

For the year ended 28 February 2003 截至2003年2月28日止年度
(Expressed in Hong Kong dollars) (以港元列示)

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, 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 ("the Listing Rules"). 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 payment 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 \$150 million to its bank creditors since the date of the Restructuring Agreement. As at 28 February 2003, the Bank Borrowings amounted to \$249 million. As part of the Restructuring Agreement, the majority participating lenders may give 14 days' notice to terminate the Restructuring Agreement.

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頒布的所有適用的《會計實務準則》及解釋、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》(「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150,000,000元給債權銀行。於2003年2月28日，未償還的銀行貸款合共249,000,000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。

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(i) *Going concern basis (continued)*

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 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 2003. 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.

(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.

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)

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持，而重組協議內的措施會繼續履行從而令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2003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。

(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。

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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. 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)).

1. 主要會計政策 (續)

(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。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。

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. 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

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。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允價值的數額。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

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Goodwill (continued)

- 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)).

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.

1. 主要會計政策 (續)

(e) 商譽 (續)

- 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。

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允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允價值為限）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允價值，這部分負商譽便會立即在綜合損益表內確認。

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Goodwill (continued)

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 purchased 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.

(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.

1. 主要會計政策 (續)

(e) 商譽 (續)

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。

(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，當公允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。

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Investments in securities (continued)

- (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;

1. 主要會計政策 (續)

(f) 證券投資 (續)

- (ii) 買賣證券均以公允價值記入資產負債表。公允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；

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(ii)) 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

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允價值釐定的數額之間不會出現重大差異;及
 - 廠房、機器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

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Fixed assets (continued)

- 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.
- (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.

1. 主要會計政策 (續)

(g) 固定資產 (續)

- 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。
- (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。

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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(q)(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.

1. 主要會計政策 (續)

(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(q)(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。

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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

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

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 associate; and
- positive goodwill (whether taken initially to reserves or recognised as an asset).

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).

1. 主要會計政策 (續)

(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；及
- 正商譽（不論是在產生時與儲備抵銷或確認為資產）。

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。

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Impairment of assets (continued)

(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.

(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.

1. 主要會計政策 (續)

(j) 資產減值 (續)

(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。

(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。

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Inventories (continued)

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 and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

1. 主要會計政策 (續)

(k) 存貨(續)

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

現金及現金等價物包含銀行存款及現金、存放於銀行和其他財務機構的活期存款，以及短期和流動性極高的投資項目。這些項目可以容易地換算為已知的現金數額、所須承受的價值變動風險甚小，並在購入後三個月內到期。就編製現金流量表而言，現金及現金等價物也包括須於接獲通知時償還，並構成本集團現金管理一部分的銀行透支。

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Employee benefits

- (i) Salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.
- (ii) Contributions to Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance and contributions to the retirement schemes operated by the relevant authorities for employees of the subsidiaries in the People's Republic of China ("PRC"), Taiwan and Malaysia are recognised as an expense in the profit and loss account as incurred, except to the extent that they are included in the cost of inventories not yet recognised as an expense.
- (iii) The Group's net obligation in respect of lump sum long service amounts payable on cessation of employment in certain circumstances under the Hong Kong Employment Ordinance is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method by a qualified actuary, discounted to its present value, and the fair value of any related plan assets is deducted. The discount rate is the yield at balance sheet date on Exchange Fund Notes that have maturity dates approximating the terms of the Group's obligations.

1. 主要會計政策 (續)

(n) 僱員福利

- (i) 薪金、年度獎金、有薪年假、假期旅遊津貼及各項非貨幣福利令本集團產生的成本，均在本集團僱員提供相關服務的年度內累計。如延遲付款或結算會構成重大的貨幣時間價值，則上述數額須按現值列賬。
- (ii) 根據香港《強制性公積金計劃條例》的規定作出的強制性公積金供款及為中華人民共和國（「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的供款，均於產生時在損益表列支；但已計入尚未確認為開支的存貨成本的數額除外。
- (iii) 本集團就香港《僱傭條例》的規定在若干情況下停止聘用員工而應以整筆款項形式支付長期服務金所承擔的義務淨額，是僱員在當期和以往期間提供服務所賺取未來福利的數額。該義務金額由合資格的精算師按預期福利單位法計算，該福利已貼現至現值，並已扣除任何相關計劃資產的公允價值。計算現值所採用的折讓率是根據外匯基金債券於結算日的收益率釐定，這些債務的到期日與本集團就該福利須履行供款責任的年期相若。

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Employee benefits (continued)

- (iv) When the Group grants employees options to acquire shares of the Company at nil consideration, no employee benefit cost or obligation is recognised at the date of grant. When the options are exercised, equity is increased by the amount of the proceeds received.

(o) 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.

(p) 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.

1. 主要會計政策 (續)

(n) 僱員福利 (續)

- (iv) 如本集團不用價款授予僱員可認購本公司股份的認股權，在授予日期不會確認僱員福利成本或義務。當認股權被行使時，股東權益按所收取款項的數額增加。

(o) 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。

(p) 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。

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Provisions and contingent liabilities (continued)

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.

(q) 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 has accepted 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.

(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.

1. 主要會計政策 (續)

(p) 準備及或有負債 (續)

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。

(q) 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。

(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。

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Revenue recognition (continued)

(iii) *Commission, consultancy service and management fee income*

Commission, consultancy service and management fee income are recognised when the related services are rendered.

(iv) *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.

(v) *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.

(r) Translation of foreign currencies

Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies 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.

