was HK\$0.57 per share.

Directors' fees disclosed above include HK\$220,000 (2000: HK\$220,000) paid to the independent non-executive directors.

10. 董事及高級管理人員酬金

(a) 董事酬金

年內向本公司董事支付之酬金總額如下：

年內，已根據購股權計劃(附註17)授予本公司董事購股權，可按行使價每股0.34港元認購13,148,000股本公司股份。該等購股權之屆滿日期為2010年6月13日。年內，董事已行使800,000份購股權。於行使日期，每股份之市價為每股0.57港元。

以上所披露之董事袍金包括支付給獨立非執行董事之220,000港元(2000年：220,000港元)。

10. DIRECTORS' AND SENIOR MANAGEMENT'S
EMOLUMENTS (CONT'D)

(a) Directors' emoluments (cont'd)

The emoluments of the directors fell within the following bands:

		Number of directors 董事人數	
		2001	2000
Emolument bands	酬金組別		
HK\$ 0港元	– HK\$1,000,000港元	8	9
HK\$1,000,001港元	– HK\$1,500,000港元	3	3
HK\$1,500,001港元	– HK\$2,000,000港元	–	–
HK\$2,000,001港元	– HK\$2,500,000港元	–	–
HK\$2,500,001港元	– HK\$3,000,000港元	–	1
HK\$3,000,001港元	– HK\$3,500,000港元	1	–
		12	13

No directors waived their emoluments in respect of the years ended 31st March 2000 and 2001.

10. 董事及高級管理人員酬金 (續)

(a) 董事酬金 (續)

介乎下列酬金組別之董事人數如下：

截至2000年及2001年3月31日止年度，並無董事放棄收取酬金。

10. DIRECTORS' AND SENIOR MANAGEMENT'S
EMOLUMENTS (CONT'D)

(b) Five highest paid individuals

Among the five highest paid individuals, four (2000: four) of them are directors of the Company and the details of their remuneration have been disclosed in the preceding paragraph. The amount of the remaining one (2000: one) highest paid individual whose emoluments have not been disclosed in directors' emoluments note above, the emolument band of which fell within HK\$1,500,001 to HK\$2,000,000 (2000: HK\$1,500,001 to HK\$2,000,000), are as follows:

10. 董事及高級管理人員酬金 (續)

(b) 五位最高薪酬人士

本年度本公司5位最高薪酬人士包括4位(2000年: 4位)本公司董事, 其酬金詳情已載於上文, 其餘1名(2000年: 1名)最高薪人士之酬金介乎1,500,001港元至2,000,000港元之間(2000年: 1,500,001港元至2,000,000港元), 其酬金並未於上述董事酬金附註中披露, 現分析如下:

		Group 集團	
		2001 HK\$'000 千港元	2000 HK\$'000 千港元
Basic salaries, housing allowances, other allowances and benefits in kind	基本薪金、房屋津貼、 其他津貼及實物利益	1,329	1,000
Performance/discretionary bonus	按表現/酌情發放之花紅	450	500
Pensions	退休金	42	32
		1,821	1,532

