

NOTES TO FINANCIAL STATEMENTS

31 December 2002

1. CORPORATE INFORMATION

During the year, the Group was involved in the following principal activities:

- manufacture and retail of jewellery
- wholesale of precious metals
- securities and commodity broking and bullion trading
- property investment

2. IMPACT OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE (“SSAPs”)

The following new and revised SSAPs are effective for the first time for the current year’s financial statements:

- SSAP 1 (Revised) : “Presentation of financial statements”
- 會計實務準則第1號(經修訂) : 「財務報告之呈報」
- SSAP 11 (Revised) : “Foreign currency translation”
- 會計實務準則第11號(經修訂) : 「外幣換算」
- SSAP 15 (Revised) : “Cash flow statements”
- 會計實務準則第15號(經修訂) : 「現金流量表」
- SSAP 34 : “Employee benefits”
- 會計實務準則第34號 : 「僱員福利」

These SSAPs prescribe new accounting measurement and disclosure practices. The major effects on the Group’s accounting policies and on the amounts disclosed in these financial statements of those SSAPs which have had a significant effect on the financial statements, are summarised as follows:

SSAP 1 prescribes the basis for the presentation of financial statements and sets out guidelines for their structure and minimum requirements for the content thereof. The principal impact of the revision of this SSAP is that a consolidated statement of changes in equity is now presented on pages 23 to 24 of the financial statements in place of the consolidated statement of recognised gains and losses that was previously required and in place of the Group’s reserves note.

財務報告附註

2002年12月31日

1. 公司資料

年內本集團從事之主要業務如下：

- 珠寶製造及零售
- 貴金屬批發
- 證券及期貨經紀、及期金買賣
- 物業投資

2. 新訂及經修訂會計實務準則之影響

以下為於本年度之財務報告新訂及經修訂之會計實務準則：

此等會計實務準則規定新會計核算及披露慣例。此等會計實務準則對本集團之會計政策及在此等財務報告中披露之數額之主要影響概述如下：

會計實務準則第1號規定財務報告之呈報基準及列出其結構之指引及內容之最低要求。此項會計實務準則修訂之主要影響，乃以綜合權益變動表於財務報告第23頁至第24頁呈列，取代先前規定之綜合確認損益表及本集團儲備之附註。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

2. IMPACT OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE (“SSAPs”) (continued)

SSAP 11 prescribes the basis for the translation of foreign currency transactions and financial statements. The principal impact of the revision of this SSAP on the consolidated financial statements is that the profit and loss accounts of overseas subsidiaries and associates are now translated into Hong Kong dollars at the weighted average exchange rates for the year. The adoption of the revised SSAP 11 has had no material effect on the financial statements. Further details of this change are included in the accounting policy for “Foreign currencies” in note 3 to the financial statements.

SSAP 15 prescribes the revised format for the cash flow statement. The principal impact of the revision of this SSAP is that the consolidated cash flow statement now presents cash flows under three headings, cash flows from operating, investing and financing activities, rather than the five headings previously required. In addition, cash flows from overseas subsidiaries and associates arising during the year are now translated into Hong Kong dollars at the exchange rates at the dates of the transactions, or at an approximation thereto. Further details of these changes are included in the accounting policies for “Cash and cash equivalents” and “Foreign currencies” in note 3 and in note 34 to the financial statements.

SSAP 34 prescribes the recognition and measurement criteria to apply to employee benefits, together with the required disclosures in respect thereof. The adoption of this SSAP has had no material effect on the prior year’s financial statements, but has resulted in the recognition of an accrual for paid holiday carried forward by the Group’s employees as at the balance sheet date. Further details are included under the heading “Employee benefits” in note 3 and in note 28 to the financial statements.