1. 主要會計政策 (續)

(q) 收入確認 (續)

(iii) 佣金、顧問服務及管理費收入

佣金、顧問服務及管理費收入在有關服務提供後確認。

(iv) 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。

(v) 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。

(r) 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及負債則按結算日的匯率換算為港元。匯兌盈虧均撥入損益表處理。

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Translation of foreign currencies (continued)

The results of foreign enterprises are translated into Hong Kong dollars at the average exchange rates for the year; balance sheet items are translated into Hong Kong dollars at the rates of exchange ruling at the balance sheet date. The resulting exchange differences are dealt with as a movement in reserves.

On disposal of a foreign enterprise, the cumulative amount of the exchange differences which relate to that foreign enterprise is included in the calculation of the profit or loss on disposal.

(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.

1. 主要會計政策 (續)

(r) 外幣換算 (續)

海外企業的業績按年內的平均匯率換算為港元；資產負債表項目則按結算日的匯率換算為港元。所產生的匯兌差額作為儲備變動處理。

在出售海外企業時，與該海外企業有關的累計匯兌差額會在計算出售的盈利或虧損時包括在內。

(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。

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 and provision of related agency services.

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.

1. 主要會計政策 (續)

(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)，並承擔着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系統，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和提供相關的代理服務，故並無提供有關本集團之業務類別分析。

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、廠房及設備。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。

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2. TURNOVER

The principal activities of the Group are the manufacture, sale and marketing of jewellery products and provision of related agency services.

Turnover represents the sales value of jewellery products sold to customers and commission income. The amount of each significant category of revenue recognised in turnover during the year is as follows:

		2003 \$'000 千元	2002 \$'000 千元
Sales of jewellery products	珠寶產品銷售	945,666	983,530
Commission income	佣金收入	8,469	—
		954,135	983,530

3. OTHER REVENUE

		2003 \$'000 千元	2002 \$'000 千元
Rental income	租金收入	4,842	7,821
Interest income	利息收入	200	819
Exchange gain	匯兌盈利	3,111	7,451
Consultancy service income	顧問服務收入	1,958	941
Management fee income	管理費收入	—	100
Others	其他	5,918	6,301
		16,029	23,433

2. 營業額

本集團的主要業務是製造、銷售及推廣珠寶首飾和提供相關的代理服務。

營業額包括銷售給客戶珠寶首飾的銷售價值及佣金收入。年內已在營業額中確認的各項重要收入類別的數額如下：

3. 其他收入

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4. LOSS FROM ORDINARY ACTIVITIES BEFORE TAXATION

4. 除稅前正常業務虧損

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

除稅前正常業務虧損已扣除／(計入)：

		2003 \$'000 千元	2002 \$'000 千元
(a) Finance costs	(a) 財務費用		
Interest on bank loans and overdrafts	銀行貸款及透支的利息	12,161	19,539
Interest on amount due to a minority shareholder	應付少數股東款項的利息	78	98
		12,239	19,637
(b) Staff costs	(b) 員工成本		
Contribution to defined contribution retirement plan	界定供款退休計劃供款	4,042	4,215
Increase in liability for long service payments (note 22(a)(ii) and (iii))	長期服務金的負債增加(附註22(a)(ii)及(iii))	4,481	875
Retirement costs	退休計劃成本	8,523	5,090
Salaries, wages and other benefits	薪金、工資及其他福利	124,003	127,648
		132,526	132,738
(c) Other items	(c) 其他項目		
Cost of inventories	存貨成本	637,916	647,971
Auditors' remuneration	核數師酬金	2,248	1,690
Depreciation	折舊	12,957	16,472
Operating leases charges – land and buildings situated in Hong Kong	經營租賃費用 – 香港之土地及建築物	42,802	48,768
– land and buildings situated other than in Hong Kong	– 香港以外之土地及建築物	8,116	9,238
Loss on disposal of fixed assets	出售固定資產虧損	1,304	631
Impairment loss on properties held for sale	待售物業減值虧損	910	146
Provision for inventories	存貨準備	22,433	9,938
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 \$300,000 (2002: \$409,000)	應收物業租金減直接支出300,000元(2002年：409,000元)	(4,542)	(7,412)

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(Expressed in Hong Kong dollars) (以港元列示)

4. LOSS FROM ORDINARY ACTIVITIES BEFORE
TAXATION (continued)

Cost of inventories include \$45,444,000 (2002: \$31,677,000) relating to staff costs, depreciation expenses, operating lease charges and provision for inventories, which amount is also included in the respective total amounts disclosed separately above.

5. TAXATION

(a) Taxation in the consolidated profit and loss account represents:

Provision for Hong Kong Profits	本年度香港利得稅
Tax for the year	準備
Underprovision in respect of prior years	以往年度準備不足
Provision for overseas taxation for the year	本年度海外稅項準備

(i) The provision for Hong Kong Profits Tax is calculated at 16% (2002: 16%) of the estimated assessable profits for the year ended 28 February 2003. Taxation for overseas subsidiaries is similarly charged at the appropriate current rates of taxation ruling in the relevant countries.

4. 除稅前正常業務虧損(續)

存貨成本包括與員工成本、折舊費用、經營租賃費用及存貨準備有關的45,444,000元(2002年: 31,677,000元)。有關數額亦已記入上表各類開支總額中。

5. 稅項

(a) 綜合損益表所示的稅項為:

2003 \$'000 千元	2002 \$'000 千元
496	567
2,475	165
2,971	732
740	860
3,711	1,592

(i) 香港利得稅準備是按截至2003年2月28日止年度的估計應評稅盈利以16%(2002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。

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(Expressed in Hong Kong dollars) (以港元列示)

5. TAXATION (continued)

(a) (continued)

- (ii) During the year ended 28 February 2003, a subsidiary received from the Inland Revenue Department (“IRD”) additional assessment relating to the year of assessment 1996/97 in the amount of \$2,475,000. The additional assessment relates to a dispute over the deductibility of certain commission payments for tax assessment purposes. The subsidiary has formally objected to the additional assessment and has made tax payment of \$825,000 subsequent to the balance sheet date. The remaining balance of \$1,650,000 has been held over unconditionally. The outcome of the objection has yet to be determined by the Commissioner of Inland Revenue and a provision of \$2,475,000 has been made at 28 February 2003 in respect of the additional assessment raised. The tax losses brought forward of \$60 million of the subsidiary are subject to the IRD’s final agreement on the tax disputes noted above.

