

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31st August, 2002
截至二零零二年八月三十一日止年度

12. PROPERTY, PLANT AND EQUIPMENT

12. 物業、機器及設備

THE GROUP

本集團

	Land	Buildings	Furniture, fixtures and equipment 傢俬、 裝置 及設備	Plant and machinery 廠房 機器	Motor vehicles 車輛	Construction in progress 興建中 物業	Total 總額
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
COST OR VALUATION 成本或估值							
At 1st September, 2001 於二零零一年九月一日	320,331	961,118	288,863	1,618,312	22,769	44,302	3,255,695
Currency realignment 外幣換算差額	(52)	(1,075)	(660)	(3,158)	(77)	(34)	(5,056)
Additions 增加	772	985	16,411	176,330	4,124	71,346	269,968
Reclassifications: 調撥：							
to investment properties 至投資物業	(7,544)	(10,456)	—	—	—	—	(18,000)
others 其他	—	12,152	14,126	29,190	—	(55,468)	—
Disposals 出售	—	—	(23,416)	(65,371)	(1,448)	—	(90,235)
At 31st August, 2002 於二零零二年八月三十一日	313,507	962,724	295,324	1,755,303	25,368	60,146	3,412,372
Comprising: 包括：							
At cost 成本	30,254	440,899	295,324	1,755,303	25,368	60,146	2,607,294
At 1995 valuation 於一九九五年估值	283,253	521,825	—	—	—	—	805,078
	313,507	962,724	295,324	1,755,303	25,368	60,146	3,412,372

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For the year ended 31st August, 2002

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12. PROPERTY, PLANT AND EQUIPMENT - Continued

12. 物業、機器及設備—續

	Land	Buildings	Furniture, fixtures and equipment 傢俬、 裝置 及設備	Plant and machinery 廠房 機器	Motor vehicles 車輛	Construction in progress 興建中 物業	Total 總額
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
DEPRECIATION, AMORTISATION AND IMPAIRMENT							
折舊、攤銷及減值							
At 1st September, 2001 於二零零一年九月一日	77,868	234,631	154,341	998,191	18,826	—	1,483,857
Currency realignment 外幣換算差額	(6)	(78)	(326)	(1,161)	(46)	—	(1,617)
Provided for the year 是年度準備	4,862	27,660	22,368	104,548	1,132	—	160,570
Impairment loss recognised in the income statement 於收益賬內確認之減值損失	7,594	6,857	—	—	—	—	14,451
Impairment loss recognised in the asset revaluation reserve 於資產重估儲備賬內確認 之減值損失	32,460	55,168	—	—	—	—	87,628
Reclassification to investment properties 調撥至投資物業	(1,585)	(2,267)	—	—	—	—	(3,852)
Eliminated on disposals 出售時撇銷	—	—	(23,306)	(53,766)	(1,322)	—	(78,394)
At 31st August, 2002 於二零零二年八月三十一日	121,193	321,971	153,077	1,047,812	18,590	—	1,662,643
NET BOOK VALUES							
賬面淨值							
At 31st August, 2002 於二零零二年八月三十一日	192,314	640,753	142,247	707,491	6,778	60,146	1,749,729
At 31st August, 2001 於二零零一年八月三十一日	242,463	726,487	134,522	620,121	3,943	44,302	1,771,838

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12. PROPERTY, PLANT AND EQUIPMENT - Continued

During the year, the directors conducted a review of the Group's land and buildings and determined that a number of those assets were impaired in light of the current market condition. Accordingly, impairment losses of approximately HK\$102,079,000 have been recognised in respect of the land and buildings.

The net book value of properties shown above comprises:

12. 物業、機器及設備－續

本年度董事就本集團之土地及樓宇作出檢討，並根據目前市場情況確定若干資產已減值。據此，就土地及樓宇之已確認減值損失約為102,079,000港元。

以上物業賬面淨值包括：

	Land and buildings 土地及樓宇		Construction in progress 興建中物業	
	2002 HK\$'000 千港元	2001 HK\$'000 千港元	2002 HK\$'000 千港元	2001 HK\$'000 千港元
Properties situated in Hong Kong under medium-term leases 在香港以中期租賃持有的物業	480,065	609,594	—	—
Properties situated outside Hong Kong:				
Freehold 永久持有	216	226	—	—
Long leases and long-term land use rights 長期租賃及長期土地使用權	63,801	65,099	—	—
Medium-term land use rights 中期土地使用權	288,985	294,031	60,146	44,302
	<u>833,067</u>	<u>968,950</u>	<u>60,146</u>	<u>44,302</u>

Certain leasehold land and buildings of the Group are stated at 1995 valuation less subsequent depreciation, amortisation and impairment. The valuation was carried out by Brooke International, a firm of independent property valuers, at 31st August, 1995 on an open market value basis.

