

FOR THE YEAR ENDED 31 MARCH, 2003
截至二零零三年三月三十一日止年度

1. GENERAL

Peace Mark (Holdings) Limited (the "Company") was incorporated in Bermuda as an exempted company with limited liability. Its shares are listed on The Stock Exchange of Hong Kong Limited.

The Company is an investment holding company. The principal activities of the Company's subsidiaries are set out in note 18 to the financial statements.

2. ADOPTION OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE

In the current year, the Group has adopted the following new and revised Statements of Standard Accounting Practice ("SSAPs") issued by the Hong Kong Society of Accountants:

SSAP 1 (Revised)	Presentation of financial statements
SSAP 11 (Revised)	Foreign currency translation
SSAP 15 (Revised)	Cash flow statements
SSAP 34	Employee benefits

SSAP 1 (Revised) requires the Group to present a new statement "Statement of changes in equity". The new statement reconciles movements of the equity from the beginning to the end of a year.

SSAP 15 (Revised) prescribes the revised format of the cash flow statement in which the cash flows during the year will only be classified by operating, investing and financing activities. These changes have not had any material effect on the results for the current or prior accounting years and, accordingly, no prior year adjustment has been required. Comparative figures have been restated in order to achieve a consistent presentation.

1. 一般資料

宜進利(集團)有限公司(「本公司」)為在百慕達註冊成立之受豁免有限公司，其股份在香港聯合交易所有限公司上市。

本公司乃一投資控股公司。本公司屬下各附屬公司之主要業務刊載於財務報告附註18。

2. 採納新制訂及經修訂會計實務準則

於本年度，本集團已採納下列由香港會計師公會頒佈之新制訂及經修訂會計實務準則(「會計實務準則」)：

會計實務準則第1號(經修訂)	財務報告之呈報方式
會計實務準則第11號(經修訂)	外幣換算
會計實務準則第15號(經修訂)	現金流量表
會計實務準則第34號	僱員福利

會計實務準則第1號(經修訂)規定本集團呈列一項全新報表「權益變動表」。此新報表列明年初至年終之權益變動之情況。

會計實務準則第15號(經修訂)訂明經修訂之現金流量表形式，年內之現金流量將僅會分類為經營、投資及融資活動。此等變動對本會計年度或以往會計年度之業績並無任何重大影響，因此毋須作出前期調整。為了讓呈列方式貫徹一致，比較數字已予重列。

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2. ADOPTION OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE (Continued)

Save as aforesaid, the adoption of other new and revised SSAPs as outlined above does not have material impact on results reported in the current or prior year, though the terminology used and certain disclosures have been revised in line with the new requirements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Statements of Standard Accounting Practice issued by the Hong Kong Society of Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, modified with respect to the measurement of investments in securities and leasehold properties, as further explained in the respective accounting policies below. A summary of the significant accounting policies adopted by the Group is set out below:

(a) Basis of consolidation

The consolidated financial statements of the Group include the financial statements of the Company and its subsidiaries. A subsidiary is a company whose financial and operating policies are under the Company's control, directly or indirectly, so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal. The equity and net income attributable to minority shareholders' interests, representing the interests of outside shareholders, are shown separately in the Group's balance sheet and income statement, respectively.

2. 採納新制訂及經修訂會計實務準則 (續)

除上述者外，採納上述所概述之其他新制訂及經修訂會計實務準則對本年度及前期之業績概無重大影響，惟所用詞彙及若干披露已予修訂以符合新規定。

3. 主要會計政策概要

此等財務報告乃根據香港會計師公會刊發之會計實務準則、香港普遍採納之會計原則及香港公司條例之披露規定而編製。此等財務報告乃根據原始成本準則所編製，並已就衡量證券投資及租賃物業作修訂，其他詳細資料載於下文各項會計原則。本集團採納之主要會計政策概述如下：

(a) 綜合基準

本集團之綜合財務報告包括本公司及其附屬公司之財務報告。附屬公司為本公司直接或間接控制其財務及經營政策以從其業務中獲益之公司。本年度購入或出售之附屬公司業績，由其獲收購之生效日期綜合入賬或綜合入賬至其被出售之生效日期，少數股東權益（即外界股東之權益）應佔之股本及收入淨額，分別於本公司之資產負債表及收益賬中獨立列示。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of consolidation (Continued)

Intragroup balances and transactions and resulting unrealized profits are eliminated in full. Unrealized losses resulting from intragroup transactions are eliminated unless cost cannot be recovered. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

In the Company's financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses. The results of the subsidiaries are included in the income statement to the extent of dividends received and receivable.

(b) Associates and jointly controlled entities

An associate is a company, not being a subsidiary or a joint venture, in which an equity interest is held, or the long-term and significant influence is exercised in its management. A jointly controlled entity is an entity which operates under a contractual arrangement between the group or company and other parties, where the contractual arrangement established that the group or company and one or more of the other parties share joint control over the economic activity of the entity.

The consolidated income statement includes the Group's share of the results of associates and jointly controlled entities for the year, and the consolidated balance sheet includes the Group's share of the net assets or liabilities of the associates and jointly controlled entities and also goodwill/negative goodwill (net of accumulated amortization and accumulated impairment losses) arising on acquisition.

3. 主要會計政策概要 (續)

(a) 綜合基準 (續)

集團內部結餘及交易以及所產生之未變現溢利已悉數抵銷。除非不能收回成本，否則集團內部交易之未變現虧損乃予以撇銷。綜合財務報告乃就類似交易以及類似情況之其他事項利用統一會計政策而編製。

本公司之財務報告內，於附屬公司之投資以成本列值減任何累積減值虧損列賬。附屬公司之業績乃按已收及應收股息計入損益賬。

(b) 聯營公司及共同控制企業

聯營公司並非附屬公司或合營企業，乃為於當中持有股本權益或對其管理具有長遠及重大影響之公司。共同控制企業為由集團或公司及其他人士根據合約性安排經營之實體，而該合約性安排會訂明集團或公司及一位或多位其他人士將對實體之經濟活動具有共同控制權。

綜合收益表包括本集團於本年度分佔聯營公司及共同控制企業之業績，而綜合資產負債表則包括本集團分佔聯營公司及共同控制企業之資產淨值或負債，亦包括收購時所產生之商譽／負商譽(扣除累積攤銷及累積減值虧損)。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Associates and jointly controlled entities (Continued)

In the Company's balance sheet, the investments in associates and jointly controlled entities are stated at cost less provision for impairment losses. The results of associates and jointly controlled entities are accounted for by the Company on the basis of dividends received and receivable.

(c) Goodwill

Goodwill arising on acquisition of subsidiaries represents the excess of the cost of acquisition over the Group's interest in the fair values of the identifiable assets and liabilities of the subsidiaries at the date of acquisition. Goodwill is carried at cost less accumulated amortization and accumulated impairment losses. Goodwill is capitalized and amortized on a straight-line basis over the shorter of its estimated useful life or 20 years. The amortization charge for each period is recognized as an expense.

Goodwill arising from transactions completed prior to 1 April, 2001 is written off directly against reserves and is reduced by impairment losses. Any impairment loss identified is recognized as an expense.

3. 主要會計政策概要 (續)

(b) 聯營公司及共同控制企業 (續)

於本公司之資產負債表中，聯營公司及共同控制企業投資乃按成本減以減值虧損撥備列賬。聯營公司及共同控制企業之業績乃由本公司按已收及應收股息基準列賬。

(c) 商譽

收購附屬公司賬目所產生之商譽，乃指收購成本超過收購日本集團所佔有關附屬公司可辨別資產及負債之公平價值。商譽乃以成本減累積攤銷及累積減值虧損列賬。商譽乃作資本化，並按其估計可使用年期或二十年(以較短者為準)以直線法攤銷。每段期間之攤銷開支乃確認為開支。

於二零零一年四月一日前完成之交易所產生之商譽，乃直接於儲備中撇銷，並扣除減值虧損。任何可辨別之減值虧損乃確認為開支。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Goodwill (Continued)

On disposal of an interest in a subsidiary, the attributable amount of goodwill not previously amortized through the consolidated income statement or which has previously been dealt with as a movement on group reserves is included in the calculation of the profit or loss on disposal.

(d) Negative goodwill

Any excess, as at the date of the transaction, of the Group's interest in the fair values of the identifiable assets and liabilities acquired over the cost of the acquisition, should be recognized as negative goodwill.

Negative goodwill is recognized in the income statement as follows:

- (a) to the extent that negative goodwill relates to expected future losses and expenses that are identified in the Group's plan for the acquisition and can be measured reliably, that portion of negative goodwill is recognized as income when the future losses and expenses are recognized.
- (b) the amount of negative goodwill not exceeding the fair values of acquired identifiable non-monetary assets is recognized as income on a systematic basis over the remaining weighted average useful life of the identifiable acquired depreciable/amortizable assets.

3. 主要會計政策概要 (續)

(c) 商譽 (續)

出售附屬公司之權益時，之前並未於綜合損益賬中攤銷或之前已於集團儲備中以變動形式處理之應佔商譽，乃計入出售時之損益內。

(d) 負商譽

負商譽指本集團所佔於收購日期所收購之可鑑別資產與負債之公平值超逾收購成本之數。

負商譽乃在收益賬中以下列形式確認：

- (a) 倘若負商譽乃與本集團收購計劃中已鑑別及能可靠衡量之預期未來虧損及開支有關，該部份之負商譽乃於確認未來虧損及開支時確認為收入。
- (b) 就不超過所購入可鑑別之非貨幣資產之公平價值之負商譽，乃於可鑑別之已購入資產須作出折舊／攤銷之餘下加權平均使用年期內，有系統地確認為收入。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Negative goodwill (Continued)

- (c) the amount of negative goodwill in excess of the fair values of acquired identifiable non-monetary assets is recognized as income immediately.

Negative goodwill arising on the acquisition of an associate is deducted from the carrying amount of that associate. Negative goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet as a deduction from assets.

(e) Investments in securities

Investments in securities are recognized on a trade-date basis and are initially measured at cost. At subsequent reporting dates, debts securities that the company has the expressed intention and ability to hold to maturity (held-to-maturity securities) are measured at amortized cost, less any impairment loss recognized to reflect irrecoverable amounts. Any discount or premium on the acquisition of a held-to-maturity security is aggregated with other investment income receivable over the term of the instrument so that the revenue recognized in each period represents a constant yield on the investment.

Investments other than held-to-maturity debt securities are classified as securities for trading purposes and other securities.

3. 主要會計政策概要 (續)

(d) 負商譽 (續)

- (c) 超逾所購入之可鑑別非貨幣資產之公平價值之負商譽乃即時確認為收入。

收購聯營公司所產生之負商譽，乃從該聯營公司之賬面值中扣除。因收購附屬公司產生之負商譽，乃在資產負債表中獨立呈列為資產中一項扣減項目。

(e) 證券投資

證券投資以交易日基準確認入賬，最初按成本值計算。於報告日後，本公司已表明及有能力持作到期之債務證券(持作到期證券)乃以經攤銷成本減任何已確認之減值虧損計算，以反映未能收回之數額。購入持作到期證券之任何折讓或溢價乃於有關投資工具之有效期內與其他應收投資收入一併計算，使每段期間所確認之收入可保持一固定之投資回報率。

持作到期債務證券以外之投資被列為以買賣交易為目的之證券及其他證券。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Investments in securities (Continued)

Where securities are held for trading purposes, unrealized gains and losses are included in net profit or loss for the year. For other securities, unrealized gains and losses are dealt with in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss is included in net profit or loss for the year.

(f) Fixed assets and depreciation

Fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition and location for its intended use. Expenditure incurred after the fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the fixed asset, the expenditure is capitalized as an additional cost of the fixed asset.

3. 主要會計政策概要 (續)

(e) 證券投資 (續)

當證券持作買賣用途時，未變現盈虧列入本年之純利或虧損淨額內。就其他證券而言，未變現盈虧乃列入權益之下，直至證券出售或確定已出現折損時，才會將累積之盈虧計入本年之溢利或虧損淨額。

(f) 固定資產及折舊

固定資產乃按成本值或估值減累積折舊及累積減值虧損後入賬。資產成本包括資產之購入價及使資產達致可使用狀況及位置之直接費用。固定資產投入正式操作後之所有費用，包括維修、保養及大修，會直接計入該期間之收益賬中。惟倘若可清楚顯示該有關費用令日後使用該資產之預期經濟效益增加，則此等費用將會作為固定資產之額外成本撥充資本。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed assets and depreciation (Continued)

Advantage has been taken of the transitional relief provided by paragraph 80 of SSAP 17 (Revised) "Property, plant and equipment" from the requirement to make regular revaluations of the Group's land and buildings which had been carried at revalued amounts prior to 30 September, 1995, and accordingly no further revaluation of land and buildings is carried out. In previous years, surplus arising on the revaluation of these assets was credited to the revaluation reserve. Any future deficit in value of these assets will be dealt with as an expense to the extent that they exceed the balance, if any, on the revaluation reserve relating to a previous revaluation of the same asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to accumulated profits.