5. 稅項(續)

(a) (續)

- (ii) 在截至2003年2月28日止的年度內，一間附屬公司收到稅務局發出為數2,475,000元有關1996/97課稅年度的補充評稅通知，該補充評稅是關於能否在評稅時扣除若干佣金支出的稅務糾紛。該附屬公司已正式提出反對該補充評稅，並已在結算日後支付稅金825,000元，餘下1,650,000元已作出無條件備用。反對補充評稅的結果最終會由稅務局局長作出判決。該附屬公司已於2003年2月28日就所出現的補充評稅提撥準備2,475,000元。該附屬公司的承前稅損6,000萬元受稅務局就上述稅務糾紛作出的最終判決所規限。

For the year ended 28 February 2003 截至2003年2月28日止年度
(Expressed in Hong Kong dollars) (以港元列示)

5. TAXATION (continued)

5. 稅項(續)

(b) Taxation in the consolidated balance sheet represents:

(b) 綜合資產負債表所示的稅項為：

		2003 \$'000 千元	2002 \$'000 千元
Provision for Hong Kong Profits Tax for the year	本年度香港利得稅準備	496	567
Less: Provisional profits tax paid	減：已付暫繳利得稅	(423)	(582)
		73	(15)
Overseas taxation	海外稅項	2,407	2,239
Balance of profits tax relating to previous years	以往年度利得稅結餘	2,383	(98)
		4,863	2,126
Representing:	代表：		
Tax recoverable	可收回稅項	(264)	(386)
Tax payable	應付稅項	5,127	2,512
		4,863	2,126

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5. TAXATION (continued)

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

5. 稅項(續)

(c) 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	
		2003 \$'000 千元	2002 \$'000 千元
Depreciation allowances in excess of related depreciation	超過相關折舊的折舊免稅額	(2,180)	(1,837)
Tax losses	稅務虧損	29,948	34,550
Others	其他	86	86
		27,854	32,799

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)。

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5. TAXATION (continued)

(c) (continued)

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

		2003 \$'000 千元	2002 \$'000 千元
Depreciation allowances in excess of related depreciation	超過相關折舊的折舊免稅額	(343)	(234)
Tax losses	稅務虧損	(4,602)	4,667
Others	其他	-	20
		(4,945)	4,453

The deferred taxation (charge)/credit not recognised is calculated at 16% (2002: 16%) on the timing difference arising in Hong Kong during the year.

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.

5. 稅項 (續)

(c) (續)

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：

		2003 \$'000 千元	2002 \$'000 千元
Depreciation allowances in excess of related depreciation	超過相關折舊的折舊免稅額	(343)	(234)
Tax losses	稅務虧損	(4,602)	4,667
Others	其他	-	20
		(4,945)	4,453

未確認之遞延稅項(支出)/收入按年內在
香港所產生的時間差距以16%(2002年：
16%)的稅率計算。

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。

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(Expressed in Hong Kong dollars) (以港元列示)

6. DIRECTORS' REMUNERATION

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

		2003 \$'000 千元	2002 \$'000 千元
Fees	袍金	1,650	1,650
Salaries and other emoluments	薪金及其他酬金	4,470	4,892
Discretionary bonuses	酌定花紅	1,638	581
Retirement scheme contributions	退休計劃供款	36	36
		7,794	7,159

Included in the directors' remuneration were fees of \$1,440,000 (2002: \$1,440,000) paid to the independent non-executive directors during the year.

The remuneration of the directors is within the following bands:

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：

	2003 \$'000 千元	2002 \$'000 千元
Fees	1,650	1,650
Salaries and other emoluments	4,470	4,892
Discretionary bonuses	1,638	581
Retirement scheme contributions	36	36
	7,794	7,159

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(2002年：1,440,000元)。

酬金在以下範圍內的董事人數如下：

		2003 Number of directors 董事人數	2002 Number of directors 董事人數
\$0 to \$1,000,000	0元至1,000,000元	4	4
\$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	2	1
\$2,500,001 to \$3,000,000	2,500,001元至3,000,000元	—	1
\$3,000,001 to \$3,500,000	3,000,001元至3,500,000元	1	—

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(Expressed in Hong Kong dollars) (以港元列示)

7. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2002: three) are directors whose emoluments are disclosed in note 6. The aggregate of the emoluments in respect of the other two (2002: two) individuals are as follows:

		2003 \$'000 千元	2002 \$'000 千元
Salaries and other emoluments	薪金及其他酬金	2,331	2,809
Discretionary bonuses	酌定花紅	779	623
Retirement scheme contributions	退休計劃供款	24	24
		3,134	3,456

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

		2003 Number of individuals 人數	2002 Number of individuals 人數
\$0 to \$1,000,000	0元至1,000,000元	1	—
\$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
\$2,000,001 to \$2,500,000	2,000,001元至2,500,000元	1	—

8. LOSS FOR THE YEAR

The consolidated loss for the year includes a loss of \$43,895,000 (2002: \$47,563,000) which has been dealt with in the financial statements of the Company.