The aggregate amount of properties stated at cost or valuation has been apportioned between land and buildings on the basis of an estimate made by the directors.

本集團部份按租賃持有之土地及樓宇以一九九五年估值扣除往後的折舊、攤銷及減值後列出，估值乃由一獨立之物業測量行保柏國際物業顧問於一九九五年八月三十一日根據公開市值基準而進行。

物業以成本或估值列出之總值乃根據董事之評估分為土地及樓宇兩類。

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For the year ended 31st August, 2002
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12. PROPERTY, PLANT AND EQUIPMENT - Continued

If land and buildings of the Group had not been revalued, they would have been included in the financial statements at historical cost less accumulated depreciation, amortisation and impairment at approximately HK\$402,099,000 (2001: HK\$434,696,000).

The net book value of property, plant and equipment of the Group includes an amount of approximately HK\$183,897,000 (2001: HK\$189,959,000) in respect of assets held under finance leases.

THE COMPANY

COST

At 1st September, 2001
Additions
Disposals

At 31st August, 2002

DEPRECIATION

At 1st September, 2001
Provided for the year
Eliminated on disposals

At 31st August, 2002

NET BOOK VALUES

At 31st August, 2002

At 31st August, 2001

成本

於二零零一年九月一日
增加
出售

於二零零二年八月三十一日

折舊

於二零零一年九月一日
是年度準備
出售時撇銷

於二零零二年八月三十一日

賬面淨值

於二零零二年八月三十一日

於二零零一年八月三十一日

12. 物業、機器及設備－續

如本集團之土地及樓宇不作重估，應以其歷史成本扣除累積折舊、攤銷及減值後之淨值約402,099,000港元（二零零一年度：434,696,000港元）載列於財務報表內。

本集團之物業、機器及設備賬面淨值中按財務租賃而持有的資產約為183,897,000港元（二零零一年度：189,959,000港元）。

本公司

	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Motor vehicles 車輛 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1st September, 2001	27,063	3,793	30,856
Additions	573	—	573
Disposals	(558)	—	(558)
At 31st August, 2002	<u>27,078</u>	<u>3,793</u>	<u>30,871</u>
At 1st September, 2001	23,047	3,738	26,785
Provided for the year	1,344	55	1,399
Eliminated on disposals	(556)	—	(556)
At 31st August, 2002	<u>23,835</u>	<u>3,793</u>	<u>27,628</u>
At 31st August, 2002	<u>3,243</u>	<u>—</u>	<u>3,243</u>
At 31st August, 2001	<u>4,016</u>	<u>55</u>	<u>4,071</u>

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For the year ended 31st August, 2002
截至二零零二年八月三十一日止年度

13. GOODWILL

13. 商譽

THE GROUP
本集團
HK\$'000
千港元

COST	成本	
Arising on acquisition of additional interest in an existing subsidiary during the year and balance at 31st August, 2002	是年度因增持現有一間附屬公司之權益而產生及於二零零二年八月三十一日之結餘	1,257
AMORTISATION	攤銷	
Charge for the year and balance at 31st August, 2002	是年度攤銷及於二零零二年八月三十一日之結餘	84
CARRYING AMOUNT	賬面值	
At 31st August, 2002	於二零零二年八月三十一日	<u>1,173</u>

The amortisation period adopted for goodwill is five years.

商譽所採納之攤銷年期為五年。

14. INTERESTS IN SUBSIDIARIES

14. 應佔附屬公司權益

		2002 HK\$'000 千港元	2001 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，以成本列出	46,909	48,693
Amounts due from subsidiaries	附屬公司所欠款項	<u>2,514,397</u>	<u>2,427,544</u>
		2,561,306	2,476,237
Less: Impairment losses recognised	減：減值損失確認	<u>(142,671)</u>	<u>(69,524)</u>
		<u>2,418,635</u>	<u>2,406,713</u>
Amounts due to subsidiaries	欠附屬公司款項	<u>1,351,477</u>	<u>1,133,771</u>

During the year, the Group reviewed the carrying amounts of interests in subsidiaries and identified that the estimated net future cash flows from certain subsidiaries are less than the carrying amounts. Accordingly, the carrying amounts of these subsidiaries are reduced to their respective recoverable amounts.

