

For the year ended 28 February 2002

(Expressed in Hong Kong dollars)

## 1. SIGNIFICANT ACCOUNTING POLICIES

### (a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Statements of Standard Accounting Practice and Interpretations issued by the Hong Kong Society of Accountants ("HKSA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

### (b) Basis of preparation of the financial statements

#### (i) Going concern basis

On 3 August 2000, the Company entered into a restructuring agreement with the Group's bankers ("the Restructuring Agreement") regarding the repayment of all Hong Kong bank borrowings, totalling approximately \$399 million ("the Bank Borrowings"). The Restructuring Agreement applies for a period of five years and three months or up to an earlier date when the Bank Borrowings are reduced to \$150 million. The Group is required to make minimum fixed repayments of \$24 million on an annual basis. Furthermore, the Group is required to dispose of its non-core assets to reduce the Bank Borrowings. The Group has paid \$121 million to its bank creditors since the date of the Restructuring Agreement. As at 28 February 2002, the Bank Borrowings amounted to \$278 million. As part of the Restructuring Agreement, the majority participating lenders may give 14 days' notice to terminate the Restructuring Agreement.

截至2002年2月28日止年度

(以港元列示)

## 1. 主要會計政策

### (a) 遵例聲明

本財務報表是按照香港會計師公會（「香港會計師公會」）頒布的所有適用的《會計實務準則》及詮釋、香港公認會計原則及香港《公司條例》的披露規定編製。本財務報表同時符合適用的《香港聯合交易所有限公司證券上市規則》披露規定。以下是本集團採用的主要會計政策概要。

### (b) 財務報表的編製基準

#### (i) 持續經營基準

於2000年8月3日，本集團與往來銀行為償還約合共399,000,000元的香港銀行貸款（「銀行貸款」）簽訂重組協議（「重組協議」）。此重組協議為期五年零三個月或直至銀行貸款減至150,000,000元為止（以較早日期為準）。本集團每年最少須定額償還24,000,000元。此外，本集團須出售非核心資產以償還銀行貸款。從簽訂重組協議當天至今，本集團已償還121,000,000元給債權銀行。於2002年2月28日，未償還的銀行貸款合共278,000,000元。根據重組協議的部分條文，債務重組大部分之債權人可發出14天通知而終止該重組協議。

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## 1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (b) Basis of preparation of the financial statements

(Continued)

#### (i) Going concern basis (Continued)

Pursuant to the subscription agreement for the Company's preference shares dated 31 December 1997, the Company was required to redeem the 22,220 convertible non-voting redeemable preference shares by 28 February 2002 for \$231 million. The redemption period has since been extended by the Company and the preference shareholder. On 17 June 2002, the Group has entered into conditional agreements with the preference shareholder for the redemption of the preference shares. Pursuant to these agreements, the Company will procure Infinite Assets Corp. ("IAC") and Tse Sui Luen Investment (China) Limited ("TSL China") (both are 77.5% owned subsidiaries of the Company) to issue new shares, representing 24% equity interest of their respective enlarged issued share capital, to the preference shareholder in lieu of cash payment for the redemption of the preference shares (see note 30).

The directors are currently negotiating to dispose of certain of the Group's property interests. The directors believe that the ongoing support of the Group's bankers will continue and the measures to be taken under the Restructuring Agreement and the conditional agreements in connection with the redemption of the preference shares will enable the Group to continue in operational existence in the foreseeable future. Accordingly, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis, notwithstanding the Group's financial position as at 28 February 2002. Should the Group be unable to continue in business as a going concern, adjustments would have to be made to restate the values of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effect of these adjustments have not been reflected in the financial statements.

截至2002年2月28日止年度

(以港元列示)

## 1. 主要會計政策 (續)

### (b) 財務報表的編製基準 (續)

#### (i) 持續經營基準 (續)

依照在1997年12月31日本公司的優先股認購協議中，本公司須於2002年2月28日前以231,000,000元贖回22,220股無投票權的可兌換及贖回之優先股。贖回期限已由本公司及優先股之持有人延伸。於2002年6月17日，本集團與優先股之持有人為贖回優先股而達成有條件協議。根據此等協議，本公司將會促使Infinite Assets Corp. (「IAC」) 及謝瑞麟投資(中國)有限公司(「謝瑞麟中國」)(兩家公司均為本公司佔77.5%權益的附屬公司)向優先股之持有人發行新股，以代替現金贖回優先股。所發行的新股各佔兩家公司經擴大後已發行股本24%的權益(參閱附註30)。

董事正商議出售若干本集團之物業權益，董事相信，其往來銀行將會持續提供支援。當重組協議及有關優先股贖回之有條件協議內的條款達成後，將會有助本集團在可見的將來持續經營。有鑑於此，董事認為，以持續經營基準為本集團於2002年2月28日的財政狀況編製財務報表是適當的。假如本集團未能以持續經營狀況下繼續經營業務，則本財務報表需要作出調整以重報資產價值為可收回數額，就任何其他可能出現的負債提撥準備，以及將非流動資產及負債重新分類為流動資產及負債。這些調整的影響並未在財務報表中反映出來。

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## 1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (b) Basis of preparation of the financial statements

(Continued)

#### (ii) Measurement basis

The measurement basis used in the preparation of the financial statements is historical cost modified by the revaluation of investment properties and land and buildings, and the marking to market of certain investments in securities as explained in the accounting policies set out below.

### (c) Subsidiaries

A subsidiary is an enterprise controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.

An investment in a subsidiary is consolidated into the consolidated financial statements, unless it is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions which significantly impair its ability to transfer funds to the Group, in which case, it is stated in the consolidated balance sheet at fair value with changes in fair value recognised in the consolidated profit and loss account as they arise.

Intra-group balances and transactions, and any unrealised profits arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less any impairment losses (see note 1(j)), unless it is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions which significantly impair its ability to transfer funds to the Company, in which case, it is stated at fair value with changes in fair value recognised in the profit and loss account as they arise.

截至2002年2月28日止年度

(以港元列示)

## 1. 主要會計政策 (續)

### (b) 財務報表的編製基準 (續)

#### (ii) 編製基準

除投資物業和土地及建築物按重估值，以及部分證券投資按市值入賬(見下文所載的會計政策)外，本財務報表是以歷史成本作為編製基準。

### (c) 附屬公司

附屬公司是指被本公司控制的企業。當本公司有權直接或間接監管該公司的財務及經營政策，並藉此從其業務獲得利益，控制權即存在。

集團於附屬公司的投資均在綜合財務報表中綜合計算。然而，如購入並持有這些投資的唯一目的是在短期內將之出售，或附屬公司是長期在嚴格限制條件下經營，以致其向本集團轉移資金的能力嚴重受損，則這些投資會按公平價值記入綜合資產負債表。公平價值的變動於產生時在綜合損益表確認。

集團內部往來的餘額和集團內部交易及其產生的未變現盈利，均在編製綜合財務報表時全數抵銷。集團內部交易所產生的未變現虧損的抵銷方法與未變現盈利相同，但抵銷額只限於沒有證據顯示已轉讓資產已出現減值。

本公司資產負債表所示於附屬公司的投資，是按成本減去任何減值虧損(參閱附註1(j))後入賬。然而，如購入並持有這些投資的唯一目的是在短期內將之出售，或附屬公司是長期在嚴格限制條件下經營，以致其向本公司轉移資金的能力嚴重受損，則這些投資會按公平價值入賬。公平價值的變動於產生時在損益表確認。

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## 1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (d) Associates

An associate is an entity in which the Group has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the associate's net assets, unless it is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions that significantly impair its ability to transfer funds to the investor, in which case it is stated at fair value with changes in fair value recognised in the consolidated profit and loss account as they arise. The consolidated profit and loss account reflects the Group's share of the post-acquisition results of the associates for the year.

### (e) Goodwill

Positive goodwill arising on consolidation represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable assets and liabilities acquired. In respect of subsidiaries:

- for acquisitions before 1 March 2001, positive goodwill is eliminated against reserves and is reduced by impairment losses (see note 1(j)); and
- for acquisitions on or after 1 March 2001, positive goodwill is amortised to the consolidated profit and loss account on a straight-line basis over its estimated useful life. Positive goodwill is stated in the consolidated balance sheet at cost less any accumulated amortisation and any impairment losses (see note 1(j)).

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(以港元列示)

## 1. 主要會計政策 (續)

### (d) 聯營公司

聯營公司是指本集團可以對其管理層發揮重大影響力的實體，包括參與其財務及經營決策，但不是控制管理層。

於聯營公司的投資是按權益法記入綜合財務報表，並且先以成本入賬，然後就本集團佔該聯營公司淨資產在收購後的變動作出調整。然而，如購入並持有這些投資的唯一目的是在短期內將之出售，或聯營公司是長期在嚴格限制條件下經營，以致其向本集團轉移資金的能力嚴重受損，則這些投資會按公平價值入賬。公平價值的變動於產生時在綜合損益表確認。綜合損益表反映出年內本集團所佔聯營公司於收購後的業績。

### (e) 商譽

編製綜合財務報表時產生的正商譽是指投資成本超過本集團佔所收購可分資產與負債公平價值的數額。就附屬公司而言：

- 對於在2001年3月1日之前作出的收購，正商譽與儲備抵銷，並且減去減值虧損(參閱附註1(j))之數；及
- 對於在2001年3月1日或之後作出的收購，正商譽是按其預計可用年限，以直線法在綜合損益表內攤銷。正商譽是以成本減去任何累計攤銷及任何減值虧損(參閱附註1(j))後，記入綜合資產負債表。

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## 1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (e) Goodwill (Continued)

Negative goodwill arising on acquisitions of subsidiaries represents the excess of the Group's share of the fair value of the identifiable assets and liabilities acquired over the cost of the acquisition. Negative goodwill is accounted for as follows:

- for acquisitions before 1 March 2001, negative goodwill is credited to a capital reserve; and
- for acquisitions on or after 1 March 2001, to the extent that negative goodwill relates to an expectation of future losses and expenses that are identified in the plan of acquisition and can be measured reliably, but which have not yet been recognised, it is recognised in the consolidated profit and loss account when the future losses and expenses are recognised. Any remaining negative goodwill, but not exceeding the fair values of the non-monetary assets acquired, is recognised in the consolidated profit and loss account over the weighted average useful life of those non-monetary assets that are depreciable/amortisable. Negative goodwill in excess of the fair values of the non-monetary assets acquired is recognised immediately in the consolidated profit and loss account.

In respect of any negative goodwill not yet recognised in the consolidated profit and loss account, such negative goodwill is shown in the consolidated balance sheet as a deduction from assets in the same balance sheet classification as positive goodwill.

On disposal of a subsidiary during the year, any attributable amount of purchase goodwill not previously amortised through the consolidated profit and loss account 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.