7. 最高酬金人士

在五位酬金最高的人士中，三位(2002年：三位)為董事，有關的酬金詳情載於附註6。其餘兩位(2002年：兩位)人士的酬金總額如下：

	2003 \$'000 千元	2002 \$'000 千元
薪金及其他酬金	2,331	2,809
酌定花紅	779	623
退休計劃供款	24	24
	3,134	3,456

該兩位(2002年：兩位)酬金最高人士的酬金在以下範圍內：

	2003 Number of individuals 人數	2002 Number of individuals 人數
0元至1,000,000元	1	—
1,000,001元至1,500,000元	—	1
1,500,001元至2,000,000元	—	1
2,000,001元至2,500,000元	1	—

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43,895,000元(2002年：47,563,000元)虧損。

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9. PREFERENCE SHARES DIVIDEND

9. 優先股股息

		2003 \$'000 千元	2002 \$'000 千元
Dividend on 6.5% convertible non-voting redeemable preference shares (note 26(a))	6.5% 無投票權的 可兌換及贖回之 優先股股息 (附註26(a))	5,665	11,237

10. LOSS PER SHARE

10. 每股虧損

(a) Basic loss per share

The calculation of basic loss per share is based on the loss for the year of \$49,478,000 (2002: \$36,325,000) adjusting for the dividend for preference shares of \$5,665,000 (2002: \$11,237,000) and 391,889,263 ordinary shares (2002: 391,889,263 ordinary shares) in issue during the year.

(a) 每股基本虧損

每股基本虧損是按照本年度虧損49,478,000元(2002年: 36,325,000元)、優先股股息5,665,000元(2002年: 11,237,000元)及年內已發行391,889,263股普通股(2002年: 391,889,263股普通股)計算。

(b) Diluted loss per share

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

(b) 每股攤薄虧損

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

11. SEGMENT REPORTING

11. 分部報告

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 and provision of related agency services.

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和提供相關的代理服務,故並無提供有關本集團之業務類別分析。

Notes on the Financial Statements
財務報表附註

For the year ended 28 February 2003 截至2003年2月28日止年度
(Expressed in Hong Kong dollars) (以港元列示)

11. SEGMENT REPORTING (continued)

11. 分部報告 (續)

		PRC (including Hong Kong) 中國 (包括香港)		Others 其他		Inter-segment elimination 分部間 抵銷數額		Consolidated 綜合數額	
		2003 \$'000 千元	2002 \$'000 千元	2003 \$'000 千元	2002 \$'000 千元	2003 \$'000 千元	2002 \$'000 千元	2003 \$'000 千元	2002 \$'000 千元
Revenue from external customers	來自外界客戶的收入	844,153	856,700	109,982	126,830	-	-	954,135	983,530
Inter-segment revenue	來自其他分部的收入	10,402	8,519	-	-	(10,402)	(8,519)	-	-
Other revenue from external customers	來自外界客戶的其他收入	13,864	20,877	2,165	2,556	-	-	16,029	23,433
Total	總額	868,419	886,096	112,147	129,386	(10,402)	(8,519)	970,164	1,006,963
Segment results	分部經營成果	(20,866)	(7,529)	(8,467)	550			(29,333)	(6,979)
Finance costs	財務費用							(12,239)	(19,637)
Cost of financial restructuring	財務重組費用							(4,905)	(13,522)
(Loss)/gain on disposal and revaluation of properties	出售及重估物業 (虧損)/收益							(1,886)	6,226
Gain on disposal of associate	出售聯營公司收益							-	2,194
Write back of default interest for unpaid dividend on preference shares	撥回未繳付優先股股息之逾期利息							6,576	-
Provision for diminution in value of investments in securities and associate	證券投資及聯營公司減值撥備							(1,051)	(629)
Provision for other receivables	其他應收款撥備							(3,276)	(2,100)
Provision for termination of overseas business	終止海外業務撥備							(2,100)	-
Share of loss of associate	應佔聯營公司虧損							-	(2)
Taxation	稅項							(3,711)	(1,592)
Minority interests	少數股東權益							2,447	(284)
Loss for the year	本年度虧損							(49,478)	(36,325)
Depreciation for the year	本年度折舊	11,240	14,412	1,717	2,060				
Impairment loss for the year	本年度減值虧損	910	146	343	-				
Significant non-cash expenses (other than depreciation)	大額非現金支出 (折舊除外)	30,045	17,149	2,167	1,660				
Segment assets	分部資產	615,302	698,116	46,590	58,371	(145,497)	(143,118)	516,395	613,369
Interest in associate	聯營公司權益	-	1	-	-	-	-	-	1
Total assets	資產總值							516,395	613,370
Segment liabilities	分部負債	209,318	250,165	164,353	160,292	(145,497)	(143,118)	228,174	267,339
Unallocated liabilities	未分配負債							253,738	281,653
Total liabilities	負債總額							481,912	548,992
Capital expenditure incurred during the year	本年度內產生的資本開支	7,417	4,850	523	2,304				

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(Expressed in Hong Kong dollars) (以港元列示)

