

The directors present their annual report and the audited financial statements for the year ended 28th February, 2001.

## **PRINCIPAL ACTIVITIES**

The Company is an investment holding company. Its subsidiaries are engaged principally in the manufacture and marketing of jewellery products.

## **RESULTS AND APPROPRIATIONS**

Details of the results of the Group and appropriations of the Company are set out in the consolidated income statement on page 34 and the accompanying notes to the financial statements.

## **RESERVES**

Details of movements in the reserves of the Group and the Company are shown in note 29 to the financial statements.

## **FIVE YEARS FINANCIAL SUMMARY**

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 86 and 87 respectively.

## **INVESTMENT PROPERTIES**

During the year, the Group disposed of investment properties with a carrying value of HK\$355,000. The Group also reclassified its investment properties with a carrying value of HK\$57,367,000 to land and buildings and properties held for sale. The remaining investment properties were revalued on 28th February, 2001. The deficit arising from the revaluation amounting to HK\$22,258,000 has been charged to the income statement.

Details of these and other movements in the investment properties of the Group during the year are set out in note 16 to the financial statements.

董事會同寅謹呈覽截至二零零一年二月二十八日止年度週年報告及經審核帳項。

## **主要業務**

本公司為一家投資控股公司。其附屬公司之主要業務為製造和銷售珠寶首飾。

## **業績及分配**

本集團之業績及本公司之分配詳情已載於第34頁的綜合損益表及帳項附註內。

## **儲備**

本集團及本公司儲備變動之詳情，已列於帳項附註29項內。

## **五年財務摘要**

本集團最近五個財政年度的業績及資產與負債的概要，已分別列於第86頁及87頁。

## **投資物業**

於年內，本集團出售的投資物業總值為港幣355,000元，本集團亦以帳面值港幣57,367,000元的投資物業重新分類為土地及樓宇及待售物業。餘下投資物業於二零零一年二月二十八日重估。重估產生之虧損共港幣22,258,000元，已撥入損益表內。

於本年度內本集團投資物業的上述及其他變動之詳情，已載於帳項附註第16項內。

## PROPERTY, PLANT AND EQUIPMENT

During the year, the Group reclassified its land and buildings with a carrying value of HK\$8,632,000 to properties held for sale. The Group also renovated some of its existing jewellery shops and office premises during the year. The land and buildings were revalued on 28th February, 2001. The deficit arising from revaluation amounting to HK\$19,322,000 and HK\$16,528,000 has been charged to the land and buildings revaluation reserve and income statement respectively.

Details of these and other movements in the property, plant and equipment of the Group and of the Company during the year are set out in note 17 to the financial statements.

## PROPERTIES HELD FOR SALE

During the year, the Group reclassified its investment properties and land and buildings with carrying values of HK\$57,022,000 and HK\$8,632,000, respectively, to properties held for sale.

Details of these and other movements in the properties held for sale of the Group during the year are set out in note 23 to the financial statements.

## PROPERTIES

A summary of properties of the Group as at 28th February, 2001 is set out on pages 88 and 89.

## SUBSIDIARIES AND ASSOCIATES

Details of the Company's principal subsidiaries and associates at 28th February, 2001 are set out in note 41 to the financial statements.

## 物業、廠房及設備

於年內，本集團將帳面值共港幣8,632,000元的土地及樓宇重新分類至待售物業。本集團亦於本年度內為部份現存珠寶店及辦公室進行裝修，並於二零零一年二月二十八日重估土地及樓宇。重估產生之虧損約為港幣19,322,000元及港幣16,528,000元，已分別撥入土地及樓宇重估儲備及損益表內。

於本年度內本集團及本公司物業、廠房及設備的上述及其他變動之詳情，已載於帳項附註第17項內。

## 待售物業

於年內，本集團分別將港幣57,022,000元及港幣8,632,000元的投資物業及土地及樓宇重新分類至待售物業。

於本年度內本集團待售物業的上述及其他變動的詳情，已載於帳項附註第23項內。

## 物業

本集團於二零零一年二月二十八日之物業摘要已列於第88頁及89頁。

## 附屬公司及聯營公司

於二零零一年二月二十八日，本公司主要附屬公司及聯營公司之詳細資料已載於帳項附註第41項內。

## SHARE CAPITAL AND SHARE OPTIONS

Details of the share capital and share options of the Company are set out in notes 27 and 28 to the financial statements, respectively.