11. FIXED ASSETS – GROUP

11. 固定資產－集團

		Land and buildings 土地及樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Furniture and fixtures 傢俬裝置 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Plant and machinery 機器及設備 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Cost or valuation	成本值或估值						
At 1st April 2000	於2000年 4月1日	30,592	39,899	21,690	1,505	4,499	98,185
Additions	添置	1,221	8,610	2,987	1,669	1,192	15,679
Disposals	出售	-	(11,301)	(4,101)	(1,158)	(3,195)	(19,755)
At 31st March 2001	於2001年 3月31日	31,813	37,208	20,576	2,016	2,496	94,109
Accumulated depreciation	累積折舊						
At 1st April 2000	於2000年 4月1日	566	26,340	15,158	1,227	2,073	45,364
Charge for the year	本年度折舊	636	8,533	2,888	403	512	12,972
Disposals	出售	-	(10,320)	(3,601)	(1,158)	(1,243)	(16,322)
At 31st March 2001	於2001年 3月31日	1,202	24,553	14,445	472	1,342	42,014
Net book value	賬面淨值						
At 31st March 2001	於2001年 3月31日	30,611	12,655	6,131	1,544	1,154	52,095
At 31st March 2000	於2000年 3月31日	30,026	13,559	6,532	278	2,426	52,821
The analysis of the cost or valuation of the above assets is as follows:		上述資產之成本或估值分析如下：					
At cost	成本值	-	37,208	20,576	2,016	2,496	62,296
At directors' valuation	董事估值	31,813	-	-	-	-	31,813
At 31st March 2001	於2001年 3月31日	31,813	37,208	20,576	2,016	2,496	94,109
At cost	成本值	-	39,899	21,690	1,505	4,499	67,593
At directors' valuation	董事估值	28,292	-	-	-	-	28,292
At professional valuation – 2000	專業估值 – 2000年	2,300	-	-	-	-	2,300
At 31st March 2000	於2000年 3月31日	30,592	39,899	21,690	1,505	4,499	98,185

11. FIXED ASSETS – GROUP (CONT'D)

Land and buildings are situated in Hong Kong and are held under medium term leases.

Certain land and buildings were revalued on 15th July 2000 on the basis of open market value by Vigers Hong Kong Limited, an independent professional valuer.

At 31st March 2001, the directors of the Company had reviewed the carrying value of the land and buildings and are of the opinion that the fair value is not materially different from the carrying amount.

The carrying amount of these land and buildings would have been HK\$3,335,000 (2000: HK\$3,410,000) had they been stated at cost less accumulated depreciation.

At 31st March 2001, certain of the Group's land and buildings with a net book value of approximately HK\$27.1 million were pledged as security for the Group's banking facilities of HK\$13.5 million. None of these banking facilities were utilised as at 31st March 2001.

11. 固定資產－集團（續）

土地及樓宇均位於香港並按中期租約形式持有。

若干土地及樓宇已於2000年7月15日由獨立專業估值師威格斯香港有限公司按公開市值重估。

於2001年3月31日，本公司董事已審閱土地及樓宇之賬面值，並認為其公平價值與賬面值之間並無重大差異。

倘此等土地及樓宇乃按原值減累積折舊列賬，則其賬面值應為3,335,000港元（2000年：3,410,000港元）。

於2001年3月31日，本集團賬面淨值約27,100,000港元之若干土地及樓宇已作抵押，以取得本集團之銀行信貸13,500,000港元。該等銀行信貸於2001年3月31日尚未被動用。

12. INVESTMENTS IN SUBSIDIARIES

12. 附屬公司投資

		Company 公司	
		2001 HK\$'000 千港元	2000 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本計算	298,887	298,887
Loans to subsidiaries	向附屬公司之貸款	120,535	119,276
		419,422	418,163

Details of the principal subsidiaries are set out on pages 72 and 73.

附屬公司之詳情載於第72及73頁。

Loans to subsidiaries are unsecured, interest-free and are not repayable within the next twelve months.

向附屬公司之貸款為無抵押、免息及毋須於未來12個月內償還。

The amount due from a subsidiary classified as current asset is unsecured, interest-free and are repayable on demand.

列為流動資產之應收附屬公司賬項乃無抵押、免息及須於提出要求時即時償還。

13. OTHER INVESTMENTS

13. 其他投資

		Group 集團	
		2001 HK\$'000 千港元	2000 HK\$'000 千港元
Unlisted investment, at cost (note)	非上市投資，按成本計算(附註)	1,080	1,080
Shares listed in Hong Kong	於香港上市之股份	702	–
		1,782	1,080
Market value of listed shares	上市股份市值	702	–

Note:

附註：

This represents a transferable membership of The Chinese Gold and Silver Exchange Society.

其他投資指金銀業貿易場之可轉讓會籍。

14. INVENTORIES

At 31st March 2001, the carrying amount of inventories that are carried at net realisable value amounted to HK\$8,451,000 (2000: HK\$12,026,000).

15. TRADE RECEIVABLES

The majority of the Group's sales are on cash basis. Credit sales are mainly for the Group's wholesale customers and are normally granted with terms of 30 to 90 days.