12. FIXED ASSETS

12. 固定資產

(a) The Group

(a) 本集團

		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
Cost or valuation:	成本或估值：							
At 1 March 2002	於2002年3月1日	45,956	145,127	18,696	5,332	215,111	555	215,666
Exchange adjustments	匯兌調整	–	389	10	–	399	–	399
Additions	增置	–	6,668	1,019	253	7,940	–	7,940
Disposals	出售	–	(38,538)	(258)	(286)	(39,082)	–	(39,082)
Deficit on revaluation	重估虧損	(3,008)	–	–	–	(3,008)	(80)	(3,088)
At 28 February 2003	於2003年2月28日	42,948	113,646	19,467	5,299	181,360	475	181,835
Representing:	代表：							
Cost	成本	–	113,646	19,467	5,299	138,412	–	138,412
Valuation – 2003	估值 – 2003年	42,948	–	–	–	42,948	475	43,423
		42,948	113,646	19,467	5,299	181,360	475	181,835
Aggregate depreciation:	折舊總額：							
At 1 March 2002	於2002年3月1日	–	120,940	15,909	4,512	141,361	–	141,361
Exchange adjustments	匯兌調整	–	343	7	–	350	–	350
Charge for the year	本年度折舊	1,056	10,318	1,139	444	12,957	–	12,957
Written back on disposal	出售時撥回	–	(37,358)	(129)	(286)	(37,773)	–	(37,773)
Impairment loss	減值虧損	–	343	–	–	343	–	343
Written back on revaluation	重估時撥回	(1,056)	–	–	–	(1,056)	–	(1,056)
At 28 February 2003	於2003年2月28日	–	94,586	16,926	4,670	116,182	–	116,182
Net book value:	賬面淨值：							
At 28 February 2003	於2003年2月28日	42,948	19,060	2,541	629	65,178	475	65,653
At 28 February 2002	於2002年2月28日	45,956	24,187	2,787	820	73,750	555	74,305

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12. FIXED ASSETS (continued)

(b) The Company

		Furniture, fixtures and equipment 傢俬、裝置 及設備 \$'000 千元
Cost:	成本：	
At 1 March 2002 and at 28 February 2003	於2002年3月1日及於2003年2月28日	207
Aggregate depreciation:	折舊總額：	
At 1 March 2002	於2002年3月1日	204
Charge for the year	本年度折舊	1
At 28 February 2003	於2003年2月28日	205
Net book value:	賬面淨值：	
At 28 February 2003	於2003年2月28日	2
At 28 February 2002	於2002年2月28日	3

(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	
		2003 \$'000 千元	2002 \$'000 千元
In Hong Kong	在香港		
– Long leases	– 長期租賃	2,710	2,882
– Medium-term leases	– 中期租賃	40,713	43,629
		43,423	46,511

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12. FIXED ASSETS (continued)

- (d) Investment properties of the Group were revalued at 28 February 2003 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 \$80,000 has been charged to the profit and loss account. The carrying value of these investment properties at 28 February 2003 is \$475,000.
- (e) The Group's land and buildings held for own use were also revalued at 28 February 2003 by an independent firm of surveyors, Chung, Chan & Associates, on an open market value basis. The revaluation deficit of \$1,489,000 has been charged to the profit and loss account. The remaining deficit of \$463,000 has been transferred to the land and buildings revaluation reserve of the Group (note 26(a)).

The carrying amount of the land and buildings held for own use of the Group at 28 February 2003 would have been \$63,165,000 (2002: \$64,587,000) had they been carried at cost less accumulated depreciation.

12. 固定資產 (續)

- (d) 本集團的投資物業已於2003年2月28日經由獨立測量師行一衡量行(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80,000元的重估虧損已在損益表列支。此投資物業於2003年2月28日的賬面值為475,000元。
- (e) 本集團持作自用的土地及建築物亦已於2003年2月28日經由獨立測量師行一衡量行以公開市值為基準進行重估。為數1,489,000元的重估虧損已在損益表列支，餘下的虧損463,000元已轉撥到本集團的土地及建築物重估儲備(附註26(a))。

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2003年2月28日的賬面金額應為63,165,000元(2002年：64,587,000元)。

13. INTEREST IN SUBSIDIARIES

13. 附屬公司權益

		2003 \$'000 千元	2002 \$'000 千元
Unlisted shares, at cost	非上市股份，按成本	708,072	708,072
Amounts due from subsidiaries	應收附屬公司賬款	164,254	182,224
		872,326	890,296
Less: Impairment loss	減：減值虧損	(827,697)	(786,510)
		44,629	103,786

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13. INTEREST IN SUBSIDIARIES (continued)

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.

13. 附屬公司權益 (續)

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。

Name of company 公司名稱	Place of establishment/ incorporation and operation 成立／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	
Beijing Tse Sui Luen Jewellery Company Limited ("BTSL") 北京謝瑞麟珠寶有限公司 (「北京謝瑞麟」)	PRC 中國	Rmb1,750,000 and US\$810,000 1,750,000人民幣 及810,000美元	56.46%	—	56.46%	Jewellery manufacturing and trading 珠寶製造及貿易
Foyer Investment Limited 富雅投資有限公司	Hong Kong 香港	\$10,000 10,000元	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 2元	100%	—	100%	Jewellery retailing 珠寶零售
Impromptus Asia Pacific Limited	Hong Kong 香港	\$10,000 10,000元	70%	—	70%	Goldsmith and jewellery trading 足金及珠寶貿易
Infinite Assets Corp. ("IAC")	British Virgin Islands ("BVI") 英屬處女群島	\$275,254 275,254元	56.46%	—	56.46%	Investment holding 投資控股

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13. INTEREST IN SUBSIDIARIES (continued)

13. 附屬公司權益 (續)

Name of company 公司名稱	Place of establishment/ incorporation and operation 成立／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	
Queen Busy Limited	Hong Kong 香港	\$2 2元	100%	–	100%	Property holding 持有物業
Shanghai Tse Sui Luen Consultancy Service Limited ("SH TSLCS") 上海謝瑞麟商務諮詢有限公司 ([上海謝瑞麟商務諮詢])	PRC 中國	US\$140,000 140,000美元	53.64%	–	95%	Provision of consultancy services 提供顧問服務
Tse Sui Luen Investment (China) Limited ("TSL China") 謝瑞麟投資(中國)有限公司 ([謝瑞麟中國])	BVI 英屬處女群島	US\$6,863 6,863美元	56.46%	–	56.46%	Investment holding 投資控股
Tse Sui Luen Jewellery Company Limited ("TSLJ") 謝瑞麟珠寶有限公司 ([謝瑞麟珠寶])	Hong Kong 香港	\$34,000 34,000元	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 3,000,000元	100%	–	100%	Jewellery retailing 珠寶貿易