Depreciation is provided to write off the cost or valuation of fixed assets over their estimated useful lives. With effect from 1 April, 2002, the Group revised the annual depreciation rates and the depreciation method of certain categories of fixed assets corresponding to the change in estimate of the useful lives and the expected pattern of consumption of economic benefits of those fixed assets as set out below. The directors believe that the change in accounting estimate will result in more appropriate presentation of events and transactions in the financial statements.

3. 主要會計政策概要 (續)

(f) 固定資產及折舊 (續)

本公司利用會計實務準則第17號(經修訂)「物業、廠房及設備」第80段所提供之過渡性寬免，並未對一九九五年九月三十日以前以估值列賬之本集團土地及樓宇作定期估值，因此並無對土地及樓宇進一步作估值。於過往年度，重估該等資產所產生之盈餘，乃計入重估儲備中。該等資產價值之任何未來虧絀將按其超逾涉及之前重估同一項資產之重估儲備結餘(如有)而以開支方式處理。隨後出售或棄用重估資產，則所佔之重估盈餘將轉撥至累積溢利。

折舊乃於其估計使用年限就固定資產之成本值或估值攤銷。自二零零二年四月一日起，本集團因應下文所載之該等固定資產經濟利益之估計使用年限及預期消費模式，修訂若干固定資產類別之折舊年率及折舊計算方法。董事認為會計估計之變動將令財務報告之事項及交易更妥為呈列。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed assets and depreciation (Continued)

	2003
Freehold land 永久業權土地	Nil 無
Leasehold land 租賃土地	Over the term of lease 按租約年期
Buildings 樓宇	2% straight line method or over the term of lease whichever is shorter 按直線法之2%或按租約年期 (以較短者為準)
Leasehold improvements 租賃物業裝修	20% reducing balance method 按遞減餘額法之20%
Other assets 其他資產	20% reducing balance method 按遞減餘額法之20%

As a result of this change in accounting estimate, the Group's profit for the year has been increased by HK\$7,549,000.

The useful lives of assets and depreciation method are reviewed periodically.

The gain or loss arising on the disposal or retirement of a fixed asset is the difference between the net sale proceeds and the carrying amount of the relevant asset, and is recognized in the income statement.

3. 主要會計政策概要 (續)

(f) 固定資產及折舊 (續)

	2002
Freehold land 永久業權土地	Nil 無
Leasehold land 租賃土地	Over the term of lease 按租約年期
Buildings 樓宇	2% – 4% straight line method 按直線法之2% – 4%
Leasehold improvements 租賃物業裝修	2% – 20% straight line method 按直線法之2% – 20%
Other assets 其他資產	20% straight line method 按直線法之20%

由於會計估計之變動，本集團於本年度之溢利已增加7,549,000港元。

資產之可使用年期及折舊方法將定期予以檢討。

有關出售或停用固定資產之損益為銷售收益淨額與資產賬面值之差額，並於收益表中確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed assets and depreciation (Continued)

Properties under construction are stated at cost less accumulated impairment losses. This includes cost of construction, plant and equipment and other direct costs.

Properties under construction are not depreciated until such time as the assets are completed and ready for their intended use.

(g) Intangible assets

Intangible assets are measured initially at cost. Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise, and the cost of the asset can be measured reliably.

Subsequent expenditure on an intangible asset after its purchase or its completion is recognized as an expense when it is incurred unless it is probable that the expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and can be measured and attributed to the asset reliably in which case it will be added to the cost of the intangible asset.

After initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses.

3. 主要會計政策概要 (續)

(f) 固定資產及折舊 (續)

在建物業按成本減累積減值虧損列賬，其中包括建築成本、廠房及設備以及其他直接成本。

在建物業不會予以折舊，直至有關資產已完成及可準備作擬定用途為止。

(g) 無形資產

無形資產初步以成本列賬。倘有關資產所涉及之未來經濟利益將流向企業，而且能可靠地量度資產之成本，則確認無形資產。

於購入或完成無形資產後出現之開支，乃於產生時列作開支，除非有關開支將使有關資產能賺取超逾原本表現水平之未來經濟利益，並能可靠量度及撥歸有關資產，則在此情況下，有關開支將加入無形資產之成本。

經初步確認後，無形資產乃按成本減累積攤銷及任何累積減值虧損列賬。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Intangible assets (Continued)

Intangible assets mainly comprise the following:

(i) Technical know-how

The costs of acquiring technical know-how in connection with product development for the licensed products manufactured by the Group are capitalized and amortized on a straight-line basis over the terms of the relevant licenses.

(ii) Licenses

The cost of licenses represents the upfront cost payable and is amortized on a straight-line basis from the date of commencement of its economic use to the end of the terms of the licenses.

(iii) Trademark

Trademark is stated at acquisition cost and is amortized on a straight-line basis over its expected future economic life of 20 years.

The amortization period and the amortization method are reviewed annually at each financial year end.

(h) Impairment of assets

At each balance sheet date, the Group assesses whether there is any indication that fixed assets, intangible assets, interests in subsidiaries, interest in an associate and interest in a jointly controlled entity have suffered an impairment loss. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment losses, if any.

3. 主要會計政策概要 (續)

(g) 無形資產 (續)

無形資產主要包括下列各項：

(i) 工業知識

為本集團之特許權產品所購入有關產品開發之工業知識之成本乃作資本化，並按直線法於有關特許權之年期內攤銷。

(ii) 特許權

特許權之成本乃指應付之一次性成本，並由開始可供經濟使用之日至特許權年期結束時以直線法攤銷。

(iii) 商標

商標乃以收購成本列賬，並以直線法在預期未來二十年之經濟可使用年期攤銷。

攤銷期間及攤銷方法每年於每個財政年度結束時予以檢討。

(h) 資產減值

於每個結算日，本集團將評估有否顯示固定資產、無形資產、於附屬公司之權益、於聯營公司之權益及於共同控制企業之權益出現減值虧損。倘出現任何有關顯示，則估計資產之可收回數額，以釐訂減值虧損之數額(如有)。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Impairment of assets (Continued)

The recoverable amount is the higher of the net selling price and value in use of an asset. The net selling price is the amount that could be obtained from the sale of an asset in an arm's length transaction less the costs of the disposal, while value in use is the present value of estimated future cash flows expected to arise from the use of the asset and from its disposal at the end of its useful life.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately, unless the relevant asset is carried at revalued amount, in which case the impairment loss is firstly charged against the related revaluation reserve to the extent of the amount held in the revaluation reserve with any excess recognized as an expense.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, which is restricted to the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3. 主要會計政策概要 (續)

(h) 資產減值 (續)

可收回數額為資產之售價淨額及使用價值兩者中之較高者。售價淨額為按公平磋商原則出售資產扣除出售成本所獲得之數額，而使用價值則為預期因使用資產及於可使用年期結束時出售資產所產生之估計未來現金流量現值。

倘預期資產之可收回數額低於其賬面值，則資產之賬面值將減至其可收回價值。減值虧損乃即時確認為開支，除非有關資產以重估價值列賬，則在此情況下，減值虧損將首先按重估儲備中之數額所限而在有關重估儲備中支銷，任何餘額則確認為開支。

倘減值虧損隨後有所減少，則資產之賬面值乃增加至其經修訂之估計可收回數額，惟升幅僅限於尚在過往年度未就資產確認減值虧損而所釐訂之賬面值。撥回之減值虧損即時在損益賬中確認。除非有關資產以重估價值列賬，則在此情況下，所撥回之減值虧損乃以重估增值處理。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost, calculated on the first-in first-out basis, comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period in which the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

(j) Deferred taxation

Deferred taxation is provided under the liability method in respect of timing differences between profit as computed for taxation purposes and profit as stated in the financial statements to the extent that it is probable that a liability or an asset will crystallize in the foreseeable future.

3. 主要會計政策概要 (續)

(i) 存貨

存貨乃按成本及可變現淨值之較低者列賬。成本按先入先出法計算，其中包括所有購貨成本、轉換成本以及將存貨運往現址及達致現時狀況所耗用之其他成本。可變現淨值為日常業務過程中之估計售價扣除估計之完成成本及估計進行銷售所須之成本。

當出售存貨時，有關存貨之賬面淨值乃於確認有關收入之期間，確認為開支。將存貨撇減至可變現淨值之數額以及存貨之所有損失，乃於進行撇減或出現虧損之期間確認為開支。因可變現淨值回升而導致撥回撇銷存貨之數額，乃於進行撥回期間在已確認為開支之存貨數額中確認為一項扣減項目。

(j) 遞延稅項

遞延稅項乃按負債法就稅務計算之溢利及財務報告中所列之溢利所出現之時差，於可合理確認有關資產及負債在可預見未來實現時作撥備。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Foreign currencies

Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the applicable rates of exchange ruling at that date. Exchange differences are dealt with in the income statement.

On consolidation, the transactions of overseas subsidiaries, associate and jointly controlled entity are translated into Hong Kong dollars at an average rate whilst the balance sheets are translated at the applicable rates of exchange ruling at the balance sheet date. The resulting translation differences are included in the exchange fluctuation reserve.

(l) Provisions and contingencies

A provision is recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. Expenditures for which a provision has been recognized are charged against the related provision in the year in which the expenditures are incurred. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount provided is the present value of the expenditures expected to be required to settle the obligation.

3. 主要會計政策概要 (續)

(k) 外幣

外幣交易按交易當日之適用匯率換算。在結算日以外幣為單位之貨幣資產及負債按該日之適用匯率換算。滙兌差額計入收益表。

綜合賬目時，海外附屬公司、聯營公司及共同控制企業之交易均按平均匯率換算為港元，而資產負債表則按結算日之適用匯率換算，由此產生之換算差額計入滙兌變動儲備。

(l) 撥備及或然項目

當本集團因過往事項而出現現時之法律或推定責任，並可能需要流出涉及經濟利益之資源以應付有關責任，且能夠可靠估計有關責任所涉及之數額時，則確認撥備。已確認撥備之開支，乃於產生開支之年度從有關撥備中扣除。撥備於每個結算日均予以檢討，並作調整以反映當時之最佳估計。倘資金時值之影響屬重大，則所撥備之數額乃為預期須清償有關責任之開支之現值。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Provisions and contingencies (Continued)

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

(m) Revenue recognition

Provided it is probable that the economic benefits associated with a transaction will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognized on the following bases:

(i) Sale of goods

Revenue is recognized when the significant risks and rewards of ownership of goods have been transferred to the customers.

(ii) Rendering of services

Service income is recognized as services are rendered.

(iii) Rental income

Rental income is recognized on a straight-line basis over the respective terms of the leases.

(iv) Interest income

Interest income is recognized on a time proportion basis on the principal outstanding and at the rates applicable.

3. 主要會計政策概要 (續)

(l) 撥備及或然項目 (續)

或然負債不會於財務報告中確認。除非流出涉及經濟利益之資源之機會屬極低，否則須作披露。或然資產不會於財務報告中確認，惟於可能流入經濟利益時予以披露。

(m) 收入確認

倘涉及交易之經濟利益可能流向本集團，而有關之收入及成本(倘適用)能可靠地量度，則收入以下列基準確認：

(i) 銷售貨品

當貨品之擁有權之重大風險及回報已轉移至客戶時確認。

(ii) 提供服務

服務收入乃於提供服務時確認。

(iii) 租金收入

租金收入按於有關之租賃期內以直線法確認。

(iv) 利息收入

利息收入乃就未償還本金按適用利率以時間比例確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Revenue recognition (Continued)

(v) Sale of investments in securities

Sale proceeds of investments in securities are recognized on a trade-date basis when contracts are executed.

(n) Leases

Finance leases

A finance lease is a lease that transfers substantially all the risks and rewards incident to ownership of an asset. Title may or may not eventually be transferred.