財務報告附註

2002年12月31日

2. 新訂及經修訂會計實務準則之影響 (續)

會計實務準則第11號規定外幣交易及財務報告之匯兌基準。此項會計實務準則修訂對財務報告之主要影響，乃海外附屬公司及聯營公司之損益賬按年內之加權平均匯率換算為港元。此項經修訂會計實務準則第11號之採納對財務報告並無重大影響。詳情載於本財務報告附註3「外幣」之會計政策內。

會計實務準則第15號規定經修訂之現金流量表格式。此項會計實務準則修訂之主要影響，乃綜合現金流量表以營運、投資及融資活動所得現金流量三個項目呈報現金流量，取代先前規定之五個項目。此外，於年內海外附屬公司及聯營公司產生之現金流量按交易當日之匯率或估計匯率換算為港元。變動詳情載於財務報告附註3「現金及等同現金」及「外幣」之會計政策及附註34內。

會計實務準則第34號規定適用於僱員福利之確認及衡量準則以及其有關之披露規定。採納此項會計實務準則對上年度之財務報告並無重大影響，但於結算日產生一項須予確認本集團僱員結轉有薪假期之應計項目。詳情載於財務報告附註3下標題「僱員福利」及附註28內。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Statements of Standard Accounting Practice, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for the periodic remeasurement of investment properties, certain fixed assets and equity investments, as further explained below.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2002. The results of subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal, respectively. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Minority interests represent the interests of outside shareholders in the results and net assets of the Company's subsidiaries.

Subsidiaries

A subsidiary is a company whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's profit and loss account to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

財務報告附註

2002年12月31日

3. 主要會計政策概要

編製基準

此等財務報告乃根據香港會計實務準則，香港普遍採納之會計原則及香港公司條例之披露規定而編製。此等報告乃根據歷史成本慣例而編製，惟定期重估投資物業，若干固定資產和股份投資除外，詳情載於下文。

綜合基準

綜合財務報告包括本公司及其附屬公司截至2002年12月31日止年度之財務報告。年內收購或出售之附屬公司之業績分別自其收購日期起計入或計至其出售日期止。本集團內部所有重大交易及結餘均在綜合賬目時對銷。

少數股東權益為外間股東於本公司之附屬公司之業績及淨資產權益。

附屬公司

附屬公司乃本公司直接或間接控制其財政及營運政策之公司，以便於從其業務中獲益。

附屬公司之業績包括於本公司之損益賬內的已收及應收股息內。本公司於附屬公司之權益按成本減去任何減值虧損列賬。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Joint venture companies

A joint venture company is a company set up by contractual arrangement, whereby the Group and other parties undertake an economic activity. The joint venture company operates as a separate entity in which the Group and the other parties have an interest.

The joint venture agreement between the venturers stipulates the capital contributions of the joint venture parties, the duration of the joint venture and the basis on which the assets are to be realised upon its dissolution. The profits and losses from the joint venture company's operations and any distributions of surplus assets are shared by the venturers, either in proportion to their respective capital contributions, or in accordance with the terms of the joint venture agreement.

A joint venture company is treated as:

- (a) a subsidiary, if the Company has unilateral control, directly or indirectly, over the joint venture company;
- (b) a jointly-controlled entity, if the Company does not have unilateral control, but has joint control, directly or indirectly over the joint venture company;
- (c) an associate, if the Company does not have unilateral or joint control, but holds, directly or indirectly, generally not less than 20% of the joint venture company's registered capital and is in a position to exercise significant influence over the joint venture company; or
- (d) a long term investment, if the Company holds, directly or indirectly, less than 20% of the joint venture company's registered capital and has neither joint control of, nor is in a position to exercise significant influence over, the joint venture company.

財務報告附註

2002年12月31日

3. 主要會計政策概要(續)

合營公司

合營公司乃按合約安排成立，由此本集團及其他訂約方承擔一經濟活動。該合營公司乃本集團及其他訂約方擁有權益之獨立經營實體。

合營各方訂立之合營公司協議訂明合營各方之出資額、合營期限以及於合營公司解散時將予變現資產之基準。合營公司之經營損益及任何盈餘資產由合營各方按彼等各自之出資額比例或按合營公司協議之條款進行分配。

合營公司被視為：

- (a) 附屬公司，如本公司對合營公司，直接或間接擁有單方面之控制權；
- (b) 共同控權合資公司，如本公司對合營公司沒有單方面控制權，但有直接或間接共同控制權；
- (c) 聯營公司，如本公司沒有單方面或共同之控制權，但直接或間接持有一般不少於20%之合營公司註冊資本及對其有重大影響力；或
- (d) 長期投資，如本公司直接或間接持有不足20%之合營公司註冊資本，且對合營公司沒有共同控制權，或對其有重大影響力。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Associates

An associate is a company, not being a subsidiary or a jointly-controlled entity, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

The Group's share of the post-acquisition results and reserves of associates is included in the consolidated profit and loss account and consolidated reserves, respectively. The Group's interests in associates are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Goodwill

Goodwill arising on the acquisition of subsidiaries and associates represents the excess of the cost of the acquisition over the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition.