截至2002年2月28日止年度

(以港元列示)

## 1. 主要會計政策 (續)

### (e) 商譽 (續)

收購附屬公司所產生的負商譽是指本集團佔所收購可分資產與負債公平價值超過投資成本的數額。負商譽的入賬方法如下：

- 對於在2001年3月1日之前作出的收購，負商譽計入資本儲備；及
- 對於在2001年3月1日或之後作出的收購，假如負商譽關乎已在收購計劃中確定及可以可靠地計算，但尚未確認的預計未來虧損和支出，便會在未來虧損和支出確認時，在綜合損益表內確認。任何尚餘的負商譽(但以所收購非貨幣資產公平價值為限)則按應計折舊／攤銷的非貨幣資產的加權平均可用年限，在綜合損益表內確認。然而，如尚餘的負商譽數額高於所收購非貨幣資產公平價值，這部分負商譽便會立即在綜合損益表內確認。

至於尚未在綜合損益表內確認的任何負商譽，有關的負商譽會在綜合資產負債表內列示為資產的減項，與正商譽屬於同一個資產負債表類別。

如於年內出售附屬公司，以往未在綜合損益表攤銷或以往作為集團儲備變動處理的應佔購入商譽的數額，均在計算出售的盈利或虧損時包括在內。

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## 1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (f) Investments in securities

The Group's and the Company's policies for investments in securities other than investments in subsidiaries and associates are as follows:

- (i) Investments held on a continuing basis for an identified long-term purpose are classified as investment securities. Investment securities are stated in the balance sheet at cost less any provisions for diminution in value. Provisions are made when the fair values have declined below the carrying amounts, unless there is evidence that the decline is temporary, and are recognised as an expense in the profit and loss account, such provisions being determined for each investment individually.
- (ii) Trading securities are stated in the balance sheet at fair value. Changes in fair value are recognised in the profit and loss account as they arise. Securities are presented as trading securities when they were acquired principally for the purpose of generating a profit from short term fluctuations in price or dealer's margin.
- (iii) Profits or losses on disposal of investments in securities are determined as the difference between the estimated net disposal proceeds and the carrying amount of the investments and are accounted for in the profit and loss account as they arise.

### (g) Fixed assets

- (i) Fixed assets are carried in the balance sheets on the following bases:
  - investment properties with an unexpired lease term of more than 20 years are stated in the balance sheet at their open market value which is assessed annually by external qualified valuers;

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(以港元列示)

## 1. 主要會計政策 (續)

### (f) 證券投資

本集團及本公司有關證券投資(於附屬公司及聯營公司的投資除外)的政策如下：

- (i) 持續持有作既定的長期用途的投資，歸類為投資證券。這類證券是以成本減去任何減值準備後記入資產負債表。除非有證據證明減值屬於暫時性質，否則，當公平價值下跌至低於賬面金額時，便會提撥減值準備，並在損益表內確認為支出。這些準備是就各項投資個別釐定。
- (ii) 買賣證券均以公平價值記入資產負債表。公平價值的變動在產生時在損益表內確認。如果主要是為了從短期的價格波動或證券商的利潤賺取盈利而購入證券，則這些證券會作為買賣證券列賬。
- (iii) 出售證券投資的盈利或虧損是按估計出售收入淨額與投資賬面金額之間的差額釐定，並在產生時記入損益表。

### (g) 固定資產

- (i) 固定資產是按下列基準記入資產負債表：
  - 尚餘租賃期超過20年的投資物業按每年經由外聘的合資格估值師所評估的公開市值記入資產負債表；



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## 1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (g) Fixed assets (Continued)

- land and buildings held for own use are stated in the balance sheet at their revalued amount, being their open market value at the date of revaluation less any subsequent accumulated depreciation (see note 1(i)). Revaluations are performed by qualified valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the balance sheet date; and
  - plant, machinery and other fixed assets are stated in the balance sheet at cost less accumulated depreciation (see note 1(i)) and impairment losses (see note 1(j)).
- (ii) Changes arising on the revaluation of investment properties and land and buildings held for own use are generally dealt with in reserves. The only exceptions are as follows:
- when a deficit arises on revaluation, it will be charged to the profit and loss account, if and to the extent that it exceeds the amount held in the reserve in respect of that same asset, or, solely in the case of investment properties, the portfolio of investment properties, immediately prior to the revaluation; and
  - when a surplus arises on revaluation, it will be credited to the profit and loss account, if and to the extent that a deficit on revaluation in respect of that same asset, or, solely in the case of investment properties, the portfolio of investment properties, had previously been charged to the profit and loss account.
- (iii) Subsequent expenditure relating to a fixed asset that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the enterprise. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

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## 1. 主要會計政策 (續)

### (g) 固定資產 (續)

- 持作自用的土地及建築物以其重估值(即根據它們在重估日的公開市值，減去任何其後的累計折舊(參閱附註1(i))後得出的數額)記入資產負債表。重估工作由合資格的估值師定期進行，以確保這些資產的賬面金額與採用結算日的公平價值釐定的數額之間不會出現重大差異；及
  - 機器、設備及其他固定資產以成本減去累計折舊(參閱附註1(i))及減值虧損(參閱附註1(j))後記入資產負債表。
- (ii) 重估投資物業和持作自用的土地及建築物所產生的變動一般會撥入儲備處理，但下列情況例外：
- 如果出現重估虧損，而且有關的虧損額超過就該項資產或只限於投資物業的投資物業組合在截至重估前計入儲備的數額，便會在損益表列支；及
  - 如果以往曾將同一項資產或只限於投資物業的投資物業組合的重估虧損在損益表列支，則在出現重估盈餘時，便會撥入損益表計算。
- (iii) 在超過現有資產原先評估的表現水平的未來經濟效益很可能流入企業時，與固定資產有關而且已獲確認的其後支出便會加入資產的賬面金額。所有其他其後支出則在產生的期間確認為支出。

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## 1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (g) Fixed assets (Continued)

- (iv) Gains or losses arising from the retirement or disposal of a fixed asset are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the profit and loss account on the date of retirement or disposal. On disposal of an investment property, the related portion of surpluses or deficits previously taken to the investment properties revaluation reserve is also transferred to the profit and loss account for the year. For all other fixed assets, any related revaluation surplus is transferred from the revaluation reserve to retained profits.

### (h) Leased assets

Leases of assets under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases.

#### (i) Assets held for use in operating leases

Where the Group leases out assets under operating leases, the assets are included in the balance sheet according to their nature and, where applicable, are depreciated in accordance with the Group's depreciation policies, as set out in note 1(i). Impairment losses are accounted for in accordance with the accounting policy as set out in note 1(j). Revenue arising from operating leases is recognised in accordance with the Group's revenue recognition policies, as set out in note 1(p)(ii).

#### (ii) Operating lease charges

Where the Group has the use of assets under operating leases, payments made under the leases are charged to the profit and loss account in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of the benefits to be derived from the leased asset. Lease incentives received are recognised in the profit and loss account as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the profit and loss account in the accounting period in which they are incurred.

截至2002年2月28日止年度

(以港元列示)

## 1. 主要會計政策 (續)

### (g) 固定資產 (續)

- (iv) 報廢或出售固定資產所產生的損益以估計出售所得淨額與資產的賬面金額之間的差額釐定，並於報廢或出售當日在損益表確認。出售投資物業時，早前記入投資物業重估儲備的有關盈餘或虧損部分亦會轉入該年度的損益表內。就所有其他固定資產而言，任何相關的重估盈餘會由重估儲備轉入保留盈利。

### (h) 租賃資產

出租人並未轉讓所有權的全部相關風險及報酬的資產租賃，歸類為經營租賃。

#### (i) 用作經營租賃的資產

如屬本集團以經營租賃出租資產的情況，則有關的資產會按性質列入資產負債表，並在適當的情況下，按附註1(i)所載本集團的折舊政策計算折舊。減值虧損按照附註1(j)所述的會計政策入賬。經營租賃所產生的收入則根據附註1(p)(ii)所載本集團確認收入的政策確認。

#### (ii) 經營租賃費用

如屬本集團透過經營租賃使用資產的情況，則根據租賃作出的付款會在租賃期所涵蓋的會計期間內，以等額在損益表扣除；但如有其他基準能更清楚地反映租賃資產所產生的收益模式則除外。經營租賃協議所涉及的激勵措施均在損益表中確認為租賃淨付款總額的組成部分。或有租金在其產生的會計期間內在損益表扣除。



For the year ended 28 February 2002

(Expressed in Hong Kong dollars)

## 1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (i) Depreciation

(i) No depreciation is provided on investment properties with an unexpired lease term of over 20 years or on freehold land.

(ii) Depreciation is calculated to write off the cost or valuation of other fixed assets over their estimated useful lives as follows:

- leasehold land is depreciated on a straight-line basis over the remaining term of the lease;
- buildings are depreciated on a straight-line basis over the shorter of their estimated useful lives, being 40 years from the date of completion, and the unexpired terms of the leases; and
- other fixed assets are depreciated on a straight-line basis over their estimated useful lives as follows:

Furniture, fixtures and equipment	2 to 10 years
Plant and machinery	3 to 7 years
Motor vehicles	4 to 10 years

### (j) Impairment of assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- fixed assets (other than properties carried at revalued amounts);
- investments in subsidiaries and associates (except for those accounted for at fair value under notes 1(c) & (d)); and
- positive goodwill (whether taken initially to reserves or recognised as an asset).

截至2002年2月28日止年度

(以港元列示)

## 1. 主要會計政策 (續)

### (i) 折舊

(i) 尚餘租賃期超過20年的投資物業或永久業權土地不計提任何折舊。

(ii) 其他固定資產的折舊是按其預計可用年限沖銷其成本或估值，計算方法如下：

- 租賃土地按尚餘租賃期以直線法計算折舊；
- 建築物按預計可用年限（即落成日期起計40年）或尚餘租賃期兩者中的較短期間，以直線法計算折舊；及
- 其他固定資產按下列預計可用年限以直線法計算折舊：

傢俬、裝置及設備	2至10年
廠房及機器	3至7年
汽車	4至10年

### (j) 資產減值

董事在每個結算日審閱內部和外來的信息，以確定下列資產有否出現減值跡象，或是以往確認的減值虧損不復存在或已經減少：

- 固定資產（按重估數額列賬的物業除外）；
- 於附屬公司及聯營公司的投資（根據附註1(c)及(d)所述，按公平價值列賬者除外）；及
- 正商譽（不論是在產生時與儲備抵銷或確認為資產）。

For the year ended 28 February 2002

(Expressed in Hong Kong dollars)

## 1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (j) Impairment of assets (Continued)

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

#### (i) Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

#### (ii) Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is reversed only if the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and the increase in recoverable amount relates clearly to the reversal of the effect of that specific event.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the profit and loss account in the year in which the reversals are recognised.