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13. INTEREST IN SUBSIDIARIES (continued)

13. 附屬公司權益 (續)

Name of company 公司名稱	Place of establishment/ incorporation and operation 成立／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	
Tse Sui Luen Jewellery Trading & Distribution Limited ("TSL Trading") 謝瑞麟珠寶商貿及 分銷有限公司 (「謝瑞麟商貿」)	Western Samoa 西薩摩亞	US\$1 1美元	56.46%	–	56.46%	Jewellery trading and provision of related agency services 珠寶貿易及提供 相關的代理服務
TSL Investment (B.V.I.) Limited	BVI 英屬處女群島	\$1,000 1,000元	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 1,000元	100%	–	100%	Property holding and investment 持有物業及投資

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14. OTHER FINANCIAL ASSET

14. 其他財務資產

		The Group 本集團	
		2003 \$'000 千元	2002 \$'000 千元
Investment security, at cost less provision – Membership and seat in the Chinese Gold and Silver Exchange Society	證券投資， 按成本減準備 – 金銀業 貿易場會籍 及席位	500	500

15. PROPERTIES HELD FOR SALE

15. 待售物業

		The Group 本集團
		\$'000 千元
At 1 March 2002	於2002年3月1日	24,416
Disposals	出售	(1,680)
Impairment loss	減值虧損	(910)
At 28 February 2003	於2003年2月28日	21,826

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15. PROPERTIES HELD FOR SALE (continued)

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

		The Group 本集團	
		2003 \$'000 千元	2002 \$'000 千元
In Hong Kong	在香港		
– Medium-term leases	– 中期租賃	18,011	20,521
Other parts of the PRC	在中國其他地方		
– Long leases	– 長期租賃	1,730	1,810
– Medium-term leases	– 中期租賃	2,085	2,085
		3,815	3,895
		21,826	24,416

At the balance sheet date, the property ownership certificates in respect of the property interests held in other parts of the PRC of \$3,815,000 (2002: \$3,895,000) as stated above have not been issued by the relevant PRC government authority.

- (b) Impairment loss on properties held for sale is made by reference to the valuation of the properties carried out by an independent firm of surveyors, Chung, Chan & Associates, as at 28 February 2003 on an open market value basis.
- (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 adjusted annually to reflect market rentals.

15. 待售物業 (續)

- (a) 待售物業賬面淨值的分析如下：

		The Group 本集團	
		2003 \$'000 千元	2002 \$'000 千元
In Hong Kong	在香港		
– Medium-term leases	– 中期租賃	18,011	20,521
Other parts of the PRC	在中國其他地方		
– Long leases	– 長期租賃	1,730	1,810
– Medium-term leases	– 中期租賃	2,085	2,085
		3,815	3,895
		21,826	24,416

於結算日，國內相關政府部門仍未就上述本集團在中國其他地方持有的3,815,000元(2002年：3,895,000元)物業權益發出房地產擁有權證明書。

- (b) 待售物業之減值虧損乃參考經由衡量行於2003年2月28日以公開市場為基準予以估值而作出。
- (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調整，以反映市場租金。

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15. PROPERTIES HELD FOR SALE (continued)

(c) (continued):

The gross carrying amounts of properties held for sale of the Group held for use in operating leases were \$11,802,000 (2002: \$13,528,000) and the related impairment losses were \$52,000 (2002: \$786,000).

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

15. 待售物業 (續)

(c) (續) :

本集團用作經營租賃的待售物業的賬面總額為11,802,000元(2002年: 13,528,000元), 而有關的減值虧損為52,000元(2002年: 786,000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:

		2003 \$'000 千元	2002 \$'000 千元
Within 1 year	1年內	868	240
After 1 year but within 5 years	1年後但5年內	—	48
		868	288

16. INVESTMENTS IN SECURITIES

16. 證券投資

		The Group 本集團	
		2003 \$'000 千元	2002 \$'000 千元
Trading securities	買賣證券		
Listed equity securities in Hong Kong, at market value	在香港上市的股本證券, 按市值	13	13
Unlisted equity securities in Hong Kong	在香港境內非上市的股本證券	1	—
Unlisted equity securities outside Hong Kong	在香港境外非上市的股本證券	—	1,051
		14	1,064

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17. INVENTORIES

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品
Finished goods – consigned outward	製成品 – 在外寄售

As at 28 February 2003, the Group had consigned finished goods amounting to \$77,543,000 to the licensee, Beijing Hua Long Rui Lin Economic and Trading Company Limited (“Hua Long”), established in the PRC. The licensee is responsible for distributing the consigned finished goods to the shop outlets operating under the trade names of “Tse Sui Luen” in the PRC. As at 28 February 2003, the Group had an amount due from the licensee amounting to \$42,134,000. Since the Group cannot supervise the activities of the licensee, the directors consider that it is possible that the Group may not be able to recover possession of all or certain of these consigned finished goods in the event that the licensee is unable to meet its financial obligations. The directors are not aware of any circumstances that lead the Group to believe that the licensee is unable to meet its financial obligations.

Included in raw materials and finished goods are inventories of \$12,517,000 (2002: \$8,340,000) and \$89,031,000 (2002: \$142,445,000) respectively, stated net of provisions made in order to state those inventories at the lower of their cost and estimated net realisable value.