Goodwill arising on acquisition is recognised in the consolidated balance sheet as an asset and amortised on the straight-line basis over its estimated useful life of twenty years. In the case of associates, any unamortised goodwill is included in the carrying amount thereof, rather than as a separately identified asset on the consolidated balance sheet.

SSAP 30 "Business combinations" was adopted as at 1 January 2001. Prior to that date, goodwill arising on acquisitions was eliminated against consolidated reserves in the year of acquisition. On the adoption of SSAP 30, the Group applied the transitional provision of SSAP 30 that permitted such goodwill to remain eliminated against consolidated reserves. Goodwill on acquisitions subsequent to 1 January 2001 is treated according to the SSAP 30 goodwill accounting policy above.

財務報告附註

2002年12月31日

3. 主要會計政策概要(續)

聯營公司

聯營公司乃除附屬公司或共同控權合資公司外，本集團長期持有其一般不少於20%之股本投票權，及對其有重大影響力之公司。

本集團所佔聯營公司收購後業績及儲備已分別計入綜合損益賬及綜合儲備內。本集團於聯營公司之權益，按權益會計法計算本集團應佔淨資產，減任何減值虧損，於綜合資產負債表內列賬。

商譽

收購附屬公司及聯營公司產生之商譽乃收購成本超逾於收購當日本集團應佔指定資產及負債之公平價值。

因收購產生之商譽在綜合資產負債表內確認為資產，及以直線法按可使用年期二十年撇銷。至於聯營公司及共同控權合資公司，任何未攤銷商譽已包括在其賬面值，並無於綜合資產負債表內另行列出。

會計實務準則第30號「企業合併」於2001年1月1日採納。在該日以前，因收購產生之商譽於收購年度自綜合儲備撇銷。本集團採納會計實務準則第30號並應用其過渡性條款，准許該等商譽繼續自綜合賬撇銷。2001年1月1日後續收購之商譽按會計實務準則第30號處理。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill (continued)

On disposal of subsidiaries and associates, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of goodwill which remains unamortised and any relevant reserves, as appropriate. Any attributable goodwill previously eliminated against consolidated reserves at the time of acquisition is written back and included in the calculation of the gain or loss on disposal.

The carrying amount of goodwill, including goodwill remaining eliminated against consolidated reserves, is reviewed annually and written down for impairment when it is considered necessary. A previously recognised impairment loss for goodwill is not reversed unless the impairment loss was caused by a specific external event of an exceptional nature that was not expected to recur, and subsequent external events have occurred which have reversed the effect of that event.

Related parties

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

Impairment of assets

An assessment is made at each balance sheet date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's value in use or its net selling price.

財務報告附註

2002年12月31日

3. 主要會計政策概要(續)

商譽(續)

出售附屬公司及聯營公司時，出售損益乃按出售當日之淨資產計算，包括應佔未攤銷商譽及相關儲備；過往於收購時自綜合儲備撇銷之任何應佔商譽應予以撥回，並包括在出售損益之計算內。

商譽之賬面值，包括尚在綜合儲備撇銷之商譽需每年檢核，如有需要則作減值。除非引致此減值損失之特殊外在事件已不復存在，及後續發生之外在事件沖轉其影響，否則，以前已確認之商譽減值損失不得撥回。

關連人士

倘一方可直接或間接控制另一方，或在另一方制訂財務及經營決策時可施以重大影響，彼等便被視為關連人士。倘各方均受共同控制或受共同重大影響，亦被視為關連人士。關連人士可指個人或公司。

資產減值

於每結算日需就任何資產是否出現減值跡象，或是否有跡象於過往年度已確認之資產減值虧損可能不復存在或可能減少，作出評估。如有任何此等現象出現，需就該資產之可收回金額作出估計。資產之可收回金額以使用中資產價值或其淨出售價兩者之較高者為準。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets (continued)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss is credited to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Fixed assets and depreciation