The Group recognizes finance leases as assets and liabilities in the balance sheet at amounts equal, at the inception of the lease, to the fair value of the leased property or, if lower, at the present value of the minimum lease payments. In calculating the present value of the minimum lease payments the discount factor used is the interest rate implicit in the lease, when it can be determined. Otherwise, the Group's incremental borrowing rate is used. Initial direct costs incurred are included as part of the asset. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

A finance lease gives rise to depreciation expense for the asset as well as a finance cost for each accounting period. The depreciation policy for leased assets is the same as that for depreciable assets that are owned.

3. 主要會計政策概要 (續)

(m) 收入確認 (續)

(v) 出售證券投資

證券投資出售所得款項於簽立合約之交易日確認。

(n) 租賃

融資租賃

融資租賃乃指所有有關資產擁有權之風險及回報已大致轉讓之租約。擁有權可能會或可能不會轉讓。

本集團於租約開始時在資產負債表中確認融資租賃為資產及負債，數額相等於租賃物業之公平價值或(倘較低)最低租賃款項現值。於計算最低租賃款項現值時，所使用之貼現因子為(倘可予釐訂)租約之隱含利率，否則，將使用本集團之遞增借貸利率。所產生之初步直接成本乃計入資產之一部份。租賃款項乃分配予財務開支以及尚未清償債項之扣減項目。於租約期內各期所分配之財務開支，乃旨在於每一段期間之餘下結餘提供一個固定之利率。

融資租賃可於每段會計期間產生資產之折舊開支及財務成本。租賃資產之折舊政策與自置須與折舊資產之折舊政策相同。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Leases (Continued)

Operating leases

An operating lease is a lease other than a finance lease.

Leases of assets under which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as an expense on a straight-line basis over the lease term.

(o) Off balance sheet financial instruments

Off balance sheet financial instruments arise from swap transactions undertaken by the Group in the interest rate markets.

The accounting for these instruments is dependent upon whether the transactions are undertaken for trading purposes or to hedge risk.

Transactions undertaken for trading purposes are marked to market and the gains or losses arising are recognized in the income statement. Transactions designated as hedges are valued on an equivalent basis to the assets, liabilities or net positions that they are hedging. Any profits or losses are recognized in the income statement on the same basis as those arising from the related assets, liabilities or net positions. Unrealized gains on transactions which are marked to market are included in "Trade and other receivables" in the balance sheet. Unrealized losses on transactions which are marked to market are included in "Trade and other payables".

3. 主要會計政策概要 (續)

(n) 租賃 (續)

營運租賃

營運租賃為財務租賃以外之租約。

資產之所有風險及擁有權之回報大致上乃為出租人所有之租約乃列為營運租賃。營運租賃之租賃款項乃於租賃期內以直線法確認為開支。

(o) 資產負債表外金融工具

資產負債表外金融工具來自本集團在利率市場中進行之掉期交易。

該等工具之會計處理方法視乎所進行之交易目的乃作買賣或作對沖風險而定。

以買賣目的而進行之交易按市值計算，因而產生之盈虧在收益表中確認。用作對沖之交易乃就所對沖之資產、負債或倉盤淨額以等額基準入賬。任何盈虧乃按與有關資產、負債或倉盤淨額所產生者相同之基準在收益賬中入賬。按市值計算之交易未變現盈利乃計入資產負債表之「貿易及其他應收款項」內。按市值計算之交易未變現虧損，乃計入「貿易及其他應付款項」。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognized until the time of leave.

(ii) Retirement benefits

The Group contributes to a defined contribution retirement scheme which is available to all employees. Employees are required to contribute each month an amount equal to 5% of the basic monthly salary and contributions are made by the employer at 5% of the employee's basic monthly salary. The assets of the scheme are held separately from those of the Group in an independently administered fund. The Group's contributions to this scheme are expensed as incurred and may be reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions.

3. 主要會計政策概要 (續)

(p) 僱員福利

(i) 僱員應得假期

僱員應得年假及長期服務假期乃於僱員應得時予以確認。就僱員提供服務所產生之年假及長期服務假期之估計負債撥備乃提撥至結算日。

僱員應得之病假及產假將不會於僱員休假前予以確認。

(ii) 退休福利

本集團對提供予全體僱員之定額供款退休計劃作出供款。僱員須於每月作出金額相當於基本月薪5%之供款，而僱主則作出相當於僱員基本月薪5%之供款。此計劃之資產與本集團之資產乃分開持有並由獨立管理之基金持有。本集團對此計劃之供款乃於產生時支銷，並可按僱員於全數歸屬供款前退出此計劃而被沒收之供款減少集團之供款。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Employee benefits (Continued)

(ii) Retirement benefits (Continued)

A mandatory provident fund scheme (MPF) was established under the MPF Ordinance in December 2000. Since the Company has obtained exemption for its existing retirement schemes, all staff were offered the choice of switching to the MPF scheme or staying in existing schemes. Where staff elected to join MPF, both the Company and staff are required to contribute 5% of the employees' relevant income (capped at HK\$20,000 per month). Staff may elect to contribute more than the minimum as a voluntary contribution. The Group's contributions to this mandatory provident fund scheme are expensed as incurred.

The Group also contributes to employees pension schemes established by municipal government in respect of certain companies in Mainland China. The municipal government undertakes to assume the retirement benefit obligations of all existing and future retired employees of the Group. Contributions to these schemes are charged to the income statement as incurred.

3. 主要會計政策概要 (續)

(p) 僱員福利 (續)

(ii) 退休福利 (續)

集團於二零零零年十二月根據強制性公積金條例設立強制性公積金計劃(「強積金計劃」)。由於本公司已就其現有退休計劃獲得豁免，全體員工因而可選擇轉而參與強積金計劃或繼續參與現有計劃。倘若員工選擇加入強積金計劃，本公司與員工均須按僱員之有關收入(以每月20,000港元為限)之5%供款。員工可選擇作出高於最低下限之供款作為自願性供款。本集團對此項強積金計劃之供款乃於產生時支銷。

本集團亦會向市政府設立之僱員退休計劃，對中國若干公司作出供款。市政府承諾承擔本集團所有現時及將來退休員工之退休福利責任。對此等計劃之供款乃於產生時自收益表扣除。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Employee benefits (Continued)

(iii) Share option scheme

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The financial impact of share options granted under the share option scheme is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recorded in the income statement or balance sheet for their cost. Upon the exercise of share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which are cancelled prior to their exercise date, or which lapsed, are deleted from the register of outstanding options.

3. 主要會計政策概要 (續)

(p) 僱員福利 (續)

(iii) 購股權計劃

本公司已設立購股權計劃，目的在於對合資格參與者為本集團成功經營業務作出貢獻提供獎勵及回報。根據購股權計劃授出之購股權之財務影響並無於本公司或本集團之資產負債表內記錄，直至購股權獲行使時為止，亦並無於收益表或資產負債表內記錄成本開支。於購股權獲行使時，因而發行之股份將由本公司按股份面值記錄作額外股本，而每股行使價超出股份面值之差額將由本公司記錄於股份溢價賬。於行使日期前被註銷或作廢之購股權自未行使購股權登記冊刪除。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Related parties

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

(r) Cash equivalents

Cash equivalents are short-term, highly liquid investments which are readily convertible into known amounts of cash without notice and which were within three months of maturity when acquired, less advances from banks repayable within three months from the date of the advance. Cash equivalents include investments and advances denominated in foreign currencies provided that they fulfill the above criteria.

(s) Segments

A segment is a distinguishable component of the Group that is engaged either in providing products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. In accordance with the Group's internal financial reporting, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format.

3. 主要會計政策概要 (續)

(q) 關連人士

倘一方有能力直接或間接控制另一方或可對另一方之財務及營運決策行使重大影響力，則兩方均視作關連人士。關連人士亦包括共同受控制或受重大影響之人士。

(r) 現金等價物

現金等價物指短期及流通性高之投資，而該等投資隨時可在無須發出通知下兌換成可知數額之現金及該等投資於購入時到期期限不超過三個月，另扣除由借出日起計三個月內須償還之銀行貸款。現金等價物包括以外幣計算之投資及墊支，惟須等合上述準則。

(s) 分部呈報

分部為本集團在從事提供產品(業務分部)或在特定經濟環境(地域分部)中提供產品方面之獨特組別，而每一個組別與其他組別所涉及之風險及回報須有所不同。根據本集團之內部財務呈報，本集團已選擇業務分部資料為主要呈報方式，而地域分部資料為次要呈報方式。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Segments (Continued)

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. Segment revenue, segment expenses and segment performance include transfers between segments. Such inter-segment pricing is based on similar terms as those available to unaffiliated customers for similar products. Those transfers are eliminated upon consolidation.

Segment capital expenditure represents the total cost incurred during the year to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets and liabilities, interest-bearing loans, borrowings and corporate and financing expenses.

4. SEGMENT INFORMATION

In accordance with its internal financial reporting policy, the Group has determined that business segments should be presented as primary reporting format. However, business segments are not presented because the Group's turnover and operating profit were contributed solely by manufacture, trading, distribution and related service income of timepiece products.

Geographical segments are presented as secondary reporting format, segment revenue is based on the final destination of goods sold. There are no sales between the segments.

3. 主要會計政策概要 (續)

(s) 分部呈報 (續)

分部收入、開支、業績、資產及負債包括該分部直接應佔項目以及可按合理基準分配至該分部者。分部收入、分部開支及分部表現包括各分部之間之轉撥。各分部之間之產品訂價，乃參考向並無關連客戶提供類似產品之類似條款而定，有關轉撥於綜合賬目時撇賬。

分部資本開支指年內購入預期使用一段期間以上之分部資產(有形及無形)所招致之總成本。

未分配項目主要包括財務及企業資產及負債、計息貸款、借貸及企業及財務開支。

4. 分部資料

根據本集團內部財務呈報政策，本集團已決定以業務分部為主要之呈報方式。然而，由於本集團之營業額及經營溢利主要來自製造、買賣、分銷時計產品及相關服務的收入，故並未呈列業務分部資料。

地域分部為次要呈報方式，而分部收入乃根據貨品所售往之最終目的地之國家而釐訂。各分部之間並無進行銷售。

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4. SEGMENT INFORMATION (Continued)

Segment assets and capital expenditure are based on the geographical location in which the assets are located at the balance sheet date.

4. 分部資料 (續)

分部資產及資本開支乃於結算日以資產所在地區為基準。

		2003			
		Turnover	Segment results	Segment assets	Capital expenditure
		營業額	分部業績	分部資產	資本開支
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
United States of America	美國	568,502	74,919	175,194	686
Asia	亞洲	301,038	39,166	970,938	69,679
Europe	歐洲	210,391	28,403	52,478	5,110
Latin America	拉丁美洲	39,168	7,156	24,112	–
		1,119,099	149,644	1,222,722	75,475
Other revenue	其他收益		19,668		
Unallocated expenses	未分配開支		(75,683)		
Finance costs	財務成本		(13,407)		
Share of loss of a jointly controlled entity	應佔一共同控制企業虧損		(6,194)		
Profit before taxation	除稅前溢利		74,028		
Unallocated assets	未分配資產			60,911	
Total assets	總資產			1,283,633	

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4. SEGMENT INFORMATION (Continued)

4. 分部資料 (續)

		2002			
		Turnover	Segment results	Segment assets	Capital expenditure
		營業額	分部業績	分部資產	資本開支
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
United States of America	美國	508,467	61,063	108,886	–
Asia	亞洲	222,542	26,671	78,739	39,208
Europe	歐洲	206,001	24,725	617,580	83,834
		937,010	112,459	805,205	123,042
Other revenue	其他收益		12,915		
Unallocated expenses	未分配開支		(76,403)		
Finance costs	財務成本		(9,264)		
Profit before taxation	除稅前溢利		39,707		
Unallocated assets	未分配資產			196,643	
Total assets	總資產			1,001,848	



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5. TURNOVER AND OTHER REVENUE

(a) Turnover

Turnover represents the amounts received and receivable for goods sold, less discounts and returns, and for services rendered by the Group to outside customers during the year.