本年度本集團檢討應佔附屬公司權益之賬面值，並確定部份附屬公司之預計未來現金流量淨值低於賬面值。據此，該等附屬公司之賬面值已被減至其可收回金額。

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For the year ended 31st August, 2002

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14. INTERESTS IN SUBSIDIARIES - Continued

In the opinion of the directors, the amounts due from and the amounts due to subsidiaries will not be repayable within one year of the balance sheet date and, accordingly, such amounts have been classified as non-current.

Particulars of the principal subsidiaries of the Company at 31st August, 2002 are as follows:

Name of subsidiary	Place/ country of incorporation/ registration and operation 註冊成立 ／登記及 營業所在地 ／國家	Issued and fully paid share capital/ registered capital 已發行及 繳足之股本 ／登記股本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持 已發行股本 ／登記股本 面值之比率		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Dongguan Fuan Textiles Limited ("Dongguan Fuan") 東莞福安紡織印染有限公司 ("福安")	PRC 中國	HK\$314,980,000 (note) 314,980,000港元 (附註)	—	51	Knitting, dyeing and sales of dyed fabrics and yarns 針織、染色和銷售 色布及色紗
Dong Guan Hai Xing Apparel Co., Ltd. 東莞海星服裝有限公司	PRC 中國	HK\$5,000,000 5,000,000 港元	—	100	Production and sales of garments 製造及銷售成衣
Dongguan Shatin Lake Side Textiles Printing & Dyeing Co., Ltd. ("Dongguan Shatin Lake Side") 東莞沙田麗海紡織印染 有限公司("沙田麗海")	PRC 中國	HK\$102,000,000 (note) 102,000,000 港元 (附註)	—	90	Dyeing, printing and sales of dyed fabrics 染色、印花和銷售 色布

14. 應佔附屬公司權益—續

根據董事之意見，附屬公司所欠款項或欠附屬公司款項不會於結算日後之一年內償還。據此，此等款項被列為非流動項目。

於二零零二年八月三十一日本公司之主要附屬公司詳情如下：

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For the year ended 31st August, 2002

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14. INTERESTS IN SUBSIDIARIES - Continued

14. 應佔附屬公司權益 – 續

Name of subsidiary 附屬公司名稱	Place/ country of incorporation/ registration and operation 註冊成立 /登記及 營業所在地 /國家	Issued and fully paid share capital/ registered capital 已發行及 繳足之股本 /登記股本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持 已發行股本 /登記股本 面值之比率		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Faun Industries Limited 福力實業有限公司	Hong Kong 香港	HK\$2 2港元	100	—	Trading of dyed fabrics and yarns 色布及色紗貿易
Folktune Limited 福津有限公司	Hong Kong 香港	HK\$2 2港元	100	—	Investment holding 投資控股
Fountain Set Chemicals Limited 福田化工貿易有限公司	Hong Kong 香港	HK\$2 2港元	100	—	Trading of dyestuffs and chemicals 顏化料貿易
Fountain Set Limited 福田實業有限公司	Hong Kong 香港	HK\$3,000,000 3,000,000 港元	100	—	Trading of dyed fabrics and yarns 色布及色紗貿易
Fountain Set Textiles (B.C.) Limited	Canada 加拿大	C\$500,000 (Common shares) 500,000 加元 (普通股)	80	—	Trading of fabrics, yarns and threads 布、紗及線貿易
Fountain Set Textiles (Ontario) Limited	Canada 加拿大	C\$300,100 (Common shares) 300,100 加元 (普通股)	51	—	Trading of fabrics, yarns and threads 布、紗及線貿易
Fountain Set Worldwide Sdn. Bhd.	Malaysia 馬來西亞	RM2 2馬元	—	100	Trading of dyed fabrics and yarns 色布及色紗貿易

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14. INTERESTS IN SUBSIDIARIES - Continued