截至2002年2月28日止年度

(以港元列示)

## 1. 主要會計政策 (續)

### (j) 資產減值 (續)

如果發現有減值跡象，便會估計該資產的可收回數額。當資產的賬面金額高於可收回數額時，便會確認減值虧損。

#### (i) 計算可收回數額

資產的可收回數額以其銷售淨價和使用價值兩者中的較高數額為準。在評估使用價值時，會使用除稅前折讓率將估計未來現金流量折讓至現值。該折讓率應是反映市場當時所評估的貨幣時間價值和該資產的獨有風險。如果資產所產生的現金流入基本上不獨立於其他資產所產生的現金流入，則以能獨立產生現金流入的最小資產類別（即現金產生單位）來釐定可收回數額。

#### (ii) 減值虧損轉回

倘若用以釐定可收回數額的估計發生有利的變化，便會將資產減值虧損轉回；但商譽除外。至於商譽的減值虧損，倘若虧損是由性質獨特及預計不會再出現的特殊外界因素所造成，而且可收回數額的增加明顯是與該特殊因素轉回有關，才會將減值虧損轉回。

所轉回的減值虧損以假設沒有在往年確認減值虧損而應已釐定的資產賬面金額為限。所轉回的減值虧損在確認轉回的年度內計入損益表。

For the year ended 28 February 2002

(Expressed in Hong Kong dollars)

## 1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (k) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

### (l) Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Cost comprises all direct costs incurred in connection with bringing the properties held for sale to their current condition. Net realisable value represents the estimated selling price in the ordinary course of business less all costs to be incurred to make the sale.

### (m) 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. For the purposes of the cash flow statement, cash equivalents would also include bank overdrafts and advances from banks repayable within three months from the date of the advance.

截至2002年2月28日止年度

(以港元列示)

## 1. 主要會計政策 (續)

### (k) 存貨

存貨以成本及可變現淨值兩者中的較低數額入賬。

成本以加權平均成本法計算，其中包括所有採購成本、加工成本及將存貨達至目前地點和變成現狀的成本。

可變現淨值是以日常業務過程中的估計售價減去完成生產及銷售所需的估計成本後所得之數。

所出售存貨的賬面金額在相關收入獲確認的期間內確認為支出。存貨數額撇減至可變現淨值及存貨的所有虧損，均在出現減值或虧損的期間內確認為支出。因可變現淨值增加引致存貨的任何減值轉回之數，均在出現轉回的期間內確認為已列作支出的存貨數額減少。

### (l) 待售物業

待售物業乃按成本及可變現淨值兩者中的較低者列賬，成本包括所有將待售物業置於現況的直接成本。可變現淨值乃按日常業務範圍內的估計出售價格扣除銷售所必需的成本計算。

### (m) 現金等價物

現金等價物是指短期和流動性極高的投資項目。這些項目可以在毋須通知的情況下容易地換算為已知的現金數額，並在購入後三個月內到期。就編製現金流量表而言，現金等價物也包括銀行透支及須於貸款日起計三個月內償還的銀行貸款。

For the year ended 28 February 2002

(Expressed in Hong Kong dollars)

## 1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (n) Deferred taxation

Deferred taxation is provided using the liability method in respect of the taxation effect arising from all material timing differences between the accounting and tax treatment of income and expenditure, which are expected with reasonable probability to crystallise in the foreseeable future.

Future deferred tax benefits are not recognised unless their realisation is assured beyond reasonable doubt.

### (o) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Company or Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

### (p) Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the profit and loss account as follows:

#### (i) Sale of goods

Revenue is recognised when the customer accepts the goods and the related risks and rewards of ownership. Revenue excludes value added or other sales taxes and is after deduction of any trade discounts and returns.

截至2002年2月28日止年度

(以港元列示)

## 1. 主要會計政策 (續)

### (n) 遞延稅項

遞延稅項是就收益及支出的會計與稅務處理方法之間，由所有重大時差產生而相當可能於可見未來實現的稅項影響，以負債法計提準備。

未來的遞延稅項利益只會在合理保證可實現時才會確認。

### (o) 準備及或有負債

倘若本公司或本集團須就已發生的事件承擔法律或推定義務，而履行該義務預期會導致含有經濟效益的資源外流，並可作出可靠的估計，便會就該時間或數額不定的負債計提準備。如果貨幣時間價值重大，則按預計履行義務所需資源的現值計列準備。

倘若含有經濟效益的資源外流的可能性較低，或是無法對有關數額作出可靠的估計，便會將該義務披露為或有負債；但假如這類資源外流的可能性極低則除外。須視乎某宗或多宗未來事件是否發生才能確定存在與否的潛在義務，亦會被披露為或有負債；但假如這類資源外流的可能性極低則除外。

### (p) 收入確認

收入是在經濟效益可能會流入本集團，以及能夠可靠地計算收入和成本（如適用）時，根據下列方法在損益表內確認：

#### (i) 銷售貨品

收入在客戶接收貨品及其所有權相關的風險及回報時確認。收入不包括增值稅或其他銷售稅，並已扣除任何營業折扣及退貨。

For the year ended 28 February 2002

(Expressed in Hong Kong dollars)

## 1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (p) Revenue recognition (Continued)

#### (ii) Rental income from operating leases

Rental income receivable under operating leases is recognised in the profit and loss account in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised in the profit and loss account as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

#### (iii) Dividends

- Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.
- Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

#### (iv) Interest income

Interest income from bank deposits is accrued on a time-apportioned basis by reference to the principal outstanding and at the rate applicable.

### (q) Translation of foreign currencies

Foreign currency transactions during the year are translated in Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies and the financial statements of those subsidiaries whose books and records are maintained in currencies other than Hong Kong dollars are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. Exchange gains and losses are dealt with in the profit and loss account, except those arising from the translation at closing rates of net investments in subsidiaries, which are taken directly to reserves.

截至2002年2月28日止年度

(以港元列示)

## 1. 主要會計政策 (續)

### (p) 收入確認 (續)

#### (ii) 經營租賃的租金收入

經營租賃的應收租金收入在租賃期所涵蓋之會計期間內，以等額在損益表確認；但如有其他基準能更清楚地反映租賃資產所產生的收益模式則除外。經營租賃協議所涉及的激勵措施均在損益表中確認為應收租賃淨付款總額的組成部分。或有租金在其產生的會計期間內確認為收入。

#### (iii) 股息

- 非上市投資的股息收入在股東收取款項的權利確立時確認。
- 上市投資的股息收入在投資項目的股價除息時確認。

#### (iv) 利息收入

銀行存款的利息收入以時間比例為基準，按尚餘本金及適用利率計算。

### (q) 外幣換算

年內的外幣交易按交易日的匯率換算為港元。以外幣為單位的貨幣資產和負債，及以外幣編列的附屬公司財務報表按結算日的匯率換算為港幣。匯兌盈虧均撥入損益表處理，惟因採用年終匯率換算附屬公司的投資淨值所產生的盈虧則直接撥入儲備處理。

For the year ended 28 February 2002

(Expressed in Hong Kong dollars)

## 1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (r) Retirement costs

The Group participates in a master trust scheme provided by an independent Mandatory Provident Fund service provider to comply with the requirements under the Hong Kong Mandatory Provident Fund Scheme Ordinance. Contributions paid and payable by the Group to the scheme are charged to the profit and loss account when incurred. The Group also participates in the retirement schemes operated by the relevant authorities for the employees of the subsidiaries in the People's Republic of China ("PRC"), Taiwan and Malaysia and the cost of these schemes is charged to the profit and loss account when incurred.

### (s) Borrowing costs

Borrowing costs are expensed in the profit and loss account in the period in which they are incurred.

### (t) Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

### (u) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services 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 geographical segment information as the primary reporting format. No business segments analysis of the Group is presented as all the Group's turnover and trading result are generated from the manufacture, sale and marketing of jewellery products.

截至2002年2月28日止年度

(以港元列示)

## 1. 主要會計政策 (續)

### (r) 退休計劃成本

本集團參與由獨立強制性公積金服務供應商提供之僱主信託計劃，以符合香港強制性公積金計劃條例之規定。本集團已付及應付之計劃供款，均於產生時在損益表列支。本集團亦為在中華人民共和國（「中國」）、台灣及馬來西亞之附屬公司僱員參與有關政府部門管理之退休金計劃。該等計劃之成本已於產生時在損益表列支。

### (s) 借貸成本

借貸成本在產生的期間內在損益表列支。

### (t) 關聯人士

就本財務報表而言，如果本集團能夠直接或間接監控另一方人士或對另一方人士的財務及經營決策發揮重大的影響力，或另一方人士能夠直接或間接監控本集團或對本集團的財務及經營決策發揮重大的影響力，或本集團與另一方人士均受制於共同的監控或共同的重大影響下，有關人士即被視為本集團的關聯人士。關聯人士可以是個別人士或其他實體。

### (u) 分部報告

分部是指本集團內可明顯區分的組成部分，並且負責提供單項或一組相關的產品或服務（業務分部），或在一個特定的經濟環境中提供產品或服務（地區分部），並且面對不同於其他分部的風險和回報。

按照本集團的內部財務報告模式，本集團選擇以地區分部為報告分部信息的主要形式。由於本集團的營業額及經營業績均來自製造、銷售及推廣珠寶首飾，故並無提供有關本集團之業務類別分析。



For the year ended 28 February 2002

(Expressed in Hong Kong dollars)

## 1. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

### (u) Segment reporting (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. For example, segment assets may include inventories, trade receivables and property, plant and equipment. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

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

## 2. TURNOVER

The principal activities of the Group are manufacturing, sale and marketing of jewellery products.

Turnover represents the sales value of jewellery products sold to customers.