(b) Other revenue

5. 營業額及其他收益

(a) 營業額

營業額乃指年內本集團向外界客戶售貨扣除折扣及退貨及提供服務之已收及應收款項。

(b) 其他收益

		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
			(Restated)
			(已重列)
Interest income	利息收入	5,128	5,090
Rental income	租金收入	4,130	1,252
Realization of negative goodwill	負商譽變現	4,101	-
Exchange gain	匯兌收益	1,523	2,917
Sundry income	雜項收入	4,786	3,656
		19,668	12,915

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6. PROFIT FROM OPERATIONS

Profit from operations has been arrived at after charging the following:

6. 經營溢利

經營溢利已扣除下列各項：

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Auditors' remuneration	核數師酬金		
– Current year	– 本年度	908	762
– Underprovision in prior years	– 以往年度撥備不足	35	50
Depreciation of tangible fixed assets	有形固定資產折舊		
– Owned assets	– 自置資產	34,857	29,060
– Assets under finance leases	– 融資租賃資產	1,454	2,380
Amortization of intangible assets	攤銷無形資產	5,399	3,344
Amortization of goodwill	商譽攤銷	719	617
Loss on disposal of investments in securities	出售證券投資虧損	–	10,823
Staff costs, including directors' emoluments	員工成本(包括董事酬金)		
– Wages, salaries and benefits in kind	工資、薪金及實物利益	44,846	39,954
– Pension costs: defined contribution plans, net of forfeited contributions (note 9)	福利成本—定額供款計劃，經扣除已沒收供款(附註9)	1,080	923
Minimum lease payment in respect of properties under operating leases	根據營運租賃物業之最低租賃款項	1,079	447

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7. FINANCE COSTS

7. 財務成本

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Interest on:	利息:		
Term loans, syndicated loan and bank overdrafts wholly repayable within five years	須於五年內全數償還之定期貸款、銀團貸款及銀行透支	13,286	9,084
Obligations under finance leases	融資租賃承擔	121	180
		13,407	9,264

8. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

8. 董事及僱員酬金

Particulars of the Directors' and the five highest paid employees' emoluments are as follows:

董事及五位最高薪酬僱員之酬金詳情如下:

(a) Directors' emoluments

(a) 董事酬金

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Directors' fees:	董事袍金:		
– Executive	– 執行董事	–	–
– Non-executive	– 非執行董事	250	190
		250	190
Other emoluments (Executive Directors):	其他酬金(執行董事):		
Salaries and other benefits	薪金及其他福利	3,500	3,744
Pension scheme contributions	退休金計劃供款	156	156
		3,656	3,900
		3,906	4,090

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8. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(Continued)

During the year, 7,820,000 options (2002: Nil) were granted to three Directors of the Company under the Share Option Scheme (Note 30). The emoluments of the Directors are within the following bands:

		2003	2002
		Number of Directors 董事人數	Number of Directors 董事人數
Nil to HK\$1,000,000	零至1,000,000港元	8	10
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	1
		9	11

8. 董事及僱員酬金 (續)

年內，本公司根據購股權計劃授予三名董事7,820,000份購股權(二零零二年：無)(附註30)。董事酬金介乎下列範圍：

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8. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(Continued)

(b) Employees' emoluments

During the year ended 31 March, 2003, the five highest paid individuals included three Directors (for the year ended 31 March, 2002, the five highest paid individuals included four Directors), details of whose emoluments are set out in note 8(a) to the financial statements above. The emoluments of the remaining individuals for the year are as follows:

		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
Salaries and other benefits	薪金及其他福利	1,575	650
Pension scheme contributions	退休計劃供款	19	12
		1,594	662

The emoluments of the two (2002: one) individuals with the highest emoluments are within the following bands:

		2003	2002
		Number of individuals	Number of individuals
		人數	人數
Nil to HK\$1,000,000	零至1,000,000港元	1	1
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	-
		2	1

8. 董事及僱員酬金 (續)
(b) 僱員酬金

截至二零零三年三月三十一日止年度，五位最高薪人士中包括三位董事（截至二零零二年三月三十一日止年度，五位最高薪人士其中四位為董事），其酬金詳情載於上文財務報告附註8(a)。年內其餘人士之酬金如下：

兩位（二零零二年：一位）最高薪酬之人士之酬金介乎下列範圍：

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9. RETIREMENT BENEFIT SCHEME COSTS

Retirement benefit scheme costs amounting to HK\$1,102,000 (2002: HK\$996,000) were paid by the Group during the year. Forfeited contributions totalling HK\$22,000 (2002: HK\$73,000) were refunded during the year.

10. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

Of the Group's profit attributable to shareholders, a profit of HK\$40,363,000 (2002: loss of HK\$15,342,000) has been dealt with in the financial statements of the Company.

11. TAXATION

(a) Taxation in the consolidated income statement represents:

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
<i>Hong Kong Profits Tax</i>	香港利得稅		
Current year	本年度	4,119	2,868
Underprovision in prior year	過往年度撥備不足	516	56
Deferred taxation (Note 27)	遞延稅項(附註27)	3,360	1,653
		7,995	4,577

9. 退休福利計劃成本

本集團年內支付之退休福利計劃成本為1,102,000港元(二零零二年: 996,000港元)。年內已沒收之供款合共22,000港元(二零零二年: 73,000港元)已予退還。

10. 股東應佔溢利

本集團之股東應佔溢利中為數40,363,000港元之溢利(二零零二年: 15,342,000港元之虧損)已於本公司之財務報告中處理。

11. 稅項

(a) 在綜合收益表內之稅項指:

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11. TAXATION (Continued)

(b) Tax payable in the consolidated balance sheet represents:

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Hong Kong Profits Tax	香港利得稅		
Provision for Hong Kong profits tax for the year	本年度香港利得稅撥備	4,119	2,868
Provisional profits tax paid	已付之暫繳利得稅	(473)	(1,402)
Balance of profits tax payable in respect of prior year	上年度應付利得稅結餘	558	770
		4,204	2,236

Hong Kong Profits Tax is calculated at the prevailing rate of 16% (2002: 16%) on the estimated assessable profits for the year.

Details of deferred taxation are set out in note (27) to the financial statements.

11. 稅項 (續)

(b) 綜合資產負債表內之應付稅項為：

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
		4,119	2,868
		(473)	(1,402)
		558	770
		4,204	2,236

香港利得稅以本年度估計應課稅溢利按現行稅率16% (二零零二年：16%) 計算。

有關遞延稅項之詳情載於財務報告附註27。

12. DIVIDENDS

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Interim dividend of HK1.5 cents per share (2002: Nil)	中期股息每股1.5港仙 (二零零二年：無)	8,276	—
Final dividend of HK1.5 cents per share (2002: Nil)	終期股息每股1.5港仙 (二零零二年：無)	9,463	—
		17,739	—

12. 股息

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12. DIVIDENDS (Continued)

A final dividend in respect of 2003 of HK1.5 cents per share amounting to approximately HK\$9,463,000 was proposed by the Directors after the balance sheet date. The proposed dividend has not been accounted for until it is approved at the forthcoming Annual General Meeting.

13. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

12. 股息 (續)

於結算日後，董事會建議派發二零零三年度終期股息每股1.5港仙，總額約9,463,000港元。建議派發的股息並無入賬，直自在應屆股東週年大會上獲批准。

13. 每股盈利

每股基本及攤薄盈利乃根據下列數據計算：

		2003	2002 (Restated) (已重列)
(a)	<i>Basic earnings per share</i>		
	Profit attributable to shareholders (in HK\$'000)	58,199	36,397
	Weighted average number of shares (in '000)	421,755	200,186
	Basic earnings per share (cents)	13.80	18.18
(b)	<i>Diluted earnings per share</i>		
	Profit attributable to shareholders (in HK\$'000)	58,199	36,397
	Weighted average number of shares (in '000)	421,755	200,186
	Potential dilutive shares (in '000)	428	–
	Adjusted weighted average number of shares (in '000)	422,183	200,186
	Diluted earnings per share (cents)	13.79	N/A 不適用

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14. RELATED PARTY AND CONNECTED TRANSACTIONS

On 6 June, 2002, A-ONE INVESTMENTS LIMITED (“A-ONE”), an investment holding company which is owned as to 50.45% by Mr. Chau Cham Wong, Patrick and 49.55% by Mr. Leung Yung, entered into an underwriting agreement (the “Underwriting Agreement”) with the Company regarding the rights issue of the Company. Since A-ONE is an associate of both Mr. Chau Cham Wong, Patrick and Mr. Leung Yung who are the substantial shareholders and executive directors of the Company, the Underwriting Agreement is a connected transaction for the Company which is exempted from shareholders’ approval requirements pursuant to Rule 14.24(b)(c) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

On 28 August, 2001, EganaGoldpfeil has reached an agreement with United Success Enterprises Limited (“United Success”), a company wholly owned by Mr. Leung Yung, for the sale of 367,830,000 shares (or equivalently 18,391,500 shares after the share consolidation on 25 January, 2002 whereby every 20 issued shares were consolidated into 1 consolidated share) of par value of HK\$0.10 each which represents approximately 10% of the share capital of the Company at a consideration of HK\$49,800,000.

14. 關聯人士及關連交易

於二零零二年六月六日，由周湛煌先生及梁榕先生分別擁有50.45%及49.55%權益之投資控股公司A-ONE INVESTMENTS LIMITED（「A-ONE」）與本集團就本公司之供股事項而訂立一項包銷協議（「包銷協議」）。由於A-ONE為本公司之主要股東兼執行董事周湛煌先生及梁榕先生之聯繫人士，故包銷協議為本公司之關連交易，該項交易乃根據香港聯合交易所有限公司證券上市規則第14.24(b)(c)條獲豁免取得股東批准。

於二零零一年八月二十八日，EganaGoldpfeil與梁榕先生全資擁有之公司United Success Enterprises Limited（「United Success」）達成一項協議，以代價49,800,000港元出售367,830,000股每股面值0.10港元之股份（或相等於二零零二年一月二十五日進行股份合併，將每20股已發行股份合併為一股合併股份後之18,391,500股股份），佔本公司股本約10%。

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14. RELATED PARTY AND CONNECTED TRANSACTIONS (Continued)

Upon completion of the sale of said shares in the issued share capital of the Company by EganaGoldpfeil to United Success, the shareholding held by EganaGoldpfeil and its associates (as defined in the Listing Rules) in the Company was decreased from approximately 16.5% to approximately 6.5%. Thereafter, that is effective from 28 August, 2001, EganaGoldpfeil ceased to be connected party to the Company under the Listing Rules and the trading transactions between the Group and EganaGoldpfeil do not constitute connected transactions of the Group.

Pursuant to SSAP 20, parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. After the sale of the shares by EganaGoldpfeil to United Success, EganaGoldpfeil was ceased to be related party to the Company, also on 28 August, 2001.

14. 關聯人士及關連交易 (續)

EganaGoldpfeil完成向United Success出售本公司已發行股本中之上述股份後，EganaGoldpfeil及其聯繫人士(定義見上市規則)於本公司之股權，由約16.5%下跌至約6.5%。往後，即由二零零一年八月二十八日起，EganaGoldpfeil不再為本公司根據上市規則之關連人士，而本公司及EganaGoldpfeil之間之業務交易並不構成本集團之關連交易。

根據會計實務準則第20號，倘其中一方有能力直接或間接控制另一方或對另一方在作出財務及經營決定時能行使重大影響力，則被視為關聯人士。EganaGoldpfeil向United Success出售股份後，EganaGoldpfeil亦於二零零一年八月二十八日不再為本公司之關聯人士。

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14. RELATED PARTY AND CONNECTED TRANSACTIONS (Continued)

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

Sale of goods to EganaGoldpfeil and its subsidiaries	向EganaGoldpfeil及其附屬公司銷售貨品	(i)	–	6,462
Purchase of raw materials from EganaGoldpfeil and its subsidiaries	向EganaGoldpfeil及其附屬公司購買原料	(i)	–	48
Rental income from a subsidiary of EganaGoldpfeil	向EganaGoldpfeil之附屬公司收取租金收入	(ii)	–	347
Trade purchases from a jointly controlled entity	向一共同控制企業作出貿易採購	(iii)	6,089	–
Rental income from a jointly controlled entity	向一共同控制企業收取租金收入	(iii)	2,652	–

Notes:

- (i) Sale and purchase transactions with EganaGoldpfeil and its subsidiaries were in relation to timepiece related transaction and were effected on normal commercial terms.
- (ii) The rental income is in relation to the letting of the factory premises of the Group in the PRC for the production activities of EganaGoldpfeil's leather business. The rental income was negotiated at arm's length.
- (iii) These transactions are conducted on the basis determined by parties concerned.