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

財務報告附註

2002年12月31日

3. 主要會計政策概要(續)

資產減值(續)

如資產之賬面值超逾其可收回數額時，減值虧損方予確認。除非該資產以重估數額列賬，減值虧損方根據有關會計政策就該重估資產處理，否則任何減值虧損於產生當期之損益賬內扣除。

僅於釐定資產之可收回數額之估計出現變動時，於先前已確認之減值虧損方可撥回：惟倘若於過往年度並無就該資產確認任何減值虧損，高出於此情況下所釐定之賬面值之數額(扣除任何折舊／攤銷)則不得撥回。

除非該資產以重估數額列賬，減值虧損之撥回方根據有關會計政策就該重估資產處理，否則，任何減值虧損之撥回於產生當期計入損益賬內。

固定資產及折舊

除投資物業外，固定資產乃按成本或估值減累計折舊列賬。成本包括資產之購入價及將該資產運往擬作用途之工作環境及地點之任何直接應佔成本。於固定資產運作後產生之支出，如維修及保養，一般均自費用產生當期之損益賬中扣除。倘若可明確顯示該等支出能令日後使用該資產而獲得更大經濟收益，則該等支出將資本化為該資產之額外成本。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed assets and depreciation (continued)

Changes in the values of fixed assets, other than investment properties, are dealt with as movements in the revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the profit and loss account. Any subsequent revaluation surplus is credited to the profit and loss account to the extent of the deficit previously charged. On disposal of a revalued asset, the relevant portion of the revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

Depreciation is calculated on the straight-line basis to write off the cost or valuation of each asset over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold land held under long and medium term leases	Over the lease terms
Buildings	2.5%
Plant and machinery	10% - 30%
Furniture, fixtures and equipment	20% - 33%
Motor vehicles	30%

The gain or loss on disposal or retirement of a fixed asset recognised in the profit and loss account is the difference between the net sales proceeds and the carrying amount of the relevant asset.

For a transfer from fixed assets to investment properties, the related revaluation surplus included in equity is transferred to the investment property revaluation reserve and remains until subsequent disposal or retirement of the property when the revaluation surplus is transferred to retained profits.

財務報告附註

2002年12月31日

3. 主要會計政策概要(續)

固定資產及折舊(續)

除投資物業外，固定資產價值之改變作重估儲備變動處理。倘此儲備之總額不足以抵銷按個別資產基準計算之虧損，超出之虧損自損益賬中扣除。後續任何重估盈餘按先前已扣除之虧損為限計入損益賬。在出售經重估的資產，有關先前已實現的重估儲備部分轉至保留溢利，作為儲備之變動。

折舊乃按個別資產之估計可使用年期以直線法撇銷其成本或估值。計算折舊之主要年率如下：

長期及中期租賃	
土地	按尚餘租期
樓宇	2.5%
廠房設備及機器	10% - 30%
傢俬、裝置及設備	20% - 33%
汽車	30%

於損益賬中確認之出售或報廢固定資產之利潤或虧損乃有關資產淨銷售所得與賬面值之差額。

固定資產轉撥為投資物業，其已計入權益內之有關重估盈餘將撥往投資物業重估儲備中，並保留至該物業日後出售或報廢時，其重估盈餘撥往保留溢利。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and which are intended to be held on a long term basis for their investment potential, any rental income being negotiated at arm's length. Such properties are not depreciated and are stated at their open market values on the basis of annual professional valuations performed at the end of each financial year.

Changes in the values of investment properties are dealt with as movements in the investment property revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on a portfolio basis, the excess of the deficit is charged to the profit and loss account. Any subsequent revaluation surplus is credited to the profit and loss account to the extent of the deficit previously charged.

On disposal of an investment property, the relevant portion of the investment property revaluation reserve realised in respect of previous valuations is released to the profit and loss account.

Intangible assets

Intangible assets, representing eligibility rights to trade on or through The Stock Exchange of Hong Kong Limited ("Stock Exchange Trading Rights") and Hong Kong Futures Exchange Limited ("Futures Exchange Trading Right"), are stated at cost less accumulated amortisation and any impairment losses.

Amortisation is calculated on the straight-line basis over a period of ten years to write off the cost of the rights.

Other assets

Other assets held on a long term basis are stated at cost less any impairment losses on an individual asset basis.