The ageing analysis of trade receivables is as follows:

14. 庫存

於2001年3月31日，庫存之賬面值乃以可變現淨值8,451,000港元(2000年：12,026,000港元)列賬。

15. 貿易應收賬項

本集團大部份銷售均以現金進行。賒售主要為本集團之批發客戶而設，而一般信貸期為30至90日。

貿易應收賬項之賬齡分析如下：

		Group 集團	
		2001 HK\$'000 千港元	2000 HK\$'000 千港元
Current – 30 days	即期至30日	1,885	1,569
31 – 60 days	31至60日	700	1,297
61 – 90 days	61至90日	689	421
91 – 120 days	91至120日	339	5
Over 120 days	超過120日	2,839	3,038
		6,452	6,330

16. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables and their ageing analysis is as follows:

16. 貿易及其他應付賬項

計入貿易及其他應付賬項之貿易應付賬項之賬齡分析如下：

		Group 集團	
		2001 HK\$'000 千港元	2000 HK\$'000 千港元
Current – 30 days	即期至30日	25,909	38,788
31 – 60 days	31至60日	20,062	22,486
61 – 90 days	61至90日	5,035	4,427
91 – 120 days	91至120日	431	1,113
Over 120 days	超過120日	292	2,436
		51,729	69,250

17. SHARE CAPITAL

17. 股本

		2001 HK\$'000 千港元	2000 HK\$'000 千港元
Authorised:	法定股本：		
800,000,000 ordinary shares of HK\$0.1 each	每股面值0.1港元之 800,000,000股普通股	80,000	80,000
Issued and fully paid:	已發行及繳足股本：		
464,771,850 (2000: 456,000,850) ordinary shares of HK\$0.1 each	每股面值0.1港元之 464,771,850股普通股 (2000年：456,000,850股)	46,477	45,600

The Company has a share option scheme under which the directors may, at their discretion, grant employees, including any executive directors, of the Company and/or any of its subsidiaries, options to subscribe for shares in the Company, subject to the terms and conditions stipulated in the share option scheme.

During the year, options to subscribe for 36,507,000 shares in the Company at an exercise price of HK\$0.34 per share were granted to selected executives.

Options to subscribe for 8,771,000 ordinary shares in the Company were exercised at a price of HK\$0.34 per share during the year. The premium on the issue of the shares of HK\$2,105,000 was credited to the share premium account.

At 31st March 2001, there were 27,736,000 share options outstanding which are exercisable at HK\$0.34 per share at any time prior to 13th June 2010.

Subsequent to the year end, options to subscribe for 757,000 shares in the Company were exercised at a price of HK\$0.34 per share.

本公司設有一項購股權計劃，據此董事可根據購股權計劃所訂條款及條件，酌情向本公司及／或其任何附屬公司之僱員（包括任何執行董事）授出可認購本公司股份之購股權。

年內，可按行使價每股0.34港元認購36,507,000股本公司股份之購股權已授予獲選定之行政人員。

年內，可認購本公司8,771,000股普通股之購股權已按每股0.34港元之價格行使。發行股份之溢價2,105,000港元已計入股份溢價賬。

於2001年3月31日，共有27,736,000份未行使購股權，可於2010年6月13日前任何時間按每股0.34港元之價格行使。

於本年度結束後，可認購本公司757,000股股份之購股權已按每股0.34港元之價格行使。

18. RESERVES

18. 儲備

Group
集團

		Share premium 股份溢價 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元	Revaluation reserve 重估儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1st April 1999	於1999年 4月1日	50,121	135,713	296	139,650	325,780
Deficit on revaluation of land and buildings	重估土地及 樓宇虧絀	–	–	(296)	–	(296)
Profit for the year	年內溢利	–	–	–	80,371	80,371
Dividends (note 7)	股息(附註7)	–	–	–	(34,200)	(34,200)
At 31st March 2000	於2000年 3月31日	50,121	135,713	–	185,821	371,655
At 1st April 2000	於2000年 4月1日	50,121	135,713	–	185,821	371,655
Exercise of share options (note 7)	行使購股權 (附註7)	2,105	–	–	–	2,105
Profit for the year	年內溢利	–	–	–	71,305	71,305
Dividends (note 7)	股息(附註7)	–	–	–	(35,259)	(35,259)
At 31st March 2001	於2001年 3月31日	52,226	135,713	–	221,867	409,806