## BORROWINGS AND INTEREST CAPITALISED

The Group's borrowings are set out in note 26 to the financial statements. No interest was capitalised by the Group during the year.

## DIRECTORS

The directors of the Company during the year and up to the date of this report were:

### Executive directors:

Tse Tat Fung, Tommy, *Chairman*

Leung Yit Kuen, *Raymond*

Chung Yuen Ling

*(appointed on 13th December, 2000)*

Tse Sui Luen

*(resigned on 25th September, 2000)*

### Independent non-executive directors:

Hong Po Kui, Martin

Chui Chi Yun, Robert

Gerald Clive Dobby

*(appointed on 31st August, 2000)*

Lui Pui Kee, Francis

*(appointed on 31st August, 2000)*

In accordance with the provisions of the Company's Bye-laws, Hong Po Kui, Martin and Chui Chi Yun, Robert retire and, being eligible, offer themselves for re-election. All other remaining directors continue in office.

## 股本及認股權

本公司股本及認股權之詳情已載於帳項附註第27及28項內。

## 貸款及利息資本化

本集團之貸款已載於帳項附註第26項內。本集團於本年度內並無將利息撥充資本。

## 董事

本公司於本年度及至提交本報告日之董事如下：

### 執行董事：

謝達峰，主席

梁悅權

鍾婉玲

*(於二零零零年十二月十三日獲委任)*

謝瑞麟

*(於二零零零年九月二十五日辭任)*

### 獨立非執行董事：

康寶駒

崔志仁

Gerald Clive Dobby

*(於二零零零年八月三十一日獲委任)*

呂培基

*(於二零零零年八月三十一日獲委任)*

依照本公司細則規定，康寶駒及崔志仁告退，並合乎資格，願膺選連任。所有其他餘下的董事均繼續留任。

## DIRECTORS' SERVICE CONTRACTS

Tse Tat Fung, Tommy has a service contract with a subsidiary of the Company which is terminable by either party giving six months' notice. Leung Yit Kuen, Raymond has a service contract with a subsidiary of the Company for a fixed term of three years from 1st January, 1999. Chung Yuen Ling has a service contract with a subsidiary of the Company which is terminable by either party giving one month's notice. Gerald Clive Dobby and Lui Pui Kee, Francis have service contracts with the Company for a term up to the expiry of the restructuring of the Group which is five years and three months from 3rd August, 2000 or up to an earlier date when repayments reduce the bank indebtedness of the Group to HK\$150 million; or up to an earlier date when all bank debt or term debt and accrued interest together with the fees as defined in the Restructuring Agreement which is entered into between the Company and its seven bank creditors on 3rd August, 2000 have been fully repaid/refinanced; or to be terminated by the Company or the relevant subsidiaries giving seven days' notice, whichever is earlier.

Save as disclosed herein, none of the directors has a service contract with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation (other than statutory compensation).

## 董事之服務合約

謝達峰與本公司其中一間附屬公司訂立服務合約，合約任何一方可給另一方六個月通知期以終止合約。梁悅權與本公司其中一間附屬公司訂立三年固定期限之服務合約，自一九九九年一月一日起生效，任期三年。鍾婉玲與本公司其中一間附屬公司訂立服務合約，合約任何一方可給另一方一個月通知期以終止合約。Gerald Clive Dobby及呂培基與本公司訂立服務合約，合約期為本集團的重組屆滿期，由二零零零年八月三日後之五年零三個月，或直至本集團將銀行貸款總額減至港幣150,000,000元為止，或本集團與七間債權銀行於二零零零年八月三日所簽訂的重組協議中所訂明所有銀行負債及定期貸款、應計利息及費用全數償還／重新借貸，或由本公司或有關之附屬公司給予七日通知終止合約，以較早日期為準。

除上述披露外，並無任何董事與本公司或其任何一間附屬公司簽訂在一年內不可在不予賠償（法定賠償除外）的情況下終止之服務合約。

## DIRECTORS' INTERESTS IN SHARES

### (a) Shares

The interests of the directors and their associates in the ordinary share capital of the Company as at 28th February, 2001 as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance of Hong Kong (the "SDI Ordinance") are as follows:

## 董事所佔股份權益

### (a) 股份

根據證券(披露權益)條例(「披露權益條例」)第29條而保存之名冊紀錄所示，於二零零一年二月二十八日，各董事及其彼等之聯繫人士於本公司之普通股股本之權益如下：

### Number of ordinary shares held

#### 普通股股份持有數目

Name of director 董事姓名	Personal interest 個人權益	Family interest 家族權益	Corporate interest 公司權益	Other interest 其他權益
Tse Tat Fung, Tommy 謝達峰	—	—	1,283,661(i)	194,667,874(ii)

#### Notes:

- (i) These ordinary shares were held through Blink Technology Limited ("Blink Technology"), a company beneficially owned by Tse Tat Fung, Tommy.
- (ii) Blink Technology acquired the rights, title and interest in various financing documents under which these ordinary shares, representing shares of which Mr. Tse Sui Luen has personal and corporate interests, were charged. Accordingly, Tse Tat Fung, Tommy is deemed to be interested in these ordinary shares.
- (iii) By a court order filed on 31st May, 2001, Blink Technology obtained court order against a company controlled by Mr. Tse Sui Luen for, inter alia, foreclosure of 125,303,664 ordinary shares comprised in the charge under the financing documents referred to in note (ii) above.

#### 附註：

- (i) 此等普通股股份乃由一間謝達峰實益擁有Blink Technology Limited(「Blink Technology」)持有。
- (ii) Blink Technology 於多份以此等普通股股份(即謝瑞麟先生以個人及公司權益所擁有之股份)抵押之若干融資文件中購入一切權利，擁有權及權益。因此，謝達峰被設定擁有此等普通股股份之權益。
- (iii) 根據二零零一年五月三十一日提交法庭存檔之法令，Blink Technology 獲取法庭命令取消謝瑞麟先生之公司在上述附註(ii)所述之融資文件中已作出抵押(除其他事物之外)的125,303,664股普通股的贖取權。

## DIRECTORS' INTERESTS IN SHARES (Continued)

### (b) Options

Certain directors have personal interests in share options to subscribe for ordinary shares in the Company. Details of movements of share options granted to the directors during the year are as follows:

	Exercise period 行使期間		Exercise price 行使價 HK\$ 港幣	Number of share options outstanding at 1.3.2000 and 28.2.2001 於二零零零年三月一日及二零零一年二月二十八日認股權之餘額
	From 由	To 至		
Tse Tat Fung, Tommy 謝達峰	21.1.1998	21.7.2002	2.79	2,152,500
Leung Yit Kuen, Raymond 梁悅權	21.1.1998	21.7.2002	2.79	2,152,500
	15.3.2000	19.8.2003	0.25	6,647,500

The options were granted under the share option scheme for employees, details of which are set out in note 28 to the financial statements.

Save as disclosed above, and other than certain nominee shares in subsidiaries held by directors in trust for the Company or its subsidiaries, none of the directors or the chief executives, or their associates, had any interests in the securities of the Company or its associated corporations as defined in the SDI Ordinance, and none of the directors or the chief executives, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

## 董事所佔股份權益 (續)

### (b) 認股權

若干董事於認股權上擁有個人權益可認購本公司之普通股股份。於本年度內授予董事認股權之變動詳情如下：

	Exercise period 行使期間		Exercise price 行使價 HK\$ 港幣	Number of share options outstanding at 1.3.2000 and 28.2.2001 於二零零零年三月一日及二零零一年二月二十八日認股權之餘額
	From 由	To 至		
Tse Tat Fung, Tommy 謝達峰	21.1.1998	21.7.2002	2.79	2,152,500
Leung Yit Kuen, Raymond 梁悅權	21.1.1998	21.7.2002	2.79	2,152,500
	15.3.2000	19.8.2003	0.25	6,647,500

認股權按僱員優先認股權計劃授予，有關該計劃之詳情已載於帳項附註第28項內。

除上述所披露者及董事以信託形式代本公司或其附屬公司以代理人身份持有若干附屬公司股份外，按披露權益條例界定，各董事與行政總裁及彼等之聯繫人士概無持有本公司或聯繫公司之證券權益。而各董事及行政總裁或其配偶或其未滿十八歲之子女概無持有認購本公司證券之權利或曾於本年度內行使該等權利。

## **SHARE OPTION SCHEME FOR EMPLOYEES AND ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES**

The Company has a share option scheme for employees, details of which are set out in note 28 to the financial statements.