財務報告附註

2002年12月31日

3. 主要會計政策概要(續)

投資物業

投資物業指建築及發展工程皆已完成並因其投資潛力而擬長期持有之土地及樓宇權益，任何租金收入乃經公平協商而訂定。此等物業不予折舊，於每財政年度末進行之每年專業評估按公開市值列賬。

投資物業價值之改變以投資物業重估儲備變動處理。倘此儲備之總額不足以抵銷按投資物業組合計算之虧損，超出之虧損自損益賬中扣除。後續任何重估盈餘按先前已扣除之虧損為限計入損益賬。

在出售投資物業時，就先前評估已實現之有關投資物業重估儲備部分轉入損益賬計算。

無形資產

無形資產乃可於或透過香港聯合交易所有限公司(「聯交所交易權」)及香港期貨交易所有限公司(「期交所交易權」)進行交易之權利，按成本減累計攤銷及任何減值虧損列賬。

攤銷乃以直線法計算，按十年攤銷該等權利之成本。

其他資產

長期持有之其他資產乃以個別資產作基準，按成本扣除減值撥備列賬。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long term investments

Long term investments are non-trading investments in listed and unlisted equity securities intended to be held on a long term basis.

Listed securities are stated at their fair values on the basis of their quoted market prices at the balance sheet date, on an individual investment basis. Unlisted securities are stated at their estimated fair values, on an individual basis.

The gains or losses arising from changes in the fair values of securities are dealt with as movements in the long term investment revaluation reserve, until the securities are sold, collected, or otherwise disposed of, or until the securities are determined to be impaired, when the cumulative gain or loss derived from the securities recognised in the long term investment revaluation reserve, together with the amount of any further impairment, is charged to the profit and loss account in the period in which the impairment arises.

Short term investments

Short term investments are investments in listed equity securities held for trading purposes and are stated at their fair values on the basis of their quoted market prices at the balance sheet date, on an individual investment basis. The gains or losses arising from changes in the fair values of securities are credited or charged to the profit and loss account in the period in which they arise.

Inventories

Inventories, principally comprising goods for sale, are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and comprises direct materials, direct labour and an appropriate proportion of production overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

財務報告附註

2002年12月31日

3. 主要會計政策概要(續)

長期投資

長期投資乃非作買賣之上市及非上市股本證券投資，擬作長期持有。

上市證券乃按個別投資基準，根據彼等於結算日之市價作公平價值列賬。非上市證券乃按個別基準，按估計公平價值列賬。

證券公平價值變動所產生之收益或虧損於長期投資重估儲備中處理，直至該等證券被出售、收取或以其他方式處理，或直至該等證券被判斷為已減值，屆時該等證券於長期投資重估儲備已確認之累計收益或虧損，連同任何進一步減值數額，於減值出現當期損益賬中扣除。

短期投資

短期投資乃持作買賣用途之股份證券投資，以個別投資基準，按結算日之市價作公平值入賬。由證券公平值變動而出現之收益或虧損，於當期之損益賬內計入或扣除。

存貨

存貨主要包括銷售貨品，乃按成本或可實現淨值兩者中之較低者列賬。成本是按先入先出法計算，包括直接原料、直接工資及適當比例之生產費用。可實現淨值是根據估計售價減直至完成及出售所需之估計成本。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the balance sheet, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Deferred tax

Deferred tax is provided, using the liability method, on all significant timing differences to the extent it is probable that the liability will crystallise in the foreseeable future. A deferred tax asset is not recognised until its realisation is assured beyond reasonable doubt.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) from the rendering of services, in the period in which such services are performed;
- (c) commissions and brokerage income on dealings in securities and futures contracts, on the transaction dates when the relevant contract notes are executed;

財務報告附註

2002年12月31日

3. 主要會計政策概要(續)

現金及等同現金

就綜合現金流量表而言，現金及等同現金包括流動現金及活期存款及於購入後三個月內到期，可隨時轉換為已知金額現金但價值改變而風險不大之短期高變現能力投資，扣除按要求償還之銀行透支，為本集團現金管理之重要部分。