17. 存貨

The Group 本集團	
2003 \$'000 千元	2002 \$'000 千元
Raw materials	35,733
Work in progress	32,669
Finished goods	164,074
Finished goods – consigned outward	108,277
290,519	340,753

於2003年2月28日，本集團有為數77,543,000元的製成品寄售予一位在中國成立的認可商標使用者 – 北京華龍瑞麟商貿有限公司（「華龍」）。此認可商標使用者是負責將寄售製成品分銷至在中國以「謝瑞麟」為營運名稱的店舖。於2003年2月28日，此認可商標使用者對本集團的欠款為42,134,000元。因本集團不可以監管此認可商標使用者的活動，董事認為若此認可商標使用者未能承擔其財務責任，本集團可能不能取回所有或部份該等寄售製成品。董事並未察覺任何使本集團相信此認可商標使用者未能承擔其財務責任情況。

原材料及製成品分別包括已扣除撥備的存貨12,517,000元（2002年：8,340,000元）及89,031,000元（2002年：142,445,000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。

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18. 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:

18. 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	
		2003 \$'000 千元	2002 \$'000 千元
0 to 30 days	0至30天	17,690	38,778
31 to 60 days	31天至60天	25,321	17,662
61 to 90 days	61天至90天	4,684	12,638
Over 90 days	超過90天	2,360	23,141
Total trade debtors	應收賬款總額	50,055	92,219
Other receivables, deposits and prepayments	其他應收款、按金及預付款	33,475	27,609
		83,530	119,828

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

除零售顧客外，本集團給予其他顧客平均75天的賒賬期。

19. CASH AND CASH EQUIVALENTS

19. 現金及現金等價物

		The Group 本集團	
		2003 \$'000 千元	2002 \$'000 千元
Cash at bank and in hand	銀行存款及現金	53,200	51,228
Secured bank overdrafts (note 20(b))	有抵押銀行透支(附註20(b))	(4,260)	(3,938)
		48,940	47,290

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20. 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 2003 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 2003, the Group had bank loans of \$249 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.

According to a letter dated 21 May 2003 issued by the representative of the participating lenders, all the lenders conditionally agreed to postpone two quarterly loan repayments due by the Group on 7 May 2003 and 7 August 2003 to 8 September 2003.

20. 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2003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2003年2月28日，本集團受重組協議管轄的銀行貸款合共249,000,000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。

根據債權人代表於2003年5月21日發出的信件中，所有債權人有條件地同意本集團延遲於2003年5月7日及2003年8月7日到期之兩筆季度還款至2003年9月8日。

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20. BANK LOANS AND OVERDRAFTS (continued)

(b) At 28 February 2003, the bank loans and overdrafts were analysed as follows:

20. 銀行貸款及透支 (續)

(b) 於2003年2月28日，銀行貸款及透支的情況分析如下：

		The Group 本集團	
		2003 \$'000 千元	2002 \$'000 千元
Secured bank overdrafts (note 19)	有抵押銀行透支 (附註19)	4,260	3,938
Secured bank loans (see note (a) above)	有抵押銀行貸款 (參閱上述附註(a))	249,478	277,715
		253,738	281,653

The repayment schedule according to the Restructuring Agreement is as follows:

根據重組協議的還款時間表如下：

		The Group 本集團	
		2003 \$'000 千元	2002 \$'000 千元
Within 1 year or on demand	1年內或接獲通知時	50,953	55,639
After 1 year but within 2 years	1年後但2年內	24,000	24,000
After 2 years but within 5 years	2年後但5年內	178,785	202,014
		253,738	281,653

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21. TRADE AND OTHER PAYABLES

Included in trade and other payables are creditors 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 trade creditors	應付賬款總額	
Other payables and accruals	其他應付及應計費用	

21. 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	
2003 \$'000 千元	2002 \$'000 千元
28,447	33,827
16,498	20,641
9,330	30,550
52,705	58,301
106,980	143,319
101,676	67,364
208,656	210,683

22. EMPLOYEE BENEFIT OBLIGATIONS

(a) Long service payments

Under the Hong Kong Employment Ordinance, the Group is obliged to make lump sum payments on cessation of employment in certain circumstances to certain employees who have completed at least five years of service with the Group. The amount payable is dependent on the employees' final salary and years of service, and is reduced by entitlements accrued under the Group's retirement plan that are attributable to contributions made by the Group. The Group does not set aside any assets to fund any remaining obligations.

22. 僱員福利義務

(a) 長期服務金

根據香港《僱傭條例》，如果本集團在若干情況下停止聘用在本集團服務至少五年的員工，便須以整筆款項的形式向這些員工支付長期服務金。應付的長期服務金金額按員工的最終薪金和服務年期計算，並扣除他們在本集團退休計劃所累積權益中由本集團供款的部分。本集團並無預留任何資產以支付其餘的義務金額。

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22. EMPLOYEE BENEFIT OBLIGATIONS (continued)

(a) Long service payments (continued)

- (i) The amount recognised in the balance sheet is as follows:

		2003 \$'000 千元	2002 \$'000 千元
Present value of unfunded obligations	非注入資金的設定 受益義務的現值	11,192	8,471

Comparative figure was reclassified from trade and other payables to conform with the current year's presentation.