截至2002年2月28日止年度

(以港元列示)

## 1. 主要會計政策 (續)

### (u) 分部報告 (續)

分部收入、支出、經營成果、資產及負債包含直接歸屬某一分部，以及可按合理的基準分配至該分部的項目的數額。例如，分部資產可能包括存貨、應收賬款及物業、機器及設備。分部收入、支出、資產及負債包含須在編製綜合財務報表時抵銷的集團內部往來的餘額和集團內部交易；但同屬一個分部的集團企業之間的集團內部往來的餘額和交易則除外。

分部資本開支是指在年內購入預計可於超過一年使用的分部資產所產生的成本總額。

未能分配至分部的項目主要包括財務及企業資產、帶息借款、借款、企業和融資支出及少數股東權益。

## 2. 營業額

本集團的主要業務是製造、銷售及推廣珠寶首飾。

營業額包括銷售給客戶珠寶首飾的銷售價值。

For the year ended 28 February 2002  
(Expressed in Hong Kong dollars)

### 3. OTHER REVENUE

		2002 \$'000 千元	2001 \$'000 千元
Rental income	租金收入	7,821	10,845
Interest income	利息收入	819	2,382
Exchange gain	匯兌盈利	7,451	1,261
Management fee income	管理費收入	100	5,953
Others	其他	7,242	8,317
		<b>23,433</b>	<b>28,758</b>

截至2002年2月28日止年度  
(以港元列示)

### 3. 其他收入

### 4. LOSS FROM ORDINARY ACTIVITIES BEFORE TAXATION

Loss from ordinary activities before taxation is arrived at after charging/(crediting):

### 4. 除稅前正常業務虧損

除稅前正常業務虧損已扣除／(計入)：

		2002 \$'000 千元	2001 \$'000 千元
<b>(a) Finance costs:</b>	<b>(a) 財務費用：</b>		
Interest on bank loans and overdrafts	銀行貸款及透支的利息	19,539	33,353
Interest on amount due to a minority shareholder	應付少數股東款項的利息	98	—
		<b>19,637</b>	<b>33,353</b>

For the year ended 28 February 2002

(Expressed in Hong Kong dollars)

**4. LOSS FROM ORDINARY ACTIVITIES BEFORE TAXATION** (Continued)

截至2002年2月28日止年度

(以港元列示)

**4. 除稅前正常業務虧損** (續)

		2002 \$'000 千元	2001 \$'000 千元
<b>(b) Other items:</b>	<b>(b) 其他項目：</b>		
Cost of inventories	存貨成本	647,971	778,132
Staff costs (including retirement cost of \$4,215,000 (2001: \$1,230,000))	員工成本 (包括退休計劃成本4,215,000元 (2001年：1,230,000元))	132,738	125,702
Amortisation of deferred expenditure	遞延支出攤銷	–	19
Auditors' remuneration	核數師酬金	1,690	2,165
Depreciation	折舊	16,472	20,646
Operating leases charges	經營租賃費用		
– land and buildings situated in Hong Kong	– 香港之土地及建築物	48,768	47,443
– land and buildings situated other than in Hong Kong	– 香港以外之土地及建築物	9,238	11,304
Loss on sale of fixed assets	出售固定資產虧損	631	3,132
Loss on write off of fixed assets	撇銷固定資產虧損	–	1,090
(Gain)/loss on sale of properties held for sale	出售待售物業 (盈利)/虧損	(3,745)	571
Impairment loss on properties held for sale	待售物業減值虧損	146	3,492
Provision for inventories	存貨準備	9,938	40,446
Provision for other receivables	其他應收款準備	2,100	1,753
Provision for loss on leasing of property	租出物業的虧損準備	4,300	–
Rentals receivable from properties less direct outgoings of \$409,000 (2001: \$615,000)	應收物業租金減直接支出409,000元 (2001年：615,000元)	(7,412)	(10,230)

For the year ended 28 February 2002

(Expressed in Hong Kong dollars)

**5. TAXATION****(a) Taxation in the consolidated profit and loss account represents:**

		<b>2002</b>	2001
		<b>\$'000</b>	<b>\$'000</b>
		<b>千元</b>	<b>千元</b>
Provision for Hong Kong	本年度香港		
Profits Tax for the year	利得稅準備	<b>567</b>	667
Underprovision in respect of prior years	以往年度準備不足	<b>165</b>	61
Write off of tax recoverable	撇銷可收回稅項	<b>–</b>	4,340
		<b>732</b>	5,068
Provision for overseas taxation for the year	本年度海外稅項準備	<b>860</b>	–
Underprovision in respect of prior years	以往年度準備不足	<b>–</b>	246
		<b>860</b>	246
Share of associates' taxation	應佔聯營公司稅項	<b>1,592</b>	5,314
		<b>–</b>	16
		<b>1,592</b>	5,330

The provision for Hong Kong Profits Tax is calculated at 16% (2001: 16%) of the estimated assessable profits for the year ended 28 February 2002. Taxation for overseas subsidiaries is similarly charged at the appropriate current rates of taxation ruling in the relevant countries.

截至2002年2月28日止年度

(以港元列示)

**5. 稅項****(a) 綜合損益表所示的稅項為：**

		<b>2002</b>	2001
		<b>\$'000</b>	<b>\$'000</b>
		<b>千元</b>	<b>千元</b>
Provision for Hong Kong	本年度香港		
Profits Tax for the year	利得稅準備	<b>567</b>	667
Underprovision in respect of prior years	以往年度準備不足	<b>165</b>	61
Write off of tax recoverable	撇銷可收回稅項	<b>–</b>	4,340
		<b>732</b>	5,068
Provision for overseas taxation for the year	本年度海外稅項準備	<b>860</b>	–
Underprovision in respect of prior years	以往年度準備不足	<b>–</b>	246
		<b>860</b>	246
Share of associates' taxation	應佔聯營公司稅項	<b>1,592</b>	5,314
		<b>–</b>	16
		<b>1,592</b>	5,330

香港利得稅準備是按截至2002年2月28日止年度的估計應評稅盈利以16% (2001年：16%) 的稅率計算。同樣地，海外附屬公司的稅項以相關國家適用的現行稅率計算。

For the year ended 28 February 2002

(Expressed in Hong Kong dollars)

## 5. TAXATION (Continued)

(b) At the balance sheet date, the unprovided deferred tax assets/(liabilities) consists of:

Depreciation allowances in excess of related depreciation	超過相關折舊的折舊免稅額
Tax losses	稅務虧損
Others	其他

截至2002年2月28日止年度

(以港元列示)

## 5. 稅項 (續)

(b) 於結算日，未給予撥備的遞延稅項資產／(負債) 包括：

### The Group 本集團

2002	2001
\$'000	\$'000
千元	千元

(1,837)	(1,603)
34,550	29,883
86	66
32,799	28,346

A deferred tax asset has not been recognised in the financial statements in respect of tax losses carried forward available to offset future profits as their realisation is not assured beyond reasonable doubt.

由於稅務虧損滾存以抵銷將來盈利未能合理保證可實現，故並未在財務報表上確認遞延稅項資產。

A deferred tax asset/(liability) has not been recognised in the financial statements in respect of timing differences other than tax losses as the timing differences are not expected to crystallise in the foreseeable future.

除稅務虧損而產生之時間差距外，其他時間差距在可預見的將來不會逆轉，故此並無在財務報表上確認遞延稅項資產／(負債)。

The major components of the deferred taxation (charge)/credit not recognised during the year are as follows:

於本年度內並未確認的遞延稅項(支出)/收入有以下主要部分：

2002	2001
\$'000	\$'000
千元	千元

Depreciation allowances in excess of related depreciation	超過相關折舊的折舊免稅額	(234)	(824)
Tax losses	稅務虧損	4,667	(859)
Others	其他	20	(529)
		4,453	(2,212)

For the year ended 28 February 2002

(Expressed in Hong Kong dollars)

## 5. TAXATION (Continued)

No provision for deferred taxation has been made in respect of the revaluation surpluses arising on investment and other properties as the disposal of these assets at their carrying value would result in capital gains which the directors consider are not subject to any tax liability.

The Group had no other material unprovided deferred taxation for the year or at the balance sheet date.

## 6. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

		2002 \$'000 千元	2001 \$'000 千元
Fees	袍金	1,650	695
Salaries and other emoluments	薪金及其他酬金	4,892	6,664
Discretionary bonuses	酌定花紅	581	507
Retirement scheme contributions	退休計劃供款	36	6
		<b>7,159</b>	<b>7,872</b>

Included in the directors' remuneration were fees of \$1,440,000 (2001: \$780,000) paid to the independent non-executive directors during the year.

The remuneration of the directors is within the following bands:

		2002 Number of directors 董事人數	2001 Number of directors 董事人數
\$0 to \$1,000,000	0元至1,000,000元	4	5
\$1,000,001 to \$1,500,000	1,000,001元至1,500,000元	1	1
\$1,500,001 to \$2,000,000	1,500,001元至2,000,000元	1	1
\$2,500,001 to \$3,000,000	2,500,001元至3,000,000元	1	-
\$3,500,001 to \$4,000,000	3,500,001元至4,000,000元	-	1
		<b>7</b>	<b>8</b>

截至2002年2月28日止年度

(以港元列示)

## 5. 稅項 (續)

由於董事認為按賬面價值出售投資及其他物業所產生的資本收益不會引致任何稅項負債，故沒有就這些資產所產生的重估盈餘提撥任何遞延稅項準備。

於本年度內或結算日，本集團並無其他重大未撥備的遞延稅項。

## 6. 董事酬金

根據香港《公司條例》第161條列報的董事酬金如下：

董事酬金包括年內支付予獨立非執行董事的袍金1,440,000元(2001年：780,000元)。

酬金在以下範圍內的董事人數如下：



For the year ended 28 February 2002

(Expressed in Hong Kong dollars)

## 7. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2001: two) are directors whose emoluments are disclosed in note 6. The aggregate of the emoluments in respect of the other two (2001: three) individuals are as follows:

		2002 \$'000 千元	2001 \$'000 千元
Salaries and other emoluments	薪金及其他酬金	2,809	4,092
Discretionary bonuses	酌定花紅	623	3,851
Retirement scheme contributions	退休計劃供款	24	6
		3,456	7,949

The emoluments of the two (2001: three) individuals with the highest emoluments are within the following bands:

		2002 Number of individuals 人數	2001 Number of individuals 人數
\$1,000,001 to \$1,500,000	1,000,001元至1,500,000元	1	–
\$1,500,001 to \$2,000,000	1,500,001元至2,000,000元	1	2
\$4,000,001 to \$4,500,000	4,000,001元至4,500,000元	–	1
		2	3

## 8. LOSS FOR THE YEAR

The consolidated loss for the year includes a loss of \$47,563,000 (2001: \$162,204,000) which has been dealt with in the financial statements of the Company.

截至2002年2月28日止年度

(以港元列示)

## 7. 最高酬金人士

在五位酬金最高的人士中，三位(2001年：兩位)為董事，有關的酬金詳情載於附註6。其餘兩位(2001年：三位)人士的酬金總額如下：

該兩位(2001年：三位)酬金最高人士的酬金在以下範圍內：

## 8. 本年度虧損

本年度綜合虧損包括一筆已列入本公司財務報表的47,563,000元(2001年：162,204,000元)虧損。

For the year ended 28 February 2002

(Expressed in Hong Kong dollars)

**9. PREFERENCE SHARES DIVIDEND**

截至2002年2月28日止年度

(以港元列示)

**9. 優先股股息**

		2002 \$'000 千元	2001 \$'000 千元
Dividend on 6.5% convertible non-voting redeemable preference shares	6.5% 無投票權的可兌換 及贖回之優先股股息	<b>11,237</b>	11,221

**10. LOSS PER SHARE****(a) Basic loss per share**

The calculation of basic loss per share is based on the loss for the year of \$36,325,000 (2001: \$68,288,000) adjusting for the dividend for preference shares of \$11,237,000 (2001: \$11,221,000) and 391,889,263 ordinary shares (2001: 391,889,263 ordinary shares) in issue during the year.

**(b) Diluted loss per share**

Diluted loss per share is not shown as all the potential ordinary shares (i.e. the employee share options and redeemable preference shares) are anti-dilutive.