Other than as disclosed above under “Directors’ Interest in Shares”, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company or their associates as defined in the SDI Ordinance to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## **CONNECTED TRANSACTION**

On 22nd July, 2000, a conditional settlement agreement (the “Settlement Agreement”) was entered into between the Company, Mr. Tse Sui Luen (“Mr. Tse”) and Mr. Qi Jian Hong (“Mr. Qi”), the details of which have been set out in the circular dated 14th August, 2000. The transaction was to be completed on or before 30th September, 2000.

Mr. Tse was a director of the Company when the contract was entered into. Mr. Qi has 15% beneficial interest in a subsidiary of the Company. The transaction constituted a connected transaction and was approved by the independent shareholders in the Special General Meeting held on 30th August, 2000.

Three supplemental agreements dated 27th September, 2000, 21st December, 2000 and 30th March, 2001 were entered into between the Company, Mr. Tse and Mr. Qi to further extend the latest time for completion to 31st December, 2000, 31st March, 2001 and 30th June, 2001 respectively. Apart from the extension in the time of completion, all terms of the Settlement Agreement remain the same.

## **僱員優先認股權計劃及促使董事獲得股份及債券之安排**

本公司有一項僱員優先認股權計劃，有關該計劃之詳情已載於帳項附註第28項內。

除於上文「董事所佔股份權益」所披露者外，本公司或其任何附屬公司於本年度內並無參與任何安排，使本公司董事或其聯繫人士（按披露權益條例界定）取得本公司或任何其他法人團體之股份或債券而獲得利益。

## **關連交易**

於二零零零年七月二十二日，本公司、謝瑞麟先生（「謝先生」）及基建虹先生（「綦先生」）簽訂一份有條件之和解協議（「和解協議」），該和解協議之詳情已於二零零零年八月十四日之通函內刊出。該交易須於二零零零年九月三十日或之前完成。

謝先生於簽訂協議時仍為本公司的董事。綦先生為本公司其中一附屬公司的15%實益擁有人，該交易構成關連交易並於二零零零年八月三十日的股東特別大會上獲得獨立股東通過。

本公司、謝先生及綦先生於二零零零年九月二十七日、二零零零年十二月二十一日及二零零一年三月三十日分別簽訂三份附加協議，將最後期限再延遲至二零零零年十二月三十一日、二零零一年三月三十一日及二零零一年六月三十日。除了延遲完成日期外，和解協議內其他條款維持不變。

**SUBSTANTIAL SHAREHOLDER**

As at 28th February, 2001, according to the register maintained by the Company pursuant to Section 16(1) of the SDI Ordinance, the following shareholder was interested in 10% or more of the Company's issued share capital:

**Name**  
**姓名**

Tse Sui Luen (note) (附註)

謝瑞麟

Blink Technology Limited (note) (附註)

**主要股東**

根據披露權益條例第16(1)條本公司保存之主要股東名冊所示，於二零零一年二月二十八日，下列股東持有本公司已發行之普通股股本之10%或以上：

**Number of  
ordinary shares held****普通股股份數目**

<b>Direct Interest</b>	<b>Deemed Interest</b>
<b>直接權益</b>	<b>設定權益</b>

Tse Sui Luen (note) (附註) 謝瑞麟	194,667,874	—
Blink Technology Limited (note) (附註)	1,283,661	194,667,874

Note: Out of the 194,667,874 shares, 69,364,210 shares were held as personal interest and 125,303,664 shares were held through a company beneficially owned by Mr. Tse Sui Luen. Blink Technology Limited, a company beneficially owned by Tse Tat Fung, Tommy, acquired the rights, title and interest in various financing documents under which these 194,667,874 shares were charged. Accordingly, Mr. Tse Tat Fung, Tommy is deemed to be interested in those ordinary shares.