14. 應佔附屬公司權益—續

Name of subsidiary 附屬公司名稱	Place/ country of incorporation/ registration and operation 註冊成立 ／登記及 營業所在地 ／國家	Issued and fully paid share capital/ registered capital 已發行及 繳足之股本 ／登記股本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持 已發行股本 ／登記股本 面值之比率		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Gold Wheat Investment Limited 金穗投資有限公司	Hong Kong 香港	HK\$2 2 港元	100	—	Property holding 持有物業
Goldlink Thread Limited 金菱線廠有限公司	Hong Kong 香港	HK\$5,000,000 5,000,000 港元	60	—	Trading of sewing threads 縫紉線貿易
Highscene Limited 漢盛有限公司	Hong Kong 香港	HK\$3,000,000 3,000,000 港元	—	100	Trading of yarns 胚紗貿易
Jiangyin Fuhui Textiles Limited 江陰福滙紡織有限公司	PRC 中國	US\$6,300,000 6,300,000 美元	—	100	Knitting, dyeing and sales of dyed fabrics and yarns 針織、染色和銷售 色布及色紗
Jinyue Industrial Limited 精裕實業有限公司	Hong Kong 香港	HK\$100 100 港元	—	100	Trading of dyed yarns 色紗貿易
K.L.W. Limited 金漣威(香港)有限公司	Hong Kong 香港	HK\$28,571,429 28,571,429 港元	—	100	Sales of garments 銷售成衣
Lake Side Printing Factory Limited 麗海印花廠有限公司	Hong Kong 香港	HK\$2 2 港元	100	—	Investment holding 投資控股
Ocean Lanka (Private) Limited	Democratic Socialist Republic of Sri Lanka 斯里蘭卡民主 社會主義共和國	RS985,000,000 985,000,000 盧比	—	60	Knitting, dyeing and sales of dyed fabrics 針織、染色和銷售 色布

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14. INTERESTS IN SUBSIDIARIES - Continued

14. 應佔附屬公司權益 – 續

Name of subsidiary 附屬公司名稱	Place/ country of incorporation/ registration and operation 註冊成立 /登記及 營業所在地 /國家	Issued and fully paid share capital/ registered capital 已發行及 繳足之股本 /登記股本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持 已發行股本 /登記股本 面值之比率		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
OceanStar Textiles International Limited 海星紡織國際有限公司	Hong Kong 香港	HK\$2 2港元	100	—	Sales of garments 銷售成衣
Ocean Yarn Dyeing Factory Limited 海洋染紗廠有限公司	Hong Kong 香港	HK\$2 2港元	100	—	Investment holding 投資控股
Xin Hui Hui Lian Textile Company Limited 新會滙聯紡織有限公司	PRC 中國	HK\$15,000,000 15,000,000 港元	—	100	Cotton spinning 棉紡

Note:

Dongguan Fuan and Dongguan Shatin Lake Side were established by the Group with certain independent third parties. Since the signing of various agreements in previous years, the Group has been entitled to all of the net profits arising from the operations of Dongguan Fuan and Dongguan Shatin Lake Side after the payment of certain fixed amounts to the above independent third parties each year for a term of 10 years up to 31st December, 2010 for Dongguan Fuan and for a term of 25 years up to 1st December, 2021 for Dongguan Shatin Lake Side, and the Group is also entitled to and responsible for all of the assets and liabilities of Dongguan Fuan and Dongguan Shatin Lake Side other than any amounts contributed by the above independent third parties.

附註：

福安及沙田麗海乃由本集團與多個獨立第三者成立。自若干合同於多年前簽署後，本集團可享有福安及沙田麗海扣除每年給予獨立第三者之承包費後之淨盈利，同時亦擁有其資產（非由上述獨立第三者所投資）及需要負擔有關之負債。福安之合同為期十年至二零一零年十二月三十一日止；而沙田麗海之合同為期二十五年至二零二一年十二月一日止。

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截至二零零二年八月三十一日止年度

14. INTERESTS IN SUBSIDIARIES - Continued

The above table includes the subsidiaries of the Company which, in the opinion of the Company's directors, principally affected the results of the Group for the year or formed a substantial portion of the assets of the Group at the balance sheet date. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.