**11. CHANGE IN ACCOUNTING POLICIES**

The effects of the adoption of the applicable new Statements of Standard Accounting Practice ("SSAP") issued by the HKSA on the results and financial position of the Group are as follows:

SSAP 30 "Business combinations" and SSAP 31 "Impairment of assets"

In prior years, capital reserve or goodwill arising on consolidation, representing the excess or deficit of the cost of investments in subsidiaries and associates over the appropriate share of the fair value of the net tangible assets at the date of acquisition, was taken to reserves in the year in which it arose. On disposal, the attributable amount of capital reserve or goodwill is included in calculating the profit or loss on disposal.

**10. 每股虧損****(a) 每股基本虧損**

每股基本虧損是按照本年度虧損36,325,000元(2001年: 68,288,000元)、優先股股息11,237,000元(2001年: 11,221,000元)及年內已發行391,889,263股普通股(2001年: 391,889,263股普通股)計算。

**(b) 每股攤薄虧損**

由於所有潛在普通股(即僱員優先認股權及可贖回優先股)均無攤薄影響,故並無呈列每股攤薄虧損。

**11. 會計政策的修訂**

已採納香港會計師公會頒佈之適用新訂會計實務準則(「會計實務準則」)對本集團業績及財務狀況構成之影響如下:

會計實務準則第30號「業務合併」及會計實務準則第31號「資產減值」

於以往年度,在綜合賬目時所產生的資本儲備或商譽(指附屬公司及聯營公司之投資成本超出或低於所佔各自於收購日期的有形資產公平淨值之差額)乃於出現之年度撥入儲備處理。就出售事項而言,在計算出售事項的盈利或虧損時,會計入應佔資產儲備或商譽在內。

For the year ended 28 February 2002

(Expressed in Hong Kong dollars)

## 11. CHANGE IN ACCOUNTING POLICIES

(Continued)

With effect from 1 March 2001, with the introduction of SSAP 30 “Business combinations” issued by the HKSA, the Group adopted an accounting policy as set out in note 1(e). The Group has taken advantage of the transitional provisions set out in paragraph 88 of SSAP 30 which do not require restatement of goodwill or negative goodwill taken to reserve prior to 1 March 2001.

With effect from 1 March 2001, with the introduction of SSAP 31 “Impairment of assets” issued by the HKSA, the Group adopted an accounting policy as set out in note 1(j). The directors have reviewed the balance of goodwill taken to reserve prior to 1 March 2000 and consider that there was an impairment loss of \$24,721,000. Accordingly, the respective accumulated losses at 1 March 2000 and 1 March 2001 were restated and increased by \$24,721,000 representing an impairment loss on goodwill written off to the prior year’s consolidated profit and loss account.

## 12. SEGMENT REPORTING

Segment information is presented in respect of the Group’s geographical segments. Information relating to geographical segments based on the location of assets is chosen because this is more relevant to the Group in making operating and financial decisions. No business segments analysis of the Group is presented as all the Group’s turnover and trading result are generated from the manufacture, sale and marketing of jewellery products.

截至2002年2月28日止年度

(以港元列示)

## 11. 會計政策的修訂 (續)

自2001年3月1日起，鑑於引入香港會計師公會頒佈之會計實務準則第30號「業務合併」，本集團採納附註1(e)所載之會計政策。本集團採用會計實務準則第30號第88段之過渡性條款，該條款容許於2001年3月1日前計入儲備之商譽或負商譽毋須予以重報。

自2001年3月1日起，鑑於引入香港會計師公會頒佈之會計實務準則第31號「資產減值」，本集團採納附註1(j)所載之會計政策。董事審閱於2000年3月1日以前在儲備中撇銷之商譽結餘後，認為有減值虧損24,721,000元。有鑑於此，2000年3月1日及2001年3月1日各自之累計虧損已予以重報，並增加24,721,000元，為以往年度綜合損益表所撇銷之商譽減值虧損。

## 12. 分部報告

分部資料是按本集團的地區分部作出呈述。選擇根據資產所在位置而提供有關地區分類之資料，乃因有關資料對本集團作出經營及財務決策時更適用。由於本集團的營業額及經營業績均來自製造、銷售及推廣珠寶首飾，故並無提供有關本集團之業務類別分析。

For the year ended 28 February 2002

(Expressed in Hong Kong dollars)

**12. SEGMENT REPORTING** (Continued)

截至2002年2月28日止年度

(以港元列示)

**12. 分部報告** (續)

		PRC (including Hong Kong)		Others		Inter-segment elimination		Consolidated	
		中國 (包括香港)		其他		分部間抵銷數額		綜合數額	
		2002	2001	2002	2001	2002	2001	2002	2001
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元	千元
Revenue from external customers	來自外界客戶的收入	856,700	1,060,154	126,830	117,371	-	-	983,530	1,177,525
Inter-segment revenue	來自其他分部的收入	8,519	9,125	-	5,428	(8,519)	(14,553)	-	-
Other revenue from external customers	來自外界客戶的其他收入	20,877	26,769	2,556	1,989	-	-	23,433	28,758
Total	總額	886,096	1,096,048	129,386	124,788	(8,519)	(14,553)	1,006,963	1,206,283
Segment results	分部經營成果	(9,629)	69,014	550	(2,843)			(9,079)	66,171
Finance costs	財務費用							(19,637)	(33,353)
Cost of financial restructuring	財務重組費用							(13,522)	(26,660)
Gain/(loss) on disposal and revaluation of properties	出售及重估物業盈利/(虧損)							6,226	(38,862)
Gain on disposal of associate	出售聯營公司盈利							2,194	-
Impairment loss on investments in securities	證券投資減值虧損							(629)	(4,946)
Share of net (losses)/profits of associates	應佔聯營公司淨(虧損)/盈利							(2)	782
Taxation	稅項							(1,592)	(5,330)
Minority interests	少數股東權益							(284)	(26,090)
Loss for the year	本年度虧損							(36,325)	(68,288)
Depreciation for the year	本年度折舊	14,412	18,433	2,060	2,213				
Impairment loss for the year	本年度減值虧損	146	3,492	-	-				
Significant non-cash expenses (other than depreciation)	大額非現金支出(折舊除外)	17,149	88,586	1,660	6,320				
Segment assets	分部資產	698,116	762,698	58,371	86,056	(143,118)	(151,645)	613,369	697,109
Interest in associates	聯營公司權益	1	4,155	-	-	-	-	1	4,155
Total assets	資產總額							613,370	701,264
Segment liabilities	分部負債	250,165	188,527	160,292	190,529	(143,118)	(151,645)	267,339	227,411
Unallocated liabilities	未分配負債							281,653	352,682
Total liabilities	負債總額							548,992	580,093
Capital expenditure incurred during the year	本年度內產生的資本開支	4,850	15,675	2,304	180				

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(Expressed in Hong Kong dollars)

### 13. FIXED ASSETS

#### (a) The Group

		Land and buildings 土地及 建築物 \$'000 千元	Furniture, fixtures and equipment 傢俬、裝 置及設備 \$'000 千元	Plant and machinery 廠房及 機器 \$'000 千元	Motor vehicles 汽車 \$'000 千元	Sub-total 小計 \$'000 千元	Investment properties 投資物業 \$'000 千元	Total 總額 \$'000 千元
<b>Cost or valuation:</b>	<b>成本或估值：</b>							
At 1 March 2001	於2001年3月1日	43,984	156,263	19,198	4,822	224,267	565	224,832
Exchange adjustments	匯兌調整	–	(1,225)	(92)	1	(1,316)	–	(1,316)
Additions	增置	–	5,805	615	734	7,154	–	7,154
Disposals	出售	–	(15,716)	(1,025)	(225)	(16,966)	–	(16,966)
Surplus on revaluation	重估盈餘	1,972	–	–	–	1,972	(10)	1,962
At 28 February 2002	於2002年2月28日	45,956	145,127	18,696	5,332	215,111	555	215,666
<b>Representing:</b>	<b>代表：</b>							
Cost	成本	–	145,127	18,696	5,332	169,155	–	169,155
Valuation - 2002	估值 — 2002年	45,956	–	–	–	45,956	555	46,511
		45,956	145,127	18,696	5,332	215,111	555	215,666
<b>Aggregate depreciation:</b>	<b>折舊總額：</b>							
At 1 March 2001	於2001年3月1日	–	123,095	15,768	4,131	142,994	–	142,994
Exchange adjustments	匯兌調整	–	(960)	(67)	1	(1,026)	–	(1,026)
Charge for the year	本年度折舊	1,005	13,629	1,233	605	16,472	–	16,472
Written back on disposal	出售時撥回	–	(14,824)	(1,025)	(225)	(16,074)	–	(16,074)
Written back on revaluation	重估時撥回	(1,005)	–	–	–	(1,005)	–	(1,005)
At 28 February 2002	於2002年2月28日	–	120,940	15,909	4,512	141,361	–	141,361
<b>Net book value:</b>	<b>賬面淨值：</b>							
At 28 February 2002	於2002年2月28日	45,956	24,187	2,787	820	73,750	555	74,305
At 28 February 2001	於2001年2月28日	43,984	33,168	3,430	691	81,273	565	81,838

For the year ended 28 February 2002  
(Expressed in Hong Kong dollars)

### 13. FIXED ASSETS (Continued)

#### (b) The Company

		Furniture, fixtures and equipment 傢俬、裝置 及設備 \$'000 千元
<b>Cost:</b>	<b>成本：</b>	
At 1 March 2001 and at 28 February 2002	於2001年3月1日及於2002年2月28日	207
<b>Aggregate depreciation:</b>	<b>折舊總額：</b>	
At 1 March 2001	於2001年3月1日	193
Charge for the year	本年度折舊	11
At 28 February 2002	於2002年2月28日	204
<b>Net book value:</b>	<b>賬面淨值：</b>	
At 28 February 2002	於2002年2月28日	3
At 28 February 2001	於2001年2月28日	14

(c) The analysis of net book value of properties is as follows:

(c) 物業賬面淨值的分析如下：

		The Group 本集團	
		2002 \$'000 千元	2001 \$'000 千元
In Hong Kong	在香港		
– Long leases	– 長期租賃	2,882	2,860
– Medium-term leases	– 中期租賃	43,629	41,689
		46,511	44,549



For the year ended 28 February 2002  
(Expressed in Hong Kong dollars)

### 13. FIXED ASSETS (Continued)

(d) Investment properties of the Group were revalued at 28 February 2002 by an independent firm of surveyors, Chung, Chan & Associates who have among their staff Fellows of the Royal Institution of Chartered Surveyors, on an open market value basis. The revaluation deficit of \$10,000 has been charged to the profit and loss account. The carrying value of these investment properties at 28 February 2002 is \$555,000.

(e) The Group's land and buildings held for own use were also revalued at 28 February 2002 by an independent firm of surveyors, Chung, Chan & Associates, on an open market value basis. The revaluation surplus of \$2,977,000 has been credited to the profit and loss account to the extent of the deficit on revaluation of \$2,491,000 had previously been charged to the profit and loss account. The remaining surplus of \$486,000 has been transferred to the land and buildings revaluation reserve of the Group (note 25).