14. 關聯人士及關連交易 (續)

年內，本集團與其關聯公司訂立以下重大交易：

	2003 HK\$'000 千港元	2002 HK\$'000 千港元
(i)	–	6,462
(i)	–	48
(ii)	–	347
(iii)	6,089	–
(iii)	2,652	–

附註：

- (i) 與EganaGoldpfeil及其附屬公司進行之買賣交易乃涉及時計業務關連交易，並按正常之商業條款進行。
- (ii) 租金收入涉及本集團出租旗下位於中國之廠房物業供EganaGoldpfeil之皮具生產業務使用。租金收入仍按正常基礎洽商。
- (iii) 此等交易乃按訂約各方所釐定之基準進行。

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15. FIXED ASSETS

15. 固定資產

		The Group 本集團					Total
		Properties under construction 在建 物業 HK\$'000 千港元	Freehold and Leasehold properties 永久業權及 租賃物業 HK\$'000 千港元	Leasehold improve- ments 租賃 物業裝修 HK\$'000 千港元	Plant and machinery 廠房設備 及機器 HK\$'000 千港元	Other assets 其他資產 HK\$'000 千港元	總計 HK\$'000 千港元
Cost or valuation	成本或估值						
As at 1 April, 2002	於二零零二年 四月一日	35,577	111,516	67,780	154,335	21,223	390,431
Additions	添置	-	20,550	42,412	13,352	25,362	101,676
Disposals	出售	-	-	-	(1,649)	(520)	(2,169)
Reclassification	重新分類	(35,577)	72,615	(37,038)	-	-	-
As at 31 March, 2003	於二零零三年 三月三十一日	-	204,681	73,154	166,038	46,065	489,938
Comprising	包括						
At valuation	估值	-	14,000	-	-	-	14,000
At cost	成本	-	190,681	73,154	166,038	46,065	475,938
As at 31 March 2003	於二零零三年 三月三十一日	-	204,681	73,154	166,038	46,065	489,938
Accumulated depreciation	累積折舊						
As at 1 April, 2002	於二零零二年 四月一日	-	9,236	17,409	55,609	15,235	97,489
Provided for the year	本年度撥備	-	4,858	7,610	21,235	2,608	36,311
Eliminated on disposal	出售時撇銷	-	-	-	(679)	(253)	(932)
As at 31 March, 2003	於二零零三年 三月三十一日	-	14,094	25,019	76,165	17,590	132,868
Carrying value	賬面值						
As at 31 March, 2003	於二零零三年 三月三十一日	-	190,587	48,135	89,873	28,475	357,070
As at 31 March, 2002	於二零零二年 三月三十一日	35,577	102,280	50,371	98,726	5,988	292,942

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15. FIXED ASSETS (Continued)

One of the leasehold properties of the Group was revalued as at 31 March, 1995, on an open market value basis by Messrs. Jones Lang Wootton Limited, independent registered surveyors.

At 31 March, 2003, had the leasehold properties of the Group been carried at historical cost less accumulated depreciation, their carrying value would have been approximately HK\$185,996,000 (2002: HK\$93,723,000).

The carrying value of the leasehold properties includes an amount of approximately HK\$49,418,000 (2002: HK\$43,267,000) in respect of an industrial waste management system implemented in an electroplating factory of the Group.

The carrying value of properties held by the Group comprises:

15. 固定資產 (續)

本集團其中一項租賃物業由獨立註冊測量師仲量行有限公司按一九九五年三月三十一日之公開市值基準重估。

於二零零三年三月三十一日，倘本集團租賃物業之賬面值為歷來原值減累積折舊，則該等租賃物業之賬面值應約為185,996,000港元（二零零二年：93,723,000港元）。

租賃物業之賬面淨值包括在本集團電鍍廠設立之工業廢料管理系統約49,418,000港元（二零零二年：43,267,000港元）。

本集團所持物業之賬面值包括：

		The Group 本集團	
		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
Leasehold properties:	租賃物業：		
Held in Hong Kong, medium-term leases	於香港按中期租約持有	15,956	16,343
Held in People's Republic of China, medium-term leases	於中華人民共和國按中期租約持有	169,802	83,902
Freehold properties:	永久業權物業：		
Held outside Hong Kong	於香港以外地區持有	4,829	2,035
		190,587	102,280

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15. FIXED ASSETS (Continued)

As at 31 March, 2003, the carrying value of the Group's fixed assets held under finance leases was approximately HK\$3,404,000 (2002: HK\$776,000).

16. INTANGIBLE ASSETS

15. 固定資產 (續)

於二零零三年三月三十一日，本集團以融資租賃持有之固定資產之賬面值約為3,404,000港元(二零零二年：776,000港元)。

16. 無形資產

		The Group 本集團			
		Technical			Total
		Know-how	License	Trademark	
		工業知識	特許權	商標	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Cost	成本				
As at 1 April, 2002	二零零二年四月一日	7,140	15,000	39,208	61,348
Additions	增加	-	-	22,460	22,460
As at 31 March, 2003	二零零三年三月三十一日	7,140	15,000	61,668	83,808
Amortization	攤銷				
As at 1 April, 2002	二零零二年四月一日	5,660	11,837	-	17,497
Provided for the year	本年度撥備	846	2,498	2,055	5,399
As at 31 March, 2003	二零零三年三月三十一日	6,506	14,335	2,055	22,896
Carrying value	賬面淨值				
As at 31 March, 2003	二零零三年三月三十一日	634	665	59,613	60,912
As at 31 March, 2002	二零零二年三月三十一日	1,480	3,163	39,208	43,851

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17(A). GOODWILL

17(A). 商譽

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Cost	成本		
At the beginning of the year	年初	12,331	–
Additions	增加	8,386	12,331
At the end of the year	年終	20,717	12,331
Accumulated amortization	累積攤銷		
At the beginning of the year	年初	617	–
Provided for the year	年內撥備	719	617
At the end of the year	年終	1,336	617
Carrying value	賬面淨值		
At the end of the year	年終	19,381	11,714

In the opinion of the Company's Board of Directors, the underlying value of goodwill as at 31 March, 2003 was not less than its carrying value.

本公司董事會認為，於二零零三年三月三十一日商譽之相關價值乃不少於其賬面價值。

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17(B). NEGATIVE GOODWILL

17(B). 負商譽

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Cost	成本		
At the beginning of the year	年初	—	—
Additions	增加	4,101	—
At the end of the year	年終	4,101	—
Accumulated amortization	累積攤銷		
At the beginning of the year	年初	—	—
Provided for the year	年內撥備	—	—
Realization for the year	年內變現	4,101	—
At the end of the year	年終	4,101	—
Carrying value	賬面淨值		
At the end of the year	年終	—	—

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18. INTERESTS IN SUBSIDIARIES

18. 附屬公司權益

		The Company 本公司	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，成本	51,398	51,398
Amounts due from subsidiaries	應收附屬公司款項	686,320	577,275
Amount due to a subsidiary	應付一家附屬公司款項	-	(1)
		737,718	628,672

The balances with subsidiaries are unsecured, non-interest bearing and not repayable within the next twelve months.

與附屬公司之結餘為無抵押、免息及無須於未來十二個月內還款。

As at 31 March, 2003, the underlying value of interests in subsidiaries is, in the opinion of the Directors, not less than the carrying value in the books of the Company.

於二零零三年三月三十一日，董事認為附屬公司權益之相關價值乃不少於本公司賬目內之賬面值。

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18. INTERESTS IN SUBSIDIARIES (Continued)

Details of the Company's principal subsidiaries at 31 March, 2003 are as follows:

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration 註冊成立/ 登記地點	Issued and fully paid capital/ registered capital 已發行及繳足 股本/註冊股本	Percentage of equity interest held by the Company 本公司所持之 股權百分比		Principal place of operation 主要 營業地點	Principal activities 主要 業務
			Direct 直接 %	Indirect 間接 %		
Aerostar Timewear International Limited	British Virgin Islands 英屬處女群島	US\$1 Ordinary 1美元普通股	-	51	United States 美國	Timepiece trading and marketing 時計貿易及推廣
Benson International Limited	British Virgin Islands 英屬處女群島	US\$100 Ordinary 100美元普通股	-	51	United States 美國	Investment holding 投資控股
Capricon Company Limited	British Virgin Islands 英屬處女群島	US\$100 Ordinary 100美元普通股	-	100	The People's Republic of China 中華人民共和國	Investment holding 投資控股
Capricon Industrial (Shenzhen) Co., Ltd. 金百利實業(深圳)有限公司	The People's Republic of China 中華人民共和國	HK\$10,849,000 10,849,000港元	-	100	The People's Republic of China 中華人民共和國	Property investment 物業投資
Cornell Worldwide International Holdings Limited	British Virgin Islands 英屬處女群島	US\$1 Ordinary 1美元普通股	-	51	United States 美國	Timepiece trading and marketing 時計貿易及推廣
Epoch World Company Limited▲	Taiwan 台灣	NTD10,000,000 新台幣10,000,000元	-	60	Taiwan 台灣	Timepiece distribution, trading and marketing 時計分銷、貿易 及推廣

18. 附屬公司權益 (續)

本公司於二零零三年三月三十一日之主要
附屬公司詳情如下：

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18. INTERESTS IN SUBSIDIARIES (Continued)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration 註冊成立/ 登記地點	Issued and fully paid capital/ registered capital 已發行及繳足 股本/註冊股本	Percentage of equity interest held by the Company 本公司所持之 股權百分比		Principal place of operation 主要 營業地點	Principal activities 主要 業務
			Direct 直接 %	Indirect 間接 %		
Fiorucci Timewear (Far East) Limited	British Virgin Islands 英屬處女群島	US\$1 Ordinary 1美元普通股	-	100	Hong Kong 香港	License holding 持有特許權
Fulltop Limited	British Virgin Islands 英屬處女群島	US\$1 Ordinary 1美元普通股	-	100	Switzerland 瑞士	Trademark and property holding 商標及物業持有
Guangzhou Goldsmith Timepieces Company Limited	The People's Republic of China 中華人民共和國	RMB500,000 人民幣500,000元	-	100	The People's Republic of China 中華人民共和國	Timepiece wholesaling and marketing 時計批發及推廣
Guangzhou Watchsmith Timepieces Servicing Company Limited	The People's Republic of China 中華人民共和國	RMB100,000 人民幣100,000元	-	100	The People's Republic of China 中華人民共和國	Provision of after sales service and timepiece components 提供售後服務 及時計配件
Inter Mark Worldwide Limited	Hong Kong 香港	HK\$100 Ordinary 100港元普通股	-	100	Hong Kong 香港	Timepiece distribution 分銷時計

18. 附屬公司權益 (續)

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18. INTERESTS IN SUBSIDIARIES (Continued)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration 註冊成立/ 登記地點	Issued and fully paid capital/ registered capital 已發行及繳足 股本/註冊股本	Percentage of equity interest held by the Company 本公司所持之 股權百分比		Principal place of operation 主要 營業地點	Principal activities 主要 業務
			Direct 直接 %	Indirect 間接 %		
Milus International S.A.▲	Switzerland 瑞士	CHF760,000 760,000瑞士法郎	-	100	Switzerland 瑞士	Timepiece manufacturing and trading 時計製造及貿易
Montana Timepieces International Limited	Hong Kong 香港	HK\$100 Ordinary 100港元普通股	-	51	Hong Kong 香港	Timepiece trading and marketing 時計貿易及推廣
Omni Watch & Clock Co., LLC.▲	State of New York, United States 美國紐約州	US\$8,698,090 8,698,090美元	-	51	United States 美國	Timepiece distribution, trading and marketing 時計分銷、貿易 及推廣
Peace Mark (B.V.I.) Limited	British Virgin Islands 英屬處女群島	HK\$10,000 Ordinary 10,000港元普通股	100	-	British Virgin Islands 英屬處女群島	Investment holding 投資控股
Peace Mark Limited 宜進利有限公司	Hong Kong 香港	HK\$100 Ordinary HK\$10,000 Non-voting deferred* 100港元普通股 10,000港元 無投票權之 遞延股份*	-	100	Hong Kong 香港	Timepiece trading and marketing 時計貿易及推廣

18. 附屬公司權益 (續)

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18. INTERESTS IN SUBSIDIARIES (Continued)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration 註冊成立/ 登記地點	Issued and fully paid capital/ registered capital 已發行及繳足 股本/註冊股本	Percentage of equity interest held by the Company 本公司所持之 股權百分比		Principal place of operation 主要 營業地點	Principal activities 主要 業務
			Direct 直接 %	Indirect 間接 %		
PM License Management Limited 倍安合同管理有限公司	British Virgin Islands 英屬處女群島	US\$100 Ordinary 100美元普通股	-	100	British Virgin Islands 英屬處女群島	License holding 持有特許權
Pure Riches Industries Limited 高財實業有限公司	Hong Kong 香港	HK\$2,760,000 Ordinary 2,760,000港元 普通股	-	100	The People's Republic of China 中華人民共和國	Manufacturing of timepiece components 製造時計配件
Sinotop Investment Limited	British Virgin Islands 英屬處女群島	US\$1 Ordinary 1美元普通股	-	100	Hong Kong 香港	Investment holding 投資控股
Sky Type Limited 繁式有限公司	Hong Kong 香港	HK\$10,000 Ordinary 10,000港元普通股	-	100	Hong Kong 香港	Asset holding 持有資產
Vico Industries Limited 藝高實業有限公司	Hong Kong 香港	HK\$100 Ordinary 100港元普通股	-	100	The People's Republic of China 中華人民共和國	Manufacturing of timepiece components 製造時計配件
World Grade Industries Limited 世駒實業有限公司	Hong Kong 香港	HK\$10,000 Ordinary 10,000港元普通股	-	100	Hong Kong 香港	Property investment 物業投資

18. 附屬公司權益 (續)

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18. INTERESTS IN SUBSIDIARIES (Continued)

- * *The deferred shares, which are not held by the Group, practically carry no rights to dividends or to receive notice of or to attend or vote at any general meeting of the subsidiary or to participate in any distribution on winding up.*

- ▲ *Companies not audited by Chu and Chu, Certified Public Accountants. The financial statements of the subsidiaries not audited by Chu and Chu, Certified Public Accountants reflect total net assets and total turnover constituting approximately 7.9% and 1.1% respectively of the related consolidated totals.*

The above table listed the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group. 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 loan capital outstanding at the year end, nor at any time during the year.