- (i) 在資產負債表確認的數額如下：

比較數字由應付賬款及其他應付款重新分類，以配合本年度的列報方式。

- (ii) Movements in the net liability recognised in the balance sheet are as follows:

		2003 \$'000 千元	2002 \$'000 千元
At beginning of the year	年初餘額	8,471	8,486
Expense recognised in the profit and loss account	在損益表確認的支出	4,481	875
Employer contributions/benefit payments	僱主供款／福利付款	(1,760)	(890)
At end of the year	年末餘額	11,192	8,471

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22. EMPLOYEE BENEFIT OBLIGATIONS (continued)

(a) Long service payments (continued)

(iii) Expense recognised in the profit and loss account
is as follows:

		2003 \$'000 千元	2002 \$'000 千元
Current service cost	本年度服務成本	41	40
Interest cost	利息費用	573	563
Net actuarial losses recognised	已確認精算損失淨額	3,286	272
Losses on curtailment and settlements	縮減及結算 之虧損	581	—
		4,481	875

The expense is recognised in the following line
items in the profit and loss account:

		2003 \$'000 千元	2002 \$'000 千元
Cost of sales	銷售成本	616	136
Selling expenses	銷售費用	3,070	597
Administrative expenses	行政費用	795	142
		4,481	875

(a) 長期服務金(續)

(iii) 在損益表確認的支出如下：

各項支出是在下列損益表項目內
確認：

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22. EMPLOYEE BENEFIT OBLIGATIONS (continued)

(a) Long service payments (continued)

- (iv) The principal actuarial assumptions used as at 28 February 2003 (expressed as weighted average) are as follows:

Discount rate at 28 February	2月28日之折讓率
Future salary increases	未來薪金升幅
– year 2002 to 2004	– 2002年至2004年
– year 2005 and thereafter	– 2005年或以後

22. 僱員福利義務 (續)

(a) 長期服務金 (續)

- (iv) 於2003年2月28日使用的主要精算假設 (以加權平均數表示) 如下：

2003 \$'000 千元	2002 \$'000 千元
6%	7%
1%	1%
3%	3%

(b) Defined contribution retirement plan

The Group operates a Mandatory Provident Fund Scheme (“the MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of \$20,000. Contributions to the scheme vest immediately.

The Group also operates defined contribution retirement benefits schemes for all qualifying employees in the PRC, Taiwan and Malaysia with contributions to the schemes at 7%, 2% and 12% of the gross salaries respectively. The assets of the schemes are held separately from those of the Group in funds under the control of independent trustees.

(b) 界定供款退休計劃

本集團亦按照香港《強制性公積金計劃條例》的規定，為根據香港《僱傭條例》聘用的僱員，設立強制性公積金計劃（「強積金計劃」）。強積金計劃是一個設定提存退休計劃，由獨立的受託人管理。根據強積金計劃，僱主和僱員均須按照僱員相關入息的5%向計劃作出供款；但每月的相關入息上限為2萬元。向計劃作出的供款即時為既定僱員福利。

本集團亦為所有中國、台灣及馬來西亞合資格的僱員設立一個界定供款退休計劃。向該等計劃的供款分別為中國、台灣及馬來西亞的員工薪金的7%、2%及12%。計劃的資產獨立於本集團的資產並由獨立受託人持有及管理。

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23. EQUITY COMPENSATION BENEFITS

The Company has a share option scheme which was adopted on 20 August 1993 for a period of ten years whereby the directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any company in the Group, to take up options to subscribe for shares of the Company. For options granted before 1 September 2001, the exercise price of options was determined by the board and was the higher of the nominal value of the shares and 80% of the average of the closing prices of the shares on The Stock Exchange of Hong Kong Limited ("the Stock Exchange") for the five business days immediately preceding the date of the grant. For options granted on or after 1 September 2001, the exercise price of options is the highest of the nominal value of the shares, the closing price of the shares on the Stock Exchange on the date of grant and the average closing price of the shares on the Stock Exchange for the five business days immediately preceding the date of grant. The options are exercisable six months after the date on which the options are granted for a period up to five years or 20 August 2003, whichever is earlier. Each option gives the holder the right to subscribe for one share.

(a) Movement in share options

23. 權益計劃福利

本公司於1993年8月20日採納一項為期10年之優先認股計劃；據此，本公司董事獲授權酌情邀請本集團的僱員(包括任何本集團內任何公司的董事)接受認股權，以認購本公司股份。於2001年9月1日前授予的認股權的行使價由董事會釐定，並以股份的票面值和股份於截至認股權授予日期前五個營業日在香港聯合交易所有限公司(「聯交所」)錄得的平均收市價的80%兩者中的較高額為準。至於在2001年9月1日或之後授予的認股權，行使價為股份的票面值、股份於認股權授予日期在聯交所錄得的收市價及股份於截至認股權授予日期前五個營業日在聯交所錄得的平均市價三者中的最高數額。認股權可於生效後五年內或2003年8月20日前行使，以兩者較早為準。持有人有權憑每項認股權認購一股股份。

(a) 認股權變動

		2003 Number 數量	2002 Number 數量
At beginning of the year	年初餘額	30,895,000	30,895,000
Lapsed	已失效	(4,305,000)	—
At end of the year	年末餘額	26,590,000	30,895,000
Options vested at 28 February	於2月28日界定為既定 僱員福利的認股權	26,590,000	30,895,000

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23. EQUITY COMPENSATION BENEFITS (continued)

(b) Terms of unexpired and unexercised share options at balance sheet date

Date granted 授予日期	Exercise period 行使期間	Exercise price 行使價	2003 Number 數量	2002 Number 數量
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	—	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	26,590,000	26,590,000
			26,590,000	30,895,000

24. AMOUNTS DUE TO MINORITY SHAREHOLDERS

The amounts are unsecured, interest free and not expected to be settled within one year except an amount of \$1,497,000 (2002: \$1,497,000) which bears interest at Hong Kong Prime Rate.

23. 權益計劃福利 (續)

(b) 於結算日未到期和未行使的認股權

24. 應付少數股東款項

除1,497,000元(2002年: 1,497,000元)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。