The carrying amount of the land and buildings held for own use of the Group at 28 February 2002 would have been \$64,587,000 (2001: \$66,009,000) had they been carried at cost less accumulated depreciation.

### 14. INTEREST IN SUBSIDIARIES

Unlisted shares, at cost	非上市股份，按成本
Amounts due from subsidiaries	應收附屬公司賬款
Less: Impairment loss	減：減值虧損

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

截至2002年2月28日止年度  
(以港元列示)

### 13. 固定資產 (續)

(d) 本集團的投資物業已於2002年2月28日經由獨立測量師行——衡量行(其部分員工為皇家特許測量師學會資深會員)進行重估。該測量師行是以公開市值為基準進行重估，為數10,000元的重估虧損已在損益表列支。此投資物業於2002年2月28日的賬面值為555,000元。

(e) 本集團持作自用的土地及建築物亦已於2002年2月28日經由獨立測量師行——衡量行以公開市值為基準進行重估。為數2,977,000元的重估盈餘，其中2,491,000元已撥入損益表計算(其只限於以往重估虧損在損益表列支的金額)，餘下的盈餘486,000元已轉撥到本集團的土地及建築物重估儲備(附註25)。

假如本集團持作自用的土地及建築物是按成本減去累計折舊後入賬，則這些土地及建築物於2002年2月28日的賬面金額應為64,587,000元(2001年：66,009,000元)。

### 14. 附屬公司權益

	2002 \$'000 千元	2001 \$'000 千元
Unlisted shares, at cost	708,072	708,072
Amounts due from subsidiaries	182,224	228,375
	890,296	936,447
Less: Impairment loss	(786,510)	(786,510)
	103,786	149,937

下表只載列對本集團的業績、資產或負債有重大影響的附屬公司詳情。除另有註明者外，所持有的股份均為普通股。

For the year ended 28 February 2002

(Expressed in Hong Kong dollars)

**14. INTEREST IN SUBSIDIARIES** (Continued)

截至2002年2月28日止年度

(以港元列示)

**14. 附屬公司權益** (續)

Name of company  公司名稱	Place of incorporation and operation  註冊成立及 經營地點	Particulars of issued and paid up capital 已發行及 繳足股本 詳情	Proportion of ownership interest 所有權權益比率			Principal activity  主要業務
			Group's effective interest  本集團的 實際權益	held		
				by the Company  由本公司 持有	held by subsidiary  由附屬 公司持有	
Fortune Tenet Company Limited 富裕設計有限公司	Hong Kong 香港	\$20	100%	—	100%	Property investment 物業投資
Foyer Investment Limited 富雅投資有限公司	Hong Kong 香港	\$10,000	100%	—	100%	Property holding and investment 持有物業 及投資
Ho Loong Jewellery Casting Company Limited 何龍珠寶鑄藝 有限公司	Hong Kong/ PRC 香港／中國	\$2	100%	—	100%	Jewellery retailing 珠寶零售
Impromptus Asia Pacific Limited	Hong Kong 香港	\$10,000	70%	—	70%	Goldsmith and jewellery trading 足金及 珠寶貿易
Infinite Assets Corp.	British Virgin Islands ("BVI") 英屬處女群島	\$202,000	77.5%	-	77.5%	Investment holding 投資控股

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(Expressed in Hong Kong dollars)

**14. INTEREST IN SUBSIDIARIES** (Continued)

截至2002年2月28日止年度

(以港元列示)

**14. 附屬公司權益** (續)

Name of company	Place of incorporation and operation	Particulars of issued and paid up capital 已發行及繳足股本詳情	Proportion of ownership interest 所有權權益比率			Principal activity
			Group's effective interest	held by the Company	held by subsidiary	
公司名稱	註冊成立及經營地點		本集團的實際權益	由本公司持有	由附屬公司持有	主要業務
Queen Busy Limited	Hong Kong 香港	\$2	100%	-	100%	Property holding 持有物業
Tse Sui Luen Investment (China) Limited 謝瑞麟投資(中國)有限公司	BVI 英屬處女群島	US\$5,000	77.5%	-	77.5%	Investment holding 投資控股
Tse Sui Luen Jewellery Company Limited 謝瑞麟珠寶有限公司	Hong Kong 香港	\$34,000	100%	-	100%	Jewellery manufacturing, trading and retailing 珠寶製造、貿易及零售
Tse Sui Luen Jewellery (Malaysia) Limited 謝瑞麟珠寶(馬來西亞)有限公司	Hong Kong/ Malaysia 香港／馬來西亞	\$3,000,000	100%	-	100%	Jewellery retailing 珠寶貿易
Tse Sui Luen Jewellery Trading & Distribution Limited 謝瑞麟珠寶商貿及分銷有限公司	Western Samoa/PRC 西薩摩亞／中國	US\$1	77.5%	-	77.5%	Jewellery trading 珠寶貿易

For the year ended 28 February 2002

(Expressed in Hong Kong dollars)

**14. INTEREST IN SUBSIDIARIES** (Continued)

截至2002年2月28日止年度

(以港元列示)

**14. 附屬公司權益** (續)

Name of company	Place of incorporation and operation	Particulars of issued and paid up capital 已發行及 繳足股本 詳情	Proportion of ownership interest 所有權權益比率			Principal activity
			Group's effective interest	held		
				by the Company	held by subsidiary	
公司名稱	註冊成立及 經營地點		本集團的 實際權益	由本公司 持有	由附屬 公司持有	主要業務
TSL Investment (B.V.I.) Limited	BVI 英屬處女群島	\$1,000	100%	100%	-	Investment holding 投資控股
TSL Properties Management Limited 謝瑞麟物業管理 有限公司	Hong Kong 香港	\$1,000	100%	-	100%	Property holding and investment 持有物業 及投資
Winter Pine Co. Limited 冬松有限公司	Hong Kong 香港	\$2	100%	-	100%	Property investment 物業投資

**15. INTEREST IN ASSOCIATES****15. 聯營公司權益**

		The Group 本集團	
		2002 \$'000 千元	2001 \$'000 千元
Share of net assets	應佔資產淨值	1	330
Amount due from associate	應收聯營公司賬款	-	3,825
		1	4,155

For the year ended 28 February 2002

(Expressed in Hong Kong dollars)

### 15. INTEREST IN ASSOCIATES (Continued)

The particulars of the Group's associate as at 28 February 2002, which is an unlisted corporate entity, are as follows:

截至2002年2月28日止年度

(以港元列示)

### 15. 聯營公司權益 (續)

於2002年2月28日，本集團聯營公司(為非上市法人公司)的詳情如下：

Name of associate 聯營公司名稱	Form of business structure 企業組成模式	Place of incorporation and operation 註冊成立及經營地點	Proportion of ownership interest 所有權權益比率		Principal activity 主要業務
			Group's effective interest 本集團的實際權益	held by subsidiary 由附屬公司持有	
Grand Advance Investments Limited 進榮投資有限公司	Incorporated 法團公司	Hong Kong 香港	50%	50%	Property development 物業發展

The Group disposed of its entire interest in an associate, Dynamic King International Limited, during the year.

本集團於本年度內售出一間聯營公司—力皇國際有限公司的所有權益。

### 16. OTHER FINANCIAL ASSET

### 16. 其他財務資產

		The Group 本集團	
		2002 \$'000 千元	2001 \$'000 千元
Investment security, at cost less provision	證券投資，按成本減準備		
– Membership and seat in the Chinese Gold and Silver Exchange Society	– 金銀業貿易場會籍及席位	500	500

For the year ended 28 February 2002

(Expressed in Hong Kong dollars)

**17. PROPERTIES HELD FOR SALE**

截至2002年2月28日止年度

(以港元列示)

**17. 待售物業**

		The Group 本集團 \$'000 千元
At 1 March 2001	於2001年3月1日	60,612
Disposals	出售	(36,050)
Impairment loss	減值虧損	(146)
At 28 February 2002	於2002年2月28日	<u>24,416</u>

(a) The analysis of the net book value of properties held for sale is as follows:

(a) 待售物業賬面淨值的分析如下：

		The Group 本集團	
		2002 \$'000 千元	2001 \$'000 千元
In Hong Kong	在香港		
– Medium-term leases	– 中期租賃	20,521	56,717
Other parts of the PRC	在中國其他地方		
– Long leases	– 長期租賃	1,810	1,810
– Medium-term leases	– 中期租賃	2,085	2,085
		<u>24,416</u>	<u>60,612</u>

(b) Impairment loss on properties held for sale is made by reference to the valuation of the properties carried out by Chung, Chan & Associates as at 28 February 2002 on an open market value basis.

(b) 待售物業之減值虧損乃參考經由衡量行於2002年2月28日以公開市場為基準予以物業之估值而作出。

(c) The Group leases out properties held for sale under operating leases. The leases typically run for an initial period of one to two years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments are usually increased annually to reflect market rentals.

(c) 本集團以經營租賃租出待售物業。這些租賃一般初步為期一年至兩年，並且有權選擇在到期日後續期，屆時所有條款均可重新商定。租賃付款額通常會逐年遞增，以反映市場租金。



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(Expressed in Hong Kong dollars)

### 17. PROPERTIES HELD FOR SALE (Continued)

The gross carrying amounts of properties held for sale of the Group held for use in operating leases were \$13,528,000 (2001: \$15,088,000) and the related impairment loss were \$786,000 (2001: \$824,000).

The Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

截至2002年2月28日止年度

(以港元列示)

### 17. 待售物業 (續)

本集團用作經營租賃的待售物業的賬面總額為13,528,000元(2001年：15,088,000元)，而有關的減值虧損為786,000元(2001年：824,000元)。

本集團根據不可解除的經營租賃在日後應收的最低租賃付款額總數如下：

		2002 \$'000 千元	2001 \$'000 千元
Within 1 year	1年內	240	904
After 1 year but within 5 years	1年後但5年內	48	—
		288	904

### 18. INVESTMENTS IN SECURITIES

### 18. 證券投資

		The Group 本集團	
		2002 \$'000 千元	2001 \$'000 千元
<b>Trading securities</b>	<b>買賣證券</b>		
Listed equity securities in Hong Kong	在香港上市的股本證券	13	13
Unlisted equity securities outside Hong Kong	在香港境外非上市的股本證券	1,051	1,680
		1,064	1,693
Market value of listed securities in Hong Kong	在香港上市的證券市值	13	13

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(Expressed in Hong Kong dollars)

## 19. INVENTORIES

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品

Included in raw materials and finished goods are inventories of \$8,340,000 (2001: \$3,622,000) and \$142,445,000 (2001: \$206,894,000) respectively, stated net of a general provision made in order to state those inventories at the lower of their cost and estimated net realisable value.

## 20. TRADE AND OTHER RECEIVABLES

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

0 to 30 days	0至30天
31 to 60 days	31天至60天
61 to 90 days	61天至90天
Over 90 days	超過90天
Total debtors	應收賬款總額
Other receivables, deposits and prepayments	其他應收款、 按金及預付款

Apart from retail customers, the Group allows an average credit period of 75 days to other customers.