18. 附屬公司權益 (續)

- * 並非由本集團持有之遞延股份，實際上並無權享有股息，或收取該附屬公司任何股東大會之通告或出席大會及投票，亦無權於清盤時獲得任何分派。

- ▲ 並非由執業會計師朱永昌、朱國正會計師事務所審核之公司。並非由執業會計師朱永昌、朱國正會計師事務所審核之附屬公司財務報告反映出總資產淨值及總營業額分別佔相關綜合總額約7.9%及1.1%。

董事會認為，上表所列之本公司各附屬公司為主要影響本集團本年度業績或構成本集團資產淨值重大部份。董事會認為，載列其他附屬公司詳情會過份冗長。

於年終或本年度任何時間，各附屬公司概無任何未償還借貸股本。

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19. INTEREST IN AN ASSOCIATE

19. 聯營公司權益

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Share of net assets	應佔資產淨值	4,231	—
Unamortized goodwill	未攤銷商譽	19,169	—
		23,400	—
Amount due from an associate	應收一聯營公司款項	6,338	—
		29,738	—

Details of the Group's associate as at 31 March, 2003 are as follows:

於二零零三年三月三十一日，本集團之聯營公司之詳情如下：

Name of associate	Place of incorporation/ registration	Issued and fully paid capital/ registered capital 已發行及繳足股本/註冊資本	Percentage of equity interest held by the Company indirectly 本公司間接持有之股權百分比	Principal activities
聯營公司名稱	註冊成立/登記地點		%	主要業務
Niceworld Group Corporation	British Virgin Islands 英屬處女群島	US\$10 Ordinary 10美元普通股	40	* Timepiece distribution in Latin America * 於拉丁美洲分銷時計

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19. INTEREST IN AN ASSOCIATE (Continued)

- * On 31 March, 2003, the Group acquired 40% in the capital of Niceworld Group Corporation ("Niceworld"). Niceworld holds three subsidiaries which have their places of incorporation in Mexico, Panama and Peru respectively. These three subsidiaries have the distribution network covering the whole of Latin America.

19. 聯營公司權益 (續)

- * 於二零零三年三月三十一日，本集團收購 Niceworld Group Corporation (「Niceworld」) 股本中之40%權益。Niceworld持有三家附屬公司，而該三家附屬公司分別在墨西哥、巴拿馬和秘魯註冊成立，並擁有覆蓋全拉丁美洲之分銷網絡。

20. INTEREST IN A JOINTLY CONTROLLED ENTITY

20. 一家共同控制企業之權益

		The Group 本集團	
		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
Share of net liabilities of a jointly controlled entity	應佔一共同控制企業之負債淨額	(6,131)	-
Amount due from a jointly controlled entity	應收一共同控制企業款項	15,666	-
		9,535	-

On 30 September, 2002, the Group disposed of 1% interest in the jointly controlled entity at par.

於二零零二年九月三十日，本集團以面值出售共同控制企業之1%權益。

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20. INTEREST IN A JOINTLY CONTROLLED ENTITY (Continued)

Details of the Group's jointly controlled entity as at 31 March, 2003 are as follows:

Name of jointly controlled entity	Place of incorporation and operation	Issued and fully paid capital/ registered capital 已發行及繳足股本／註冊資本	Percentage of equity interest held by the Company indirectly 本公司間接持有之股權百分比 %	Principal activities 主要業務
Gar Shun Enterprises Development Limited 嘉訊企業發展有限公司	Hong Kong 香港	HK\$400,000 Ordinary 400,000港元普通股	49	Electroplating 電鍍

20. 一家共同控制企業之權益 (續)

於二零零三年三月三十一日，本集團之共同控制企業之詳情如下：

21. OTHER FINANCIAL ASSETS

21. 其他金融資產

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Investments in securities	證券投資		
Equity securities:	股本證券：		
Listed in Hong Kong, at cost	香港上市，成本	15	37
Unrealized holding loss	持有之未變現虧損	(4)	(22)
At market value	按市值	11	15
Other investments, at cost	其他投資，成本	29,225	—
		29,236	15

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21. OTHER FINANCIAL ASSETS (Continued)

Other Investments

The amount of HK\$29,225,000 represents investments in three investments and insurance combined policies issued by an international insurance group. A minimum annual return of 4% is guaranteed by the insurance group. Insurance costs are being deducted from the investment return for the key man insurances of the directors. The beneficiaries and the insured are determined by the Company from time to time.

22. INVENTORIES

Raw materials	原料
Work in progress	半成品
Finished goods	製成品

21. 其他金融資產 (續)

其他投資

由一家國際保險集團所發出為數29,225,000港元之三個投資及要員保險計劃。該保險集團之保證最低回報率為每年4%；保險成本將由保險投資回報中扣除。保險受保人及受益人乃由本公司不時釐定。

22. 存貨

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元 (Restated) (已重列)
Raw materials	原料	78,170	58,131
Work in progress	半成品	67,460	44,725
Finished goods	製成品	82,085	53,202
		227,715	156,058

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23. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period of 90 – 120 days to its trade customers.

23. 貿易及其他應收款項

本集團貿易客戶之信貸期平均為90至120日。

		The Group 本集團	
		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
Trade receivable from an associate	應收一聯營公司之貿易應收款項	31,324	–
Other trade receivables	其他貿易應收款項	131,088	127,788
		162,412	127,788
Trade deposits	貿易按金	78,061	70,077
Other deposits, prepayments and other receivables	其他按金、預付款項及其他應收款項	102,005	145,023
		342,478	342,888

Included in trade and other receivables are debtors (net of provisions for bad and doubtful debts) with the following ageing analysis:

貿易及其他應收款項(已扣除呆壞賬準備)已包括在下列之帳齡分析內:

		The Group 本集團	
		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
0 – 90 days	0至90日	151,872	113,400
91 days – 180 days	91日至180日	7,493	9,964
Over 180 days	180日以上	3,047	4,424
		162,412	127,788

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24. TRADE AND OTHER PAYABLES

Included in trade and other payables are creditors with the following ageing analysis:

24. 貿易及其他應付款項

貿易及其他應付款項已包括在下列帳齡分析內：

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Trade payables:	貿易應付款項：		
0 – 90 days	0至90日	46,706	9,231
91 days – 180 days	91日至180日	1,812	3,324
Over 180 days	180日以上	1,856	8,424
		50,374	20,979
Accruals and other payables	應計費用及其他應付款項	40,097	7,258
		90,471	28,237

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25. SYNDICATED LOAN AND OTHER INTEREST-BEARING BORROWINGS

25. 銀團貸款及其他計息借款

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Syndicated loan and other interest-bearing borrowings comprise:	銀團貸款及其他計息借款		
	包括：		
- Term loans	- 定期貸款	147,970	63,224
- Syndicated loan, unsecured	- 銀團貸款，無抵押	200,000	200,000
- Trust receipt and import loans	- 信託收據及進口貸款	113,374	156,758
- Bank overdrafts	- 銀行透支	24	381
		461,368	420,363
Analyzed as:	分析如下：		
- Secured	- 有抵押	26,400	-
- Unsecured	- 無抵押	434,968	420,363
		461,368	420,363
The syndicated loan and other interest-bearing borrowings are repayable as follows:	銀團貸款及其他計息借款須於		
	下列年期償還：		
- Not exceeding one year or upon demand	- 一年內或於要求時	286,168	205,597
- More than one year, but not exceeding two years	- 一年以上，但不超過兩年	125,954	125,302
- More than two years, but not exceeding five years	- 兩年以上，但不超過五年	49,246	89,464
		461,368	420,363
Less: Amount shown under current liabilities	扣除：列於流動負債之款項		
- Syndicated loan	- 銀團貸款	(114,286)	-
- Other interest-bearing borrowings	- 其他計息借款	(171,882)	(205,597)
		175,200	214,766

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25. SYNDICATED LOAN AND OTHER INTEREST-BEARING
BORROWINGS (Continued)

25. 銀團貸款及其他計息借
款 (續)

		The Group 本集團	
		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
Analyzed as:	分析如下：		
– Syndicated loan	– 銀團貸款	85,714	200,000
– Other interest-bearing borrowings	– 其他計息借款	89,486	14,766
		175,200	214,766

		The Company 本公司	
		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
Syndicated loan and other interest-bearing borrowings comprise:	銀團貸款及其他計息借款包括：		
– Syndicated loan, unsecured	– 銀團貸款，無抵押	200,000	200,000
The syndicated loan and other interest-bearing borrowings are repayable as follows:	銀團貸款及其他計息借款須於下列年期償還：		
– Not exceeding one year or upon demand	– 一年內或於要求時	114,286	–
– More than one year, but not exceeding two years	– 一年以上，但不超過兩年	85,714	114,286
– More than two years, but not exceeding five years	– 兩年以上，但不超過五年	–	85,714
		200,000	200,000
Less: Amount shown under current liabilities	扣除：列於流動負債之款項		
– Syndicated loan	– 銀團貸款	(114,286)	–
		85,714	200,000

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26. OBLIGATIONS UNDER FINANCE LEASES

26. 融資租賃承擔

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Within one year	一年內	824	298
More than one year, but not exceeding two years	一年以上，但不超過兩年	804	24
More than two years, but not exceeding five years	兩年以上，但不超過五年	659	10
		2,287	332
Less: finance charges	減：財務費用	(124)	(55)
		2,163	277
Representing finance lease obligations:	融資租賃承擔之屆滿期如下：		
Current portion	即期部份	773	252
Non-current portion	非即期部份	1,390	25
		2,163	277

27. DEFERRED TAXATION

27. 遞延稅項

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
At the beginning of the year	年初	3,396	1,743
Provided for the year (note 11)	本年度撥備(附註11)	3,360	1,653
At the end of the year	年終	6,756	3,396

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27. DEFERRED TAXATION (Continued)

At the balance sheet date, the major components of the provision for deferred taxation are as follows:

		Liability provided		Net potential liability (asset) unrecognized	
		稅項 負債撥備	稅項 負債撥備	未確認潛在負債 (資產)淨額	未確認潛在負債 (資產)淨額
		2003	2002	2003	2002
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Tax effect of timing differences attributable to:	因以下各項而產生之時差 稅務影響：				
Excess of depreciation allowances over depreciation charged in the financial statements	折舊免稅額超過 在財務報告中 扣除之折舊	6,802	3,442	5,209	3,687
Revaluation deficit on the Group's investment properties situated in the People's Republic of China	本集團於中華人民共和國 之投資物業重估 虧絀	(46)	(46)	-	-
Tax losses	稅務虧損	-	-	(7,106)	(4,306)
		6,756	3,396	(1,897)	(619)

Deferred tax has not been provided on the revaluation surplus arising on the valuation of properties in Hong Kong as profits arising on the disposal of these assets would not be subject to taxation. Accordingly, the revaluation surplus does not constitute a timing difference for tax purposes.