Other than the above and those interests disclosed above in respect of the directors under "Directors' Interests in Shares", at 28th February, 2001, the Company had not been notified of any other interests representing 10% or more of the issued ordinary share capital of the Company.

附註：在此等194,667,874股當中，69,364,210股為謝瑞麟先生以個人權益擁有及125,303,664股為謝瑞麟先生實益擁有之一間公司所擁有。Blink Technology Limited，一間由謝達峰為實益擁有之公司，於多份以此等194,667,874股股份抵押之若干融資文件中購入一切權利、擁有權及權益。因此，謝達峰先生被設定擁有此等普通股股份之權益。

除上述披露及於「董事所佔股份權益」所披露之權益外，於二零零一年二月二十八日，本公司並無接獲通知有任何人士持有佔本公司之已發行普通股股本10%或以上之權益。

## **DIRECTORS' INTEREST IN CONTRACTS**

Other than the transaction disclosed under "Connected Transaction", no contracts of significance to which the Group was a party and in which a director had a material interest, whether directly or indirectly, existed at the end of the year or at any time during the year.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares or other listed securities during the year.

## **CONVERTIBLE SECURITIES, OPTIONS OR SIMILAR RIGHTS**

Other than the convertible preference shares and employee share option scheme as disclosed above and in notes 27 and 28 to the financial statements, the Company had no outstanding convertible securities, options or similar rights as at 28th February, 2001 and there had been no exercise of convertible preference shares, options or similar rights during the year.

## **DONATIONS**

During the year, the Group made charitable and other donations totalling HK\$95,580.

## **董事於合約內之利益**

除於「關連交易」所披露之交易外，本集團在結算日或本年度內任何時間，並無訂立任何重要合約而使董事直接或間接獲得重大利益。

## **購入、出售或贖回上市證券**

本公司或其任何附屬公司在本年度內均無購入、出售或贖回任何本公司之股份或其他上市證券。

## **可換股證券、認股權或類似權利**

除上文及於帳項附註第27和28項所述之可換股優先股及認股權計劃者外，本公司於二零零一年二月二十八日概無未獲行使之可換股證券、認股權或類似權利及並無任何可換股優先股、認股權或類似權利於年內獲行使。

## **捐款**

本集團於本年度內捐出慈善及其他捐款共港幣95,580元。

## PRE-EMPTIVE RIGHTS

Bye-law 3A of the Company's Bye-laws provides, among other things, that The China Retail Fund, LDC has a right of first refusal to subscribe or purchase at any time from 28th February, 1998, the date of issue of the convertible non-voting redeemable preference shares (the "Preference Shares"), to the date falling on the second anniversary thereafter any new issue of securities convertible into ordinary shares (whether on the same, better or worse terms than the Preference Shares) upon and subject to such terms and conditions as the Company may offer such securities to any third party. Apart from the foregoing, there are no other provisions for pre-emptive rights under the Company's Bye-laws or the laws in Bermuda.

## CORPORATE GOVERNANCE

The Company has complied throughout the year ended 28th February, 2001 with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

## AUDITORS

Messrs. Deloitte Touche Tohmatsu have acted as auditors of the Company for the past three years.

On behalf of the Board

**Tse Tat Fung, Tommy**

*Chairman*

15th June, 2001

## 優先購股權

本公司細則3A規定(除其他事項以外),中國商業發展基金有一優先購買權可由一九九八年二月二十八日起(即可換股無投票權可贖回優先股(「優先股」)之發行日)至發行日第二週年期間,根據本公司向任何第三者發售該等證券之條款及條件及且在其規限下,認購或購買任何可兌換為普通股之新發行證券,而不論有關條款等同、優於或遜於優先股之條款。除以上所述外,百慕達法例及本公司細則對優先購股權並無限制,對此權利亦無規定條款。

## 公司管治

本公司於截至二零零一年二月二十八日的整個年度內均遵守香港聯合交易所有限公司證券上市規則附錄14最佳應用守則之規則。

## 核數師

過往三年德勤•關黃陳方會計師行均為本公司之核數師。

承董事會命

**謝達峰**

*主席*

二零零一年六月十五日