15. INTERESTS IN JOINTLY CONTROLLED ENTITIES

Share of net assets of jointly controlled entities	應佔共同控制機構之資產淨值
Amounts due from jointly controlled entities	共同控制機構所欠款項
Less: Impairment losses recognised	減：減值損失確認

During the year, the Group reviewed the carrying amounts of interests in jointly controlled entities (the "JCEs") and identified that the estimated net future cash flows from the JCEs are less than the carrying amounts. Accordingly, the carrying amounts of interests in these JCEs are reduced to their respective recoverable amounts.

14. 應佔附屬公司權益—續

以上本公司之附屬公司乃基於本公司董事認為其對本年度業績及本集團於結算日之資產值有重要影響性而表列。本公司董事認為併列其他附屬公司詳情會引致篇幅冗長。

於本年度終結時或在本年度任何時間，附屬公司並無任何債務證券結餘。

15. 應佔共同控制機構權益

THE GROUP	
本集團	
2002	2001
HK\$'000	HK\$'000
千港元	千港元
—	5,943
40,507	40,816
40,507	46,759
(26,850)	—
13,657	46,759

本年度本集團檢討應佔共同控制機構權益之賬面值，並確定其應佔共同控制機構之預計未來現金流量淨值低於賬面值。據此，該等應佔共同機構之權益已被減至其可收回金額。

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15. INTERESTS IN JOINTLY CONTROLLED ENTITIES

- Continued

In the opinion of the directors, the amounts due from the JCEs will not be repayable within one year of the balance sheet date and, accordingly, such amounts have been classified as non-current.

Particulars of the JCEs of the Group at 31st August, 2002 are as follows:

15. 應佔共同控制機構權益 – 續

根據董事之意見，共同控制機構所欠款項不會於結算日後之一年內償還。據此，此等款項被列為非流動項目。

於二零零二年八月三十一日，本集團之共同控制機構詳情如下：

Name of entity	Place of incorporation and operation	Proportion of nominal value of issued share capital indirectly held by the Company	Principal activity
機構名稱	註冊成立及營業所在地	本公司間接所持已發行股本面值之比率	主要業務
Cheong Fook Development Limited 昌福發展有限公司	Hong Kong 香港	50%	Property holding 持有物業
Hoopeston Limited	Hong Kong 香港	50%	Property holding 持有物業
Simking Development Limited 盛境發展有限公司	Hong Kong 香港	50%	Property holding 持有物業
Upperwin Development Limited 高璇發展有限公司	Hong Kong 香港	50%	Property holding 持有物業
Viewluck Development Limited 景運發展有限公司	Hong Kong 香港	50%	Property holding 持有物業

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16. INVENTORIES

Raw materials	原料
Work in progress	半製品
Finished goods	製成品

The following represents inventories which are carried at net realisable value at the balance sheet date:

16. 存貨

THE GROUP	
本集團	
2002	2001
HK\$'000	HK\$'000
千港元	千港元
578,317	456,072
238,247	209,676
191,020	194,699
<u>1,007,584</u>	<u>860,447</u>

於結算日，以下存貨以可變現值列出：

Raw materials	原料
Work in progress	半製品
Finished goods	製成品

THE GROUP	
本集團	
2002	2001
HK\$'000	HK\$'000
千港元	千港元
2,775	20,204
—	5,262
—	7,552
<u>2,775</u>	<u>33,018</u>

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17. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period of 75 days to its trade customers.

The following is an aged analysis of trade receivables at the balance sheet date:

Not yet due	未到期
Overdue 1 - 30 days	過期 1-30 天
Overdue 31 - 60 days	過期 31-60 天
Overdue > 60 days	過期超過 60 天

17. 營業及其他應收款項

本集團提供平均75天數期予營業客戶。

於結算日，營業應收款項之賬齡分析如下：

THE GROUP	
本集團	
2002	2001
HK\$'000	HK\$'000
千港元	千港元
510,016	470,532
158,909	118,227
108,133	108,235
80,928	96,709
<u>857,986</u>	<u>793,703</u>

18. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables at the balance sheet date:

Not yet due	未到期
Overdue 1 - 30 days	過期 1-30 天
Overdue 31 - 60 days	過期 31-60 天
Overdue > 60 days	過期超過 60 天

18. 營業及其他應付款項

於結算日，營業應付款項之賬齡分析如下：

THE GROUP	
本集團	
2002	2001
HK\$'000	HK\$'000
千港元	千港元
213,801	138,256
17,833	17,983
4,746	2,239
5,538	4,574
<u>241,918</u>	<u>163,052</u>