27. 遞延稅項 (續)

於結算日，遞延稅項撥備之主要部份如下：

由於在出售香港物業時所產生之溢利毋須課稅，故該等資產在估值時所產生之重估盈餘並無遞延稅項撥備。因此，重估增值在稅務方面並不構成時差。

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28. SHARE CAPITAL

28. 股本

	Note 附註	Number of shares 股份數目	Par value 面值 HK\$ 港元	Amount 價值 HK\$'000 千港元
<i>Authorised:</i>				
As at 1 April, 2001, 31 March, 2002 and 31 March, 2003	法定： 於二零零一年四月一日、 二零零二年三月三十一日及 二零零三年三月三十一日	6,000,000,000	0.10	600,000
<i>Issued and fully paid:</i>				
As at 1 April, 2001	已發行及繳足： 於二零零一年四月一日	3,678,223,019	0.10	367,822
Capital reduction whereby the nominal value of the shares was reduced to HK\$0.005 each by cancellation of HK\$0.095 paid-up capital for each issued share	削減股本，據此透過註銷每股 已發行股份之繳足股本 0.095港元而將股份面值 削減至每股0.005港元	-	(0.095)	(349,431)
		3,678,223,019	0.005	18,391
Capital consolidation whereby every 20 new issued shares with nominal value of HK\$0.005 each in the capital of the Company following the capital reduction was consolidated into 1 consolidated share	股本合併，據此將每20股 於削減股本後本公司股本 中每股面值0.005港元之 已發行新股份合併為1股 合併股份	(3,494,311,869)	0.095	-
As at 31 March, 2002	於二零零二年三月三十一日	183,911,150	0.10	18,391
Rights issue of two rights shares for every one share held	按每持有一股股份可獲發 兩股供股股份之供股	(a) 367,822,300	0.10	36,782
Issue of new shares pursuant to the exercise of share options	因行使購股權而發行新股	(b) 55,425,000	0.10	5,543
Shares repurchased and cancelled	已購回及註銷股份	(c) (1,000,000)	0.10	(100)
Issue of new shares as 2002 interim scrip dividend, in lieu of cash	發行新股作為二零零二年 中期以股代息股息， 以代替現金	(d) 24,741,383	0.10	2,474
As at 31 March, 2003	於二零零三年 三月三十一日	630,899,833	0.10	63,090

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28. SHARE CAPITAL (Continued)

(a) During the year, the Company raised equity capital by way of rights issue. The net proceeds of the rights issue of HK\$62 million were used as follows:

- about HK\$24 million for establishing a distribution arm in the United States;
- about HK\$10 million for promoting the Group's licensed products through the distribution arm aforementioned;
- about HK\$17 million for developing its distribution network in the PRC; and
- the remaining balance for the use as the general working capital of the Company.

(b) During the year, 55,425,000 new shares of HK\$0.10 each were issued upon the exercise of options under a share option scheme which became effective on 24 January, 2002 at exercise prices of HK\$0.2 and HK\$0.227 for 54,390,000 shares and 1,035,000 shares respectively. These shares rank pari passu with the existing shares of the Company.

28. 股本 (續)

(a) 年內，本公司透過供股而籌集股本。供款所得款項淨額62,000,000港元已用作下列用途：

- 約24,000,000港元用作在美國成立分銷部門；
- 約10,000,000港元用作透過上述之分銷部門推廣本集團之特許權產品；
- 約17,000,000港元用作開拓其在中國之分銷網絡；及
- 餘額用作本公司一般營運資金。

(b) 年內，因行使根據一項於二零零二年一月二十四日生效之購股權計劃下之購股權而發行55,425,000股每股面值0.10港元之新股，其中54,390,000股股份乃按0.2港元之行使價行使，而1,035,000股股份則按0.227港元之行使價行使。該等股份與本公司之現有股份享有同等權益。

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28. SHARE CAPITAL (Continued)

- (c) During the year, the Company repurchased its own shares on the Stock Exchange as follows:

Month of repurchase in 2003 於二零零三年之購回月份	Number of shares 股份數目	Price per share 每股價格 HK\$ 港元	Aggregate consideration paid 已付總代價 HK\$'000 千港元
March 三月	1,000,000	0.42	420

The above shares were cancelled upon repurchase and accordingly the issued share capital of the Company was reduced by the nominal value of these shares. The premium on repurchase was charged against share premium.

28. 股本 (續)

- (c) 年內，本公司於聯交所購回其本身之股份，載述如下：

上述股份於購回後註銷，本公司之已發行股本因而被削減，數額為該等股份之面值。購回所產生之溢價已在股份溢價中扣除。

Number of shares issued as 2002 interim dividend 就二零零二年中期股息發行之股份數目	Scrip price 代息股份價格 HK\$ 港元	(d) Proceeds credited to share capital account 計入股本賬之 所得款項 HK\$'000 千港元		Share premium account 股份溢價賬 HK\$'000 千港元	Total 總計 HK\$'000 千港元
24,741,383	0.219	2,474	2,945		5,419

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29. RESERVES

The Group 本集團

29. 儲備

		Share premium	Merger deficit	Capital reserve (Goodwill)	Contributed surplus	Leasehold property revaluation reserve	Other reserve	Exchange fluctuation reserve	Retained profits (Accumulated losses)	Proposed dividend	Total
		股份溢價	合併虧絀	資本儲備 (商譽)	實繳盈餘	租賃物業 重估儲備	其他儲備	外匯 波動儲備	保留溢利 (累積虧損)	擬派終 期股息	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
As at 1 April, 2001	於二零零一年四月一日										
as previously reported	如之前呈報	43,255	(11,988)	(28,787)	-	5,466	(17,907)	-	103,196	-	93,235
Effect of adopting SSAP 30 and SSAP 31	採納會計實務準則第30號 及會計實務準則第31號之影響	-	-	9,159	-	-	-	-	(9,159)	-	-
As at 1 April, 2001 as restated	於二零零一年四月一日 重列	43,255	(11,988)	(19,628)	-	5,466	(17,907)	-	94,037	-	93,235
Realization of unrealized holding loss of investments in securities upon disposal	於出售後所持證券投資 之未變現虧損變現	-	-	-	-	-	17,885	-	-	-	17,885
Credit arising on capital reduction	削減股本產生之進賬款項	-	-	-	349,431	-	-	-	-	-	349,431
Eliminated upon disposal of subsidiary	於出售附屬公司後撥銷	-	-	32,000	-	-	-	-	-	-	32,000
Profit for the year	本年度溢利	-	-	-	-	-	-	-	36,397	-	36,397
As at 31 March, 2002	於二零零二年三月三十一日	43,255	(11,988)	12,372	349,431	5,466	(22)	-	130,434	-	528,948
Rights Issue of two shares for every share held	按每持有一股股份可獲發兩股 股份之供股	29,426	-	-	-	-	-	-	-	-	29,426
Offset Rights Issue expenses	抵銷供股開支	(4,141)	-	-	-	-	-	-	-	-	(4,141)
Exercise of share options	行使購股權	5,571	-	-	-	-	-	-	-	-	5,571
Shares repurchased	已購回股份	(322)	-	-	-	-	-	-	-	-	(322)
Unrealized holding loss of investments in securities	持有證券投資之 未變現虧損	-	-	-	-	-	(4)	-	-	-	(4)
Exchange realignment	匯兌調整	-	-	-	-	-	-	86	-	-	86
Profit for the year	本年度溢利	-	-	-	-	-	-	-	58,199	-	58,199
Interim cash and scrip dividend	中期現金及以股代息股息	2,945	-	-	-	-	-	-	(8,276)	-	(5,331)
Proposed final dividend	擬派終期股息	-	-	-	-	-	-	-	(9,463)	9,463	-
As at 31 March, 2003	於二零零三年三月三十一日	76,734	(11,988)	12,372	349,431	5,466	(26)	86	170,894	9,463	612,432

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29. RESERVES (Continued)

The Company 本公司

29. 儲備 (續)

		Share premium	Contributed surplus	Retained profits (Accumulated losses)	Proposed final dividend	Total
		股份溢價	實繳盈餘	(累積虧損)	擬派終期股息	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
As at 1 April, 2001	於二零零一年四月一日	43,255	39,399	(7,279)	–	75,375
Credit arising on capital reduction	削減股本產生之進賬	–	349,431	–	–	349,431
Loss for the year	本年度虧損	–	–	(15,342)	–	(15,342)
<hr/>						
As at 31 March, 2002	於二零零二年三月三十一日	43,255	388,830	(22,621)	–	409,464
<hr/>						
Rights Issue of two shares for every share held	按每持有一股股份可獲發兩股股份之供股	29,426	–	–	–	29,426
Offset Rights Issue expenses	抵銷供股開支	(4,141)	–	–	–	(4,141)
Exercise of share options	行使購股權	5,571	–	–	–	5,571
Shares repurchased	已購回股份	(322)	–	–	–	(322)
Profit for the year	本年度盈餘	–	–	40,363	–	40,363
Interim cash and scrip dividend	中期現金及以股代息股息	2,945	–	(8,276)	–	(5,331)
Proposed final dividend	擬派終期股息	–	–	(9,463)	9,463	–
<hr/>						
As at 31 March, 2003	於二零零三年三月三十一日	76,734	388,830	3	9,463	475,030

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29. RESERVES (Continued)

The capital reserve (goodwill) represents the total of the share premium of a subsidiary prior to becoming a member of the Group in a merger and the amount arising from the excess or shortfall of the purchase consideration over the fair value of the Group's share of separate net assets of the subsidiaries acquired.

The merger deficit of the Group represents the excess of the nominal value of the shares in the Company issued as consideration over the nominal value of the subsidiaries' shares transferred to the Company.

The contributed surplus of the Company represents the difference between the consolidated shareholders' funds of the subsidiaries acquired by the Company and the nominal amount of the Company's shares issued for the acquisition.

The other reserve represents the amount of unrealized holding gain (loss) from the investments in securities.

Under the Companies Act 1981 of Bermuda, the contributed surplus of the Company is available for distribution to shareholders. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realizable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

29. 儲備 (續)

資本儲備(商譽)指附屬公司未透過合併成為本集團成員公司前之股份溢價及收購代價高於或低於本集團應佔所收購附屬公司可分割淨資產之公平價值之款額之總和。

本集團之合併虧絀指本公司作為代價發行股份之面值超逾轉撥至本公司之附屬公司股份面值之數額。

本公司實繳盈餘指本公司所收購附屬公司之綜合股東資金與本公司因收購而發行之本公司股份面值之差額。

其他儲備指持有投資證券之未變現收益(虧損)款額。

根據百慕達一九八一年公司法，本公司實繳盈餘可分派予股東。然而，如按照合理理據相信會出現以下情況，本公司不得宣派或派付股息，或自實繳盈餘作出分派：

- (a) 付款後或將無力償還到期債項；或
- (b) 其資產之可變現價值將因此而低於其債項、已發行股本及股份溢價賬三者之總額。



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29. RESERVES (Continued)

In the opinion of the Directors, the Company's reserves available for distribution to shareholders were as follows:

29. 儲備 (續)

董事認為，本公司可供分派予股東之儲備如下：

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Contributed surplus	實繳盈餘	388,830	388,830
Retained profits (Accumulated losses)	保留溢利(累積虧損)	3	(22,621)
Proposed final dividend	擬派終期股息	9,463	—
		<hr/>	<hr/>
		398,296	366,209

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30. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include any directors, employees, consultants or professional advisors, suppliers or customers, and authorized agents of the Group. The Scheme became effective on 24 January, 2002 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of shares in respect of which options may be granted under the Scheme shall not exceed 10% of the number of issued shares of the Company from time to time excluding the aggregate number of shares which were issued pursuant to the Scheme.

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Directors, and in any event such period of time shall not exceed a period of 3 years commencing on the expiry of 6 months after the date of the acceptance of the offer and expiring on the last day of such period, or 24 January, 2012, whichever is the earlier.

The exercise price of the share options is determinable by the Directors, but shall be the higher of (i) the closing price of the shares as stated in the daily quotations sheet issued by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the offer date, which must be a business day; and (ii) the average of the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the offer date.