截至2002年2月28日止年度  
(以港元列示)

## 19. 存貨

### The Group 本集團

2002	2001
\$'000	\$'000
千元	千元

35,733	41,089
32,669	15,311
272,351	275,751
340,753	332,151

原材料及製成品分別包括已扣除一般準備的存貨8,340,000元(2001年: 3,622,000元)及142,445,000元(2001年: 206,894,000元), 以求按成本或估計可變現淨值兩者中的較低數額列示這些存貨。

## 20. 應收賬款及其他應收款

包括於應收賬款及其他應收款內的應收賬款(已扣除呆壞賬準備)的賬齡分析如下:

### The Group 本集團

2002	2001
\$'000	\$'000
千元	千元

38,778	25,398
17,662	46,660
12,638	35,373
23,141	17,096
92,219	124,527
27,609	48,053
119,828	172,580

除零售顧客外, 本集團給予其他顧客平均75天的除賬期。

For the year ended 28 February 2002

(Expressed in Hong Kong dollars)

## 21. BANK LOANS AND OVERDRAFTS

(a) Pursuant to the Restructuring Agreement referred to in note 1(b)(i), the Group agreed to a repayment schedule to reduce its bank borrowings as set out below. The majority participating lenders may give 14 days' notice to terminate the Restructuring Agreement and accordingly, the bank borrowings as at 28 February 2002 are classified as current liabilities.

Under the terms of the Restructuring Agreement, in addition to the payment of proceeds arising from the disposal of non-core assets to reduce its bank borrowings, the Group is required to make minimum fixed repayments of \$24 million on an annual basis. At 28 February 2002, the Group had bank loans of \$278 million governed by the Restructuring Agreement. The repayment schedule set out below is prepared on the assumption that all non-core assets will be disposed of within one year and that the restructuring period will last for five years and three months from its commencement date.

(b) At 28 February 2002, the bank loans and overdrafts were analysed as follows:

截至2002年2月28日止年度

(以港元列示)

## 21. 銀行貸款及透支

(a) 根據附註1(b)(i)所載的重組協議，本集團同意下述的銀行貸款償還安排以減低銀行貸款。大部分債權人可發出14天通知而終止該重組協議。因此，於2002年2月28日的銀行貸款列為流動負債。

在重組協議的條款中，除要將出售非核心資產所得之收入用作減低銀行貸款外，本集團每年最少須償還24,000,000元。於2002年2月28日，本集團受重組協議管轄的銀行貸款合共278,000,000元。以下所述之償還安排乃建基於所有非核心資產於一年內售出及重組期由開始日起計維持五年零三個月止。

(b) 於2002年2月28日，銀行貸款及透支的情況分析如下：

		The Group 本集團	
		2002	2001
		\$'000	\$'000
		千元	千元
Secured bank overdrafts	有抵押銀行透支	3,938	4,135
Secured bank loans (see note (a) above)	有抵押銀行貸款 (參閱上述附註 (a))	277,715	348,547
		<b>281,653</b>	352,682

For the year ended 28 February 2002

(Expressed in Hong Kong dollars)

**21. BANK LOANS AND OVERDRAFTS** (Continued)

Within 1 year or on demand	1年內或接獲通知時
After 1 year but within 2 years	1年後但2年內
After 2 years but within 5 years	2年後但5年內
After 5 years	5年後

截至2002年2月28日止年度

(以港元列示)

**21. 銀行貸款及透支** (續)The Group  
本集團

2002	2001
\$'000	\$'000
千元	千元

55,639	110,682
24,000	24,000
202,014	68,000
–	150,000
<b>281,653</b>	<b>352,682</b>

**22. TRADE AND OTHER PAYABLES**

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

**22. 應付賬款及其他應付款**

包括於應付賬款及其他應付款內的應付賬款的賬齡分析如下：

The Group  
本集團

2002	2001
\$'000	\$'000
千元	千元

0 to 30 days	0至30天	33,827	27,212
31 to 60 days	31天至60天	20,641	14,741
61 to 90 days	61天至90天	30,550	29,518
Over 90 days	超過90天	58,301	32,396
Total creditors	應付賬款總額	<b>143,319</b>	103,867
Other payables and accruals	其他應付及應計費用	<b>75,835</b>	72,524
		<b>219,154</b>	<b>176,391</b>

**23. AMOUNTS DUE TO MINORITY SHAREHOLDERS**

The amounts are unsecured, interest free and are not expected to be settled within one year except an amount of \$1,497,000 (2001: \$nil) which bears interest at Hong Kong Prime Rate.

**23. 應付少數股東款項**

除1,497,000元(2001年：無)是以香港最優惠利率計算利息外，此款項為無抵押、免息及預期不會於一年內償還。

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(Expressed in Hong Kong dollars)

## 24. SHARE CAPITAL

截至2002年2月28日止年度  
(以港元列示)

## 24. 股本

		2002		2001	
		No. of shares (‘000)	\$’000	No. of shares (‘000)	\$’000
		股份數目 千股	千元	股份數目 千股	千元
<b>Authorised:</b>	<b>法定股本：</b>				
Ordinary shares of \$0.25 each	每股面值0.25元 普通股	1,080,000	270,000	1,080,000	270,000
6.5% convertible non-voting redeemable preference shares of US\$1,000 each	6.5% 無投票權的 可兌換及贖回之 每股面值1,000美元 的優先股	22	171,916	22	171,916
			<b>441,916</b>		<b>441,916</b>
<b>Issued and fully paid:</b>	<b>已發行及繳足股本：</b>				
Ordinary shares	普通股	391,889	97,972	391,889	97,972
6.5% convertible non-voting redeemable preference shares	6.5% 無投票權 的可兌換及 贖回之優先股	22	171,916	22	171,916
			<b>269,888</b>		<b>269,888</b>

The preference shares are entitled to cumulative dividend and rank in priority to the ordinary shares in the Company as to dividends and return of capital. The preference shares are convertible into ordinary shares of the Company at any time after the second anniversary of 28 February 1998 (“the Issue Date”) up to the fourth anniversary of the Issue Date, and the number of the Company’s ordinary shares to be allotted and issued to the holders upon full conversion will be equal to the principal amount of the preference shares divided by the initial conversion price of \$2.25, subject to adjustment. All the preference shares in issue on the maturity date, the fourth anniversary of the Issue Date, will be redeemed by the Company. On 17 June 2002, the Group has entered into conditional agreements with the preference shareholder for the redemption of preference shares (see note 30).

優先股可享有累積股息，而相對於本公司之普通股股份而言，優先股在股息及股本回收方面均可享有優先權。優先股可自發行日即1998年2月28日（「發行日期」）第二週年起直至發行日第四週年之任何時間內，兌換本公司之普通股股份，而於全數兌換後將配發及發行予持有人之本公司普通股股份數目將相等於將優先股本金額除以初步兌換價2.25元（可予調整）後所得數目。所有已發行優先股會於到期日，即自發行日後第四週年被本公司贖回。於2002年6月17日，本集團與優先股之持有人就有關贖回優先股達成有條件協議（參閱附註30）。

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(Expressed in Hong Kong dollars)

## 24. SHARE CAPITAL (Continued)

At 28 February 2002, the outstanding options of the Company were:

截至2002年2月28日止年度

(以港元列示)

## 24. 股本 (續)

於2002年2月28日，尚未行使的認股權如下：

Date of option granted 授予認股權日期	Period during which options exercisable 可行使認股權期間	Exercise price 行使價格	Number of options outstanding 尚未行使的認股權數目	
			2002	2001
21 July 1997 1997年7月21日	21 January 1998 to 21 July 2002 1998年1月21日至 2002年7月21日	\$2.79	<b>4,305,000</b>	4,305,000
15 September 1999 1999年9月15日	15 March 2000 to 19 August 2003 2000年3月15日至 2003年8月19日	\$0.25	<b>26,590,000</b>	26,590,000

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(Expressed in Hong Kong dollars)

## 25. RESERVES

### (a) The Group

截至2002年2月28日止年度  
(以港元列示)

## 25. 儲備

### (a) 本集團

		Share premium 股份溢價 千元 \$'000	Special reserve 特別儲備 千元 \$'000	Capital reserve 資本儲備 千元 \$'000	Land and buildings revaluation reserve 土地及 建築物 重估儲備 千元 \$'000	Exchange reserve 匯兌儲備 千元 \$'000	Capital redemption reserve 資本贖回 儲備 千元 \$'000	Accumulated losses 累計虧損 千元 \$'000	Total 總額 千元 \$'000
At 1 March 2000	於2000年3月1日								
– as previously reported	– 上年度報告	86,037	336,362	73,408	41,803	(9,156)	13,119	(604,072)	(62,499)
– prior period adjustment (note 11)	– 前期調整 (附註11)	–	–	24,721	–	–	–	(24,721)	–
– as restated	– 已重報	86,037	336,362	98,129	41,803	(9,156)	13,119	(628,793)	(62,499)
Goodwill realised on liquidation of a subsidiary	附屬公司清盤而變現 的商譽	–	–	12	–	–	–	–	12
Deficit on revaluation of land and buildings	土地及建築物 重估虧損	–	–	–	(19,322)	–	–	–	(19,322)
Exchange differences on translation of financial statements of subsidiaries	換算附屬公司 財務報表的 匯兌差額	–	–	–	–	4,704	–	–	4,704
Loss for the year	本年度虧損	–	–	–	–	–	–	(68,288)	(68,288)
Dividends (note 9)	股息 (附註9)	–	–	–	–	–	–	(11,221)	(11,221)
At 28 February 2001	於2001年 2月28日	86,037	336,362	98,141	22,481	(4,452)	13,119	(708,302)	(156,614)
At 1 March 2001	於2001年3月1日								
– as previously reported	– 上年度報告	86,037	336,362	73,420	22,481	(4,452)	13,119	(683,581)	(156,614)
– prior period adjustment (note 11)	– 前期調整 (附註11)	–	–	24,721	–	–	–	(24,721)	–
– as restated	– 已重報	86,037	336,362	98,141	22,481	(4,452)	13,119	(708,302)	(156,614)
Surplus on revaluation of land and buildings	土地及建築物 重估盈餘	–	–	–	486	–	–	–	486
Exchange differences on translation of financial statements of subsidiaries	換算附屬公司 財務報表的 匯兌差額	–	–	–	–	(3,303)	–	–	(3,303)
Loss for the year	本年度虧損	–	–	–	–	–	–	(36,325)	(36,325)
Dividends (note 9)	股息 (附註9)	–	–	–	–	–	–	(11,237)	(11,237)
At 28 February 2002	於2002年 2月28日	86,037	336,362	98,141	22,967	(7,755)	13,119	(755,864)	(206,993)

For the year ended 28 February 2002

(Expressed in Hong Kong dollars)