18. RESERVES (CONT'D)

18. 儲備(續)

Company
公司

		Share premium	Contributed surplus	Retained earnings	Total
		股份溢價	實繳盈餘	保留盈利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1st April 1999	於1999年4月1日	50,121	298,687	30,638	379,446
Profit for the year	年內溢利	–	–	34,666	34,666
Dividends (note 7)	股息(附註7)	–	–	(34,200)	(34,200)
At 31st March 2000	於2000年3月31日	50,121	298,687	31,104	379,912
At 1st April 2000	於2000年4月1日	50,121	298,687	31,104	379,912
Exercise of share options (note 7)	行使購股權(附註7)	2,105	–	–	2,105
Profit for the year	年內溢利	–	–	40,069	40,069
Dividends (note 7)	股息(附註7)	–	–	(35,259)	(35,259)
At 31st March 2001	於2001年3月31日	52,226	298,687	35,914	386,827

(a) The contributed surplus of the Company represents the difference between the nominal value of the shares issued by the Company in exchange for all the issued ordinary shares of Luk Fook Investment (B.V.I.) Limited and the value of net assets of the underlying subsidiaries acquired by the Company as at 17th April 1997. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus would be distributable to the shareholders, provided that the Company would, after the payment of dividends out of the contributed surplus, be able to pay its liabilities as they became due; or the realisable value of the Company's assets would thereby not be less than the aggregate of its liabilities, its issued share capital and its share premium. At the group level, the contributed surplus is reclassified into its component of reserves of the underlying subsidiaries.

(a) 本公司之實繳盈餘指本公司為交換 Luk Fook Investment (B.V.I.) Limited 全部已發行普通股而所發行之股份面值與於1997年4月17日本公司所收購之有關附屬公司資產淨值兩者之差額。根據百慕達1981年公司法(經修訂)，實繳盈餘可派發予各股東，惟本公司從實繳盈餘派付股息後，必須能於負債到期時清償債務或於作出宣派後，本公司資產之可變現淨值將不會少於其債務、已發行股本及其股份溢價賬之總和。於集團賬內，此實繳盈餘經重新分類為各有關附屬公司之各項儲備中。

18. RESERVES (CONT'D)

- (b) At 31st March 2001, reserves of the Company available for distribution, including the contributed surplus, amounted to HK\$334,601,000 (2000: HK\$329,791,000).

19. DEFERRED TAXATION

At 1st April	於4月1日	393	393
Transfer to profit and loss account (note 5)	撥入損益表(附註5)	(393)	-
At 31st March	於3月31日	-	393

Deferred tax assets are not recognised in the accounts as the directors are uncertain as to whether they will crystallise in the foreseeable future. At 31st March 2001, the full potential unrecognised deferred tax assets of approximately HK\$2,400,000 are in relation to deferred depreciation allowances of fixed assets.

18. 儲備(續)

- (b) 於2001年3月31日，本公司可供分派之儲備(包括實繳盈餘)為334,601,000港元(2000年：329,791,000港元)。

19. 遞延稅項

		Group 集團	
		2001 HK\$'000 千港元	2000 HK\$'000 千港元
At 1st April	於4月1日	393	393
Transfer to profit and loss account (note 5)	撥入損益表(附註5)	(393)	-
At 31st March	於3月31日	-	393

遞延稅項資產並無於賬目內確認，原因為董事未能確定該等資產於可見之將來會否出現。於2001年3月31日，有關固定資產之遞延折舊免稅額之全部潛在未確認遞延稅項資產約為2,400,000港元。

20. NOTES TO CONSOLIDATED CASH FLOW STATEMENT

20. 綜合現金流量表附註

(a) Reconciliation of profit before taxation to net cash inflow from operating activities