30. 購股權計劃

本公司設有一項購股權計劃(「該計劃」)，目的在於獎勵及回饋對本集團業務取得佳績而有所貢獻之合資格參與者。該計劃之合資格參與者包括本集團之任何董事、僱員、顧問或專業顧問、供應商或客戶及特許代理商。該計劃於二零零二年一月二十四日起生效，並(除非被註銷或修訂)將由該日起計十年內有效。

根據該計劃可能授出之購股權所涉及之股份數目上限，不得超逾本公司不時已發行股份數目之10%，不包括根據該計劃發行之股份總數。

獲授人可於授出購股權要約之日後28日內，支付象徵式代價合共1港元後接納要約。所授購股權之行使期限由董事釐定，惟在任何情況下，有關期限不得超過接納要約當日起計之六個月屆滿後三年，並於該期限最後一日或二零一二年一月二十四日(以較早者為準)屆滿。

購股權之行使價由董事釐定，但須為(i)於要約當日(必須為營業日)香港聯合交易所有限公司(「聯交所」)每日報價表所載之股份收市價；及(ii)緊接要約日期前五個營業日聯交所每日報價表所載之股份平均收市價，以較高者為準。

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30. SHARE OPTION SCHEME (Continued)

30. 購股權計劃 (續)

Name or category of participant 參與者姓名或類別	Number of share options 購股權數目						Date of grant of share options* 購股權授出日期*	Exercise period of share options 購股權行使期間	Exercise price of share options** 購股權行使價**	Price of Company's shares*** 本公司股份價格***	
	As at 1 April 2002 於二零零二年四月一日	Granted during the year 於年內授出	Granted for adjustment 為作出調整而授出	Lapsed during the year 於年內失效	Exercised during the year 於年內行使	At 31 March 2003 於二零零三年三月三十一日				At grant date of options 購股權授出日期	At exercise date of options 購股權行使日期
									HK\$ 港元	HK\$ 港元	HK\$ 港元
Directors 董事											
Mr. Tsang Kwong Chiu, Kevin 曾廣釗先生	-	5,500,000	250,000	-	5,750,000	-	23/08/2002	23/02/2003 to 23/02/2006	0.200	0.202	0.430
Mr. Man Kwok Keung 文國強先生	-	990,000	45,000	-	-	1,035,000	05/09/2002	05/03/2003 to 05/03/2006	0.227	0.221	-
Mr. Cheng Kwan Ling 鄭坤寧先生	-	990,000	45,000	-	1,035,000	-	05/09/2002	05/03/2003 to 05/03/2006	0.227	0.221	0.425
	-	7,480,000	340,000	-	6,785,000	1,035,000					
Other employees 其他僱員											
In aggregate 總數	-	14,690,000	715,000	300,000	14,140,000	965,000	23/08/2002	23/02/2003 to 23/02/2006	0.200	0.202	0.405 to 0.435
Suppliers and customers 供應商及客戶											
In aggregate 總數	-	33,000,000	1,500,000	-	34,500,000	-	23/08/2002	23/02/2003 to 23/02/2006	0.200	0.202	0.430 to 0.440
		55,170,000	2,555,000	300,000	55,425,000	2,000,000					

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30. SHARE OPTION SCHEME (Continued)

- * *The vesting period of the share options is from the date of the grant until the commencement of the exercise period.*
- ** *The exercise price of the share options is subject to adjustment in case of rights or bonus issues, or other similar changes in the Company's share capital.*
- *** *The price of the Company's shares disclosed as at the date of the grant of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of the grant of the options. The price of the Company's shares disclosed as at the date of the exercise of the share options is the weighted average of the Stock Exchange closing prices over all of the exercises of options within the disclosure category.*

As at 31 March, 2003, the Company had 2,000,000 share options outstanding under the Scheme, with exercise periods ranging from 23 February, 2003 to 5 March, 2006 and exercise prices ranging from HK\$0.200 to HK\$0.227. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 2,000,000 additional shares of HK\$0.10 each and proceeds of approximately HK\$428,000.

30. 購股權計劃 (續)

- * 購股權歸屬期指由授出日期至行使期開始之時。
- ** 倘進行供股或發行紅股或本公司股本出現其他類似變動，購股權行使價可作調整。
- *** 於授出購股權日期所披露之本公司股份價格為緊接授出購股權日期前之交易日聯交所之收市價。於購股權行使日期所披露本公司股份之價格，為就所披露類別購股權之全部行使行動而言聯交所收市價之加權平均數。

於二零零三年三月三十一日，本公司根據該計劃尚有2,000,000份購股權未獲行使，行使期介乎二零零三年二月二十三日至二零零六年三月五日，行使價介乎0.200港元至0.227港元。根據本公司現時股本結構，悉數行使尚未行使之購股權將導致發行額外2,000,000股每股面值0.10港元之股份，所得款項約428,000港元。

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31. ACQUISITION OF SUBSIDIARIES

On 31 December, 2002 and 2 January, 2003, the Group acquired 51% interests in Bensonic International Limited and Omni International Holdings Limited and its subsidiary for HK\$7,800,000 and HK\$50,106,000 satisfied in cash respectively.

31. 收購附屬公司

於二零零二年十二月三十一日及二零零三年一月二日，本集團收購 Bensonic International Limited 及安進利國際集團有限公司及其附屬公司之 51% 權益，代價分別為 7,800,000 港元及 50,106,000 港元，以現金支付。

		2003 HK\$'000 千港元
Net assets of the subsidiaries acquired comprise of:	購入附屬公司之資產淨值包括：	
Furniture, fixtures and office equipment	傢俬、裝置及辦公室設備	20,377
Leasehold improvements	租賃物業裝修	5,216
Plant and machinery	廠房設備及機器	608
Trademark	商標	22,460
Inventories	存貨	44,279
Trade and other receivables	貿易及其他應收款項	18,142
Bank balances and cash	銀行結存及現金	3,034
Trade and other payables	貿易及其他應付款項	(17,766)
Bank loan	銀行貸款	(5,308)
Minority interests	少數股東權益	(37,421)
		53,621
Negative goodwill arising on consolidation	綜合賬目產生之負商譽	(4,101)
Goodwill arising on consolidation	綜合賬目產生之商譽	8,386
Total purchase price paid, satisfied in cash	已付之收購總價格，以現金支付	57,906
Less: cash of the subsidiaries acquired	減：收購附屬公司之現金	(3,034)
Net outflow of cash and cash equivalents in connection with the purchase of the subsidiaries	有關購入附屬公司之現金及現金等價物流出淨額	54,872

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32. DISPOSAL OF A SUBSIDIARY

On 1 April, 2002, the Group disposed of 1% interest in a subsidiary Gar Shun Enterprises Development Limited for nil consideration. Thereafter, this Company became a jointly controlled entity.

The net assets of Gar Shun Enterprises Development Limited at the date of disposal were as follows:

32. 出售一家附屬公司

於二零零二年四月一日，本集團無償出售附屬公司嘉訊企業發展有限公司之1%權益。此後，該公司成為本集團之共同控制企業。

嘉訊企業發展有限公司於出售日期之資產淨值如下：

		2003 HK\$'000 千港元
Fixed assets	固定資產	1,106
Inventories	存貨	740
Trade and other receivables	貿易及其他應收款項	2,773
Bank and cash balances	銀行及現金結存	257
Trade and other payables	貿易及其他應付款項	(4,497)
Bank overdrafts	銀行透支	(379)
Gain/loss on disposal	出售收益／虧損	-
<hr/>		
Total sale price	出售總價格	-
<hr/>		
Satisfied by:	支付方式：	
Cash consideration received	已收現金代價	-
<hr/>		

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32. DISPOSAL OF A SUBSIDIARY (Continued)

Analysis of net inflow of cash and cash equivalents in respect of the disposal of a subsidiary:

		2003 HK\$'000 千港元
Cash consideration received	已收取之現金代價	–
Bank and cash balances disposed of	已出售之銀行及現金結存	(257)
Bank overdrafts disposed of	已出售之銀行透支	379
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	因出售附屬公司而產生之現金 及現金等價物流入淨額	122

32. 出售一家附屬公司 (續)

有關出售附屬公司之現金及現金等價物流入淨額分析：

33. CASH AND CASH EQUIVALENTS

33. 現金及現金等價物

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元 (Restated) (已重列)
Cash and bank balances	現金及銀行結存	207,568	154,380
Bank overdrafts	銀行透支	(24)	(381)
Cash and cash equivalents at the end of the year	年終時現金及現金等價物	207,544	153,999

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34. CONTINGENT LIABILITIES

As at 31 March, 2003, the Group has contingent liabilities in respect of bills discounted with recourse amounting to approximately HK\$67,951,000 (2002: 179,740,000).

The Company has given corporate guarantees to banks in respect of general banking facilities granted to subsidiaries amounting to HK\$929,000,000 (2002: HK\$816,000,000). The extent of such facilities utilized by the subsidiaries as at 31 March, 2003 amounted to approximately HK\$261,000,000 (2002: HK\$195,000,000).

35. FINANCIAL INSTRUMENTS

The Company had entered into interest rate swaps to manage its interest rate risk. As at 31 March, 2003, the total notional amount of such instruments was HK\$201,000,000 (2002: HK\$201,000,000). The notional amounts of the outstanding interest rate swaps indicate the contract size outstanding at the balance sheet date and do not represent the amount at risk.

As at 31 March, 2003, the Company had not entered into currency-linked deposit contracts to manage its foreign currency risk.

As at 31 March, 2002, the total US dollar based currency-linked deposits were amounted to US\$2,200,000. The alternative currency of those contracts was Euro currency.

34. 或然負債

於二零零三年三月三十一日，本集團在有關於有追索權貼現票據之方面有或然負債約 67,951,000 港元（二零零二年：179,740,000 港元）。

本公司就附屬公司獲批之一般銀行融資而向多間銀行作出 929,000,000 港元（二零零二年：816,000,000 港元）之公司擔保。附屬公司截至二零零三年三月三十一日共動用約 261,000,000 港元（二零零二年：195,000,000 港元）之融資。

35. 金融工具

本公司已訂立利率掉期以管理其利率風險。於二零零三年三月三十一日，該等工具之總名義價值 201,000,000 港元（二零零二年：201,000,000 港元）。尚未結算之利率掉期名義價值顯示於結算日尚未結算之合約規模，而並非指涉及風險之數額。

於二零零三年三月三十一日，本公司並無訂立外幣存款合約以管理其外幣風險。

於二零零二年三月三十一日，以美元為基準之貨幣掛鈞存款為 2,200,000 美元。有關合約之替代貨幣為歐元。

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36. CAPITAL AND LEASE COMMITMENTS

- (a) Capital commitments outstanding as at 31 March, 2003 not provided for in the financial statements are as follows:

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Contracted for	已訂約	—	628

- (b) As at 31 March, 2003, the total future minimum lease payments under non-cancellable operating leases in respect of leasehold land and buildings are payable as follows:

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
– Within 1 year	— 一年內	2,341	935
– After 1 year but within 5 years	— 第二年至第五年	6,911	3,707
– After 5 years	— 五年後	1,267	5,746
		10,519	10,388

36. 資本及租賃承擔

- (a) 於二零零三年三月三十一日未有在財務報告撥備之未付資本承擔如下：

- (b) 於二零零三年三月三十一日，本集團就租賃土地及樓宇之不可撤銷經營租約未來的應付之最低租賃款額如下：

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37. PLEDGE OF ASSETS

As at 31 March, 2003, leasehold properties with carrying value of approximately HK\$15,956,000 had been pledged to secure banking facilities for a subsidiary.

As at 31 March, 2002, no assets of the Group were pledged.

38. POST BALANCE SHEET EVENTS

After the balance sheet date the Directors proposed a final dividend. Further details are disclosed in note 12.

39. COMPARATIVE FIGURES

The presentation and classification of items in the consolidated cash flow statement have been changed due to the adoption of the requirements of SSAP 15 (revised 2001) "Cash flow statements". As a result, certain advances from banks have been excluded from the definition of cash equivalents, cash flow items from taxation, returns on investments and servicing of finance have been classified into operating, investing and financing activities respectively and a detailed breakdown of cash flows from operating activities has been included on the face of the consolidated cash flow statement. Comparative figures have been reclassified to conform with the current year's presentation.

37. 抵押資產

於二零零三年三月三十一日，賬面值約為15,956,000港元之租賃物業已予抵押，作為一家附屬公司獲取銀行信貸之押記。

於二零零二年三月三十一日，本集團概無抵押資產。

38. 結算日後事項

於結算日後，董事建議派付終期股息。有關詳情披露於附註12。

39. 比較數字

由於採納會計實務準則第15號(二零零一年經修訂)「現金流量表」之規定，故綜合現金流量表之呈列方式及項目分類有所轉變。因此，若干銀行墊款已自現金等價物之釋義中剔除；現金流量項目自稅項中剔除；投資回報及融資償付已分別分類為經營業務、投資活動及融資活動，並已於綜合現金流量表一項上納入有關經營業務現金流量之詳細分析。比較數字已予重列，以配合本年度之呈列方式。