## 25. RESERVES (Continued)

### (a) The Group (Continued)

Accumulated losses of the Group can be analysed as follows:

截至2002年2月28日止年度

(以港元列示)

## 25. 儲備 (續)

### (a) 本集團 (續)

本集團之累計虧損分析如下：

		2002 \$'000 千元	2001 \$'000 千元
Company and its subsidiaries	本公司及其附屬公司	(754,170)	(706,937)
Associates	聯營公司	(1,694)	(1,365)
		<b>(755,864)</b>	<b>(708,302)</b>

- |  |  |
|--|--|
| <p>(i) The special reserve of the Group arose from the difference between the nominal amount of the share capital and share premium of the subsidiaries at the date on which they were acquired by the Group and the nominal amount of the ordinary share capital issued as consideration for the acquisition.</p> | <p>(i) 本集團之特別儲備乃產生自附屬公司被本集團收購當日之股本面值及股本溢價與作為收購代價之發行股本面值之差額。</p>                  |
| <p>(ii) The capital reserve, land and buildings revaluation reserve and exchange reserve have been set up and will be dealt with in accordance with the accounting policies adopted for business combination, revaluation of land and buildings and foreign currency translation (note 1).</p>                     | <p>(ii) 資本儲備、土地及建築物重估儲備及匯兌儲備均已設立，並會根據就業務合併、重估土地及建築物及外幣換算所採用的會計政策(附註1)處理這些儲備。</p> |



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(Expressed in Hong Kong dollars)

## 25. RESERVES (Continued)

### (b) The Company

截至2002年2月28日止年度  
(以港元列示)

## 25. 儲備 (續)

### (b) 本公司

		Share premium	Contributed surplus	Capital redemption reserve	Accumulated losses	Total
		股份溢價	實繳盈餘	資本贖回 儲備	累計虧損	總額
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
At 1 March 2000	於2000年3月1日	86,037	532,336	13,119	(614,681)	16,811
Loss for the year	本年度虧損	–	–	–	(162,204)	(162,204)
Dividends (note 9)	股息 (附註9)	–	–	–	(11,221)	(11,221)
At 28 February 2001	於2001年2月28日	86,037	532,336	13,119	(788,106)	(156,614)
At 1 March 2001	於2001年3月1日	86,037	532,336	13,119	(788,106)	(156,614)
Loss for the year	本年度虧損	–	–	–	(47,563)	(47,563)
Dividends (note 9)	股息 (附註9)	–	–	–	(11,237)	(11,237)
At 28 February 2002	於2002年2月28日	86,037	532,336	13,119	(846,906)	(215,414)

(i) The contributed surplus of the Company arose from the difference between the consolidated net assets of the Group's subsidiaries acquired pursuant to a group reorganisation at the date on which the reorganisation became effective, and the nominal amount of the Company's ordinary shares issued under the reorganisation.

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution.

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 realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

(i) 本公司之實繳盈餘乃產生自集團附屬公司於重組生效日期因集團重組被收購時之綜合資產淨值與因重組發行之本公司股份之賬面值差額。

根據百慕達1981年公司法(經修訂)，本公司之實繳盈餘賬可分配予股東。

但在下列情況下，本公司不能從實繳盈餘宣佈或繳付股息，或分派實繳盈餘：

- (a) 在繳付股息後，本公司不能應付應繳付之到期負債；或
- (b) 本公司資產的可變現價值因而低於已發行股份、股份溢價及負債之總和。

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(Expressed in Hong Kong dollars)

**25. RESERVES** (Continued)**(b) The Company** (Continued)

- (ii) The aggregate amount of reserves available for distribution to shareholders of the Company at 28 February 2002 was \$nil (2001: \$nil).

**26. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT****(a) Reconciliation of operating (loss)/profit to net cash inflow from operating activities**

截至2002年2月28日止年度

(以港元列示)

**25. 儲備** (續)**(b) 本公司** (續)

- (ii) 於2002年2月28日，並無可分配予本公司股東之儲備(2001年：無)。

**26. 綜合現金流量表附註****(a) 按經營業務現金流入淨額調節經營(虧損)/盈利**

		2002 \$'000 千元	2001 \$'000 千元
Operating (loss)/profit	經營(虧損)/盈利	(9,079)	66,171
Interest income	利息收入	(819)	(2,382)
Cost of financial restructuring	財務重組費用	(13,522)	(26,660)
Impairment loss on properties held for sale	待售物業減值虧損	146	3,492
Loss on sale of fixed assets	出售固定資產虧損	631	3,056
Loss on write off of fixed assets	撇銷固定資產虧損	—	1,090
Depreciation	折舊	16,472	20,646
Loss on sale of properties held for sale	出售待售物業虧損	—	571
Loss on liquidation of a subsidiary	附屬公司清盤虧損	—	12
Amortisation of deferred expenditure	遞延支出攤銷	—	19
(Increase)/decrease in inventories	存貨(增加)/減少	(8,602)	27,943
Decrease/(increase) in trade and other receivables	應收賬款及其他應收款減少/(增加)	52,752	(27,887)
Increase/(decrease) in trade and other payables	應付賬款及其他應付款增加/(減少)	41,188	(940)
Decrease in amounts due to minority shareholders	應付少數股東款項減少	(4,275)	(3,675)
Exchange adjustment	匯兌調整	(2,836)	9,605
Net cash inflow from operating activities	經營業務現金流入淨額	72,056	71,061

For the year ended 28 February 2002

(Expressed in Hong Kong dollars)

**26. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT** (Continued)**(b) Analysis of changes in financing**

截至2002年2月28日止年度

(以港元列示)

**26. 綜合現金流量表附註** (續)**(b) 融資變動的分析**

		Amounts due to minority shareholders 應付少數 股東款項 \$'000 千元	Bank loans 銀行貸款 \$'000 千元	Gold loans 黃金借貸 \$'000 千元
At 1 March 2000	於2000年3月1日	21,858	381,634	7,337
Cash flows from financing	融資現金流量	(490)	(32,812)	(7,337)
Effect of foreign exchange rates	外幣匯率的影響	–	(275)	–
At 28 February 2001	於2001年2月28日	21,368	348,547	–
At 1 March 2001	於2001年3月1日	21,368	348,547	–
Cash flows from financing	融資現金流量	(10,244)	(70,768)	–
Effect of foreign exchange rates	外幣匯率的影響	(17)	(64)	–
At 28 February 2002	於2002年2月28日	11,107	277,715	–

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(Expressed in Hong Kong dollars)

## 27. COMMITMENTS

At 28 February 2002, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		The Group 本集團		The Company 本公司	
		2002 \$'000 千元	2001 \$'000 千元	2002 \$'000 千元	2001 \$'000 千元
Within 1 year	1年內	48,113	46,661	4,680	1,560
After 1 year but within 5 years	1年後但5年內	65,037	43,806	6,240	—
After 5 years	5年後	20	32	—	—
		113,170	90,499	10,920	1,560

The Group leases a number of properties under operating leases. The leases typically run for an initial period of one to four years, with an option to renew the lease when all terms are renegotiated. Lease payments are usually increased annually to reflect market rentals.

## 28. CONTINGENT LIABILITIES

- (a) At 28 February 2002, the Company gave guarantees to banks in respect of general banking and other credit facilities extended by banks to certain subsidiaries of the Company amounting to \$279,502,000 (2001: \$354,701,000).
- (b) At 28 February 2001, the Company gave guarantees to banks in respect of general banking and other credit facilities extended to third parties amounting to \$35,000,000. Such guarantees were released by the banks as at 28 February 2002.

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(以港元列示)

## 27. 承擔

於2002年2月28日，根據不可解除的經營租賃在日後應付的最低租賃付款額總數如下：

本集團以經營租賃租用部分物業。這些租賃一般初步為期一至四年，並且有權選擇在到期日後續期，屆時所有條款均可重新商定。租賃付款額通常會逐年遞增，以反映市場租金。

## 28. 或有負債

- (a) 於2002年2月28日，本公司就銀行給予部分附屬公司一般銀行及其他貸款融資信貸向銀行作出擔保合共279,502,000元(2001年：354,701,000元)。
- (b) 於2001年2月28日，本公司就銀行給予第三者一般銀行及其他貸款融資信貸向銀行作出擔保合共35,000,000元。於2002年2月28日，銀行已撤銷上述擔保。

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## 29. PLEDGE OF ASSETS

Under the Restructuring Agreement as disclosed in note 1(b)(i), debentures have been executed during the year ended 28 February 2002 by the Group in favour of its bankers charging, by way of fixed and floating charges, all of the undertakings, properties and assets of the Company and 28 of its subsidiaries as security for, inter alia, all obligations and liabilities, actual or contingent, from time to time owing by the Group to the bankers. Rental revenue of the Group is also charged in favour of the Group's bankers.

## 30. POST BALANCE SHEET EVENTS

On 17 June 2002, the Group entered into conditional agreements with the preference shareholder for the redemption of preference shares without cash payment. Pursuant to these agreements, IAC and TSL China agreed to issue 66,521 new ordinary shares of \$1 at par and 1,647 new ordinary shares of US\$1 at par respectively to the preference shareholder in lieu of cash payment for the redemption of the preference shares (see note 24). The shares allotted to the preference shareholder represent 24% interest in the respective enlarged issued share capital of IAC and TSL China. The directors envisage that the redemption of the Company's preference shares and the subscription of IAC's and TSL China's new shares will be completed in August 2002. Upon the completion of the agreements, the preference shareholder will release the Company from all obligations and liabilities whatsoever under or in relation to the preference shares, including all damages, losses, claims, liabilities accrued or incurred prior to the completion.

## 31. COMPARATIVE FIGURES

Certain comparative figures have been adjusted as a result of changes in accounting policies as set out on note 11 on the financial statements.

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(以港元列示)

## 29. 資產抵押

根據附註1(b)(i)所述之重組協議，本集團於2002年2月28日止年度而訂立債券已以本公司及其28間附屬公司之所有業務、物業及資產透過固定及浮動抵押付予銀行作為抵押(其中包括)所有本集團不時欠銀行之實際或或然負債及債務之抵押品。本集團之租金收益亦抵押予本集團之銀行。

## 30. 結算日後事項

於2002年6月17日，本集團與優先股之持有人就無須以現金贖回優先股而達成有條件協議。根據此等協議，IAC及謝瑞麟中國分別同意向優先股之持有人分別發行66,521股每股面值1元的新普通股和1,647股每股面值1美元的新普通股，以代替以現金贖回優先股(參閱附註24)。配發給優先股之持有人的股份各佔IAC及謝瑞麟中國經擴大後已發行股本24%的權益。董事預期贖回本公司之優先股及認購IAC及謝瑞麟中國之新股會於2002年8月完成。當完成協議後，優先股之持有人將會免除本公司對優先股或與其有關的所有義務和責任，其中包括於協議完成前產生或引致的一切損害、損失、索償和負債。

## 31. 比較數字

由於修訂了附註11所載之會計政策，故部分比較數字已作出調整。