(a) 除稅前溢利與經營業務之現金流入淨額之對賬表

		2001 HK\$'000 千港元	2000 HK\$'000 千港元
Profit before taxation	除稅前溢利	82,521	98,800
Deficit on revaluation of land and buildings	重估土地及樓宇虧絀	-	1,098
Provision for diminution in value of other investment	其他投資減值撥備	1,006	-
Depreciation of fixed assets	固定資產折舊	12,972	12,527
Loss on disposal of fixed assets	出售固定資產之虧損	501	107
Interest income	利息收入	(2,680)	(2,005)
Interest expenses on trust receipt loans	信託收據貸款利息開支	54	29
Increase in inventories	庫存之增加	(1,099)	(47,376)
Increase in trade receivables, deposits, prepayments and other receivables	貿易應收賬項、按金、預付賬項及其他應收賬項之增加	(5,559)	(1,575)
Decrease in trade and other payables	貿易及其他應付賬項之減少	(9,675)	(8,847)
Net cash inflow from operating activities	經營業務之現金流入淨額	78,041	52,758

20. NOTES TO CONSOLIDATED CASH FLOW STATEMENT (CONT'D)

20. 綜合現金流量表附註(續)

(b) Analysis of changes in financing during the year

(b) 年內融資變動之分析

		Share capital including premium 股本(包括溢價)		Minority interests 少數股東權益	
		2001 HK\$'000 千港元	2000 HK\$'000 千港元	2001 HK\$'000 千港元	2000 HK\$'000 千港元
Balance at 1st April	於4月1日 結餘	95,721	95,721	3,653	2,344
Issue of shares, net of expenses	發行股份 (扣除開支)	2,982	–	–	–
Proceeds from the issue of shares by a subsidiary to minority shareholders	一間附屬 公司向 少數股東 發行股份 所得款項	–	–	2,450	720
Acquisition of remaining interest in a subsidiary	收購一間 附屬公司 之餘下 權益	–	–	(1,200)	–
Minority interests' share of retained profit for the year	少數股東 佔本年度 保留溢利	–	–	(952)	589
Dividend paid to minority shareholders	支付予少數 股東之 股息	–	–	(1,384)	–
		98,703	95,721	2,567	3,653

21. COMMITMENTS

21. 承擔

(a) Capital commitments

(a) 資本承擔

		Group 集團	
		2001 HK\$'000 千港元	2000 HK\$'000 千港元
Contracted but not provided for Property, plant and equipment	已訂約但未作出撥備 物業、機器及設備	1,953	–
Authorised but not contracted for Property, plant and equipment	已批准但未訂約 物業、機器及設備	8,800	–

The company did not have any commitment at 31st March 2001 (2000: Nil).

於2001年3月31日，本公司並無任何承擔(2000年：無)。

(b) Commitments under operating leases

(b) 經營租賃承擔

At 31st March 2001, the Group had commitments to make payments in the next twelve months under operating leases in respect of land and buildings which expire as follows:

於2001年3月31日，本集團就土地及樓宇於下列期間屆滿之經營租賃而於未來十二個月支付之承擔如下：

		Group 集團	
		2001 HK\$'000 千港元	2000 HK\$'000 千港元
Within one year	第一年內	7,459	13,620
In the second to fifth year inclusive	第二至五年(包括首尾兩年)	40,498	29,773
		47,957	43,393

The company did not have any commitment at 31st March 2001 (2000: Nil).

於2001年3月31日，本公司並無任何承擔(2000年：無)。

22. RELATED PARTY TRANSACTIONS

During the year, the Group had the following significant transactions with related parties:

- (a) A subsidiary of the Company entered into a tenancy agreement with Mr Wong Kwai Sang who is Mr Wong Wai Sheung's father, on 3rd June 1996 for the lease of a retail shop of the Group for a period of 4 1/2 years. The lease was expired during the year and has been renewed for a period of 2 years expiring on 31st December 2002. During the year, rental payable to Mr Wong Kwai Sang amounted to HK\$2,925,000 (2000: HK\$3,180,000).
- (b) A subsidiary of the Company acquired a property from Kwai Kee Cheung Jewellery & Goldsmith Company Limited ("Kwai Kee Cheung") at a consideration, based on open market value as determined by a firm of independent property valuers, of HK\$1,200,000. Mr Wong Wai Sheung holds discretionary beneficial interests in Kwai Kee Cheung.
- (c) A subsidiary of the Company entered into a service contract ("Service Contract") with Miss Yeung Po Ling, Pauline and Topone Investments Limited ("Topone") for a period of 1 year expiring on 31st March 2001. Pursuant to the Service Contract, Topone agreed to make available Miss Yeung's exclusive services for the promotion of the products and services of the Group in consideration of an annual fee of HK\$460,000 (2000: HK\$444,600). Miss Yeung Po Ling, Pauline also holds beneficial interests in Topone.

In addition, that subsidiary also paid an amount of HK\$150,000 to Topone during the year as a compensation for additional promotional services rendered by Topone to the Group.

Both Mr Wong Wai Sheung and Miss Yeung Po Ling, Pauline are directors of the Company and have beneficial interests in the Company.

22. 有關連人士之交易

年內，本集團曾與有關連人士進行以下重大交易：

- (a) 本公司之一間附屬公司於1996年6月3日與黃偉常先生之父親黃桂生先生訂立租賃協議，將物業租予本集團作零售用途，租期為四年半。該租約已於年內屆滿，並重新續約2年至2002年12月31日止。年內，應向黃桂生先生支付之租金為2,925,000港元(2000年：3,180,000港元)。
- (b) 本公司一間附屬公司向桂記祥珠寶金行有限公司(「桂記祥」)購入一項物業，代價為1,200,000港元(乃按照一間獨立物業估值師行就該項物業所釐訂之公開市場價值計算)。黃偉常先生持有桂記祥之酌情實益權益。
- (c) 本公司之一間附屬公司已與楊寶玲小姐及泰一投資有限公司(「泰一」)訂立服務協議(「服務協議」)，該協議為期1年，已於2001年3月31日屆滿。根據該服務協議，泰一已同意楊小姐提供獨家服務，以推廣本集團產品及服務，代價為每年460,000港元(2000年：444,600港元)。楊寶玲小姐亦於泰一持有實益權益。

此外，該附屬公司亦於年內向泰一支付150,000港元以補償泰一向本集團提供額外推廣服務。

黃偉常先生及楊寶玲小姐均為本公司董事，並於本公司擁有實益權益。

22. RELATED PARTY TRANSACTIONS (CONT'D)

The directors are of the opinion that the above transactions were entered into in the normal course of business and are on normal commercial terms.

23. ULTIMATE HOLDING COMPANY

The directors regard Luk Fook (Control) Limited, a company incorporated in the British Virgin Islands, as being the ultimate holding company.

24. POST BALANCE SHEET DATE EVENTS

On 21st April 2001, the Group has established a subsidiary, Fujian Hua Hui Jewellery Co., Ltd. ("Hua Hui"), in the People's Republic of China, with two independent third parties. Hua Hui will be engaged in the manufacturing and selling of platinum products. The registered capital of Hua Hui is US\$500,000. The Group is committed to contributing 70% of the registered capital of US\$350,000 and is entitled to the same proportion of profit sharing in Hua Hui.

25. APPROVAL OF ACCOUNTS

The accounts were approved by the board of directors on 23rd July 2001.

22. 與關連人士之交易 (續)

董事認為，上述交易乃於日常業務過程中按一般商業條款進行。

23. 最終控股公司

董事認為本公司之最終控股公司為在英屬維京群島註冊成立之Luk Fook (Control) Limited。

24. 結算日後事項

於2001年4月21日，本集團與兩名獨立第三者於中華人民共和國成立一間附屬公司福建華輝珠寶首飾有限公司(「華輝」)。華輝將從事製造及買賣白金產品。華輝之註冊資本為500,000美元。本集團承諾為註冊資本出資70%，即350,000美元，並有權按同等比例分享華輝之溢利。

25. 賬目通過

本年度賬目已於2001年7月23日由董事會通過。