就資產負債表而言，現金及等同現金包括流動現金及銀行存款，包括有條款存款及性質與現金相似而且其使用不受限制之資產。

遞延稅項

遞延稅項乃按負債法對所有重大時差於可見將來可能引起之負債而撥備。除非確定遞延稅項資產可實現，否則不予確認。

收入確認

當本集團可能有經濟收益並能作出可靠計算，收入按下列基準予以確認：

- (a) 貨品銷售收入，假使本集團對已售貨品已無一般所有權應有之有效管控，在所有權之主要風險及回報轉予買家後確認；
- (b) 提供服務之收入，於提供服務期內確認；
- (c) 證券及期貨合約交易之佣金及經紀收入，在有關合約執行之交易日期確認；

NOTES TO FINANCIAL STATEMENTS

31 December 2002

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

- (d) rental income, on a time proportion basis over the lease terms;
- (e) interest income, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable; and
- (f) dividend income, when the shareholders' right to receive payment has been established.

Employee benefits

Paid leave carried forward

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the balance sheet date is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the balance sheet date for the expected future cost of such paid leave earned during the year by the employees and carried forward.

Prior to the adoption of SSAP 34 during the year, as explained in note 2 to the financial statements, the Group did not accrue for paid annual leave carried forward at the balance sheet date. This change in accounting policy has had no material effect on the prior year's financial statements, but has resulted in the recognition of an accrual for paid holiday carried forward by the Group's employees as at the balance sheet date. Further details are included in note 28 to the financial statements.

Employment Ordinance long service payments

Certain of the Group's employees have completed the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance in the event of the termination of their employment. The Group is liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Employment Ordinance.

財務報告附註

2002年12月31日

3. 主要會計政策概要(續)

收入確認(續)

- (d) 租金收入，於物業出租期內以直線法按租賃年期確認；
- (e) 利息收入，就未清付之本金及有效適用之利率，按時間比例確認；及
- (f) 股息收入，在確定股東收取權利時確認。

僱員福利

結轉有薪假期

本集團根據僱傭合約每年提供有薪年假予其僱員。在若干情況下，有關僱員於結算日尚未提取之假期准予結轉至下年度享用。於結算日，僱員於年內已賺取並予以結轉之有薪假期之預計未來成本需作一項應計費用。

年內採納會計實務準則第34號前，如財務報告附註2所載，本集團於結算日並無提列結轉有薪年假。此項會計政策之改變對上年度之財務報告並無重大影響，但已產生一項須予確認由本集團僱員於結算日結轉有薪假期之應計項目。詳情載於財務報告附註28。

僱傭條例長期服務金

本集團部分僱員已達到服務本集團所需年數，以便符合香港僱傭條例規定，在其僱用終止時，合資格領取長期服務金。倘終止僱用此等符合僱傭條例所列情況下之員工時，本集團須承擔該等款項。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

A contingent liability is disclosed in respect of possible future long service payments to employees, as a number of current employees have achieved the required number of years of service to the Group, to the balance sheet date, in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated in the circumstances specified. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

Pension schemes and other retirement benefits

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance in Hong Kong, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the profit and loss account as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

The employees of the Group's overseas subsidiaries are required to participate in central pension schemes operated by the local municipal governments. These overseas subsidiaries are required to contribute 2% to 25% of its payroll costs to the central pension schemes. The contributions are charged to the profit and loss account as they become payable in accordance with the rules of the central pension schemes.

財務報告附註

2002年12月31日

3. 主要會計政策概要(續)

僱員福利(續)

由於部分現有僱員於結算日已完成本集團規定之服務年數，以便根據僱傭條例尚在若干情況下終止僱用時可符合資格領取長期服務金，須於結算日披露一項有關給予僱員長期服務金之或然負債。鑑於該情況不會令本集團實質資源流出，故無須為此等可行付款作準備確認。

退休金計劃及其他退休福利

本集團根據香港的強制性公積金計劃條例，實行一項界定供款強制性公積金退休利益計劃(「該強制性計劃」)，供合資格之僱員參加。供款乃根據僱員基本薪金之指定百分比提撥，並根據該強制性計劃條款須予供款時於損益賬扣除。該強制性計劃之資產與本集團之資產分開，由獨立管理基金持有。根據該強制性計劃條款，本集團之僱主供款即時及完全歸屬予僱員，至於本集團僱主自願性供款則除外，當僱員於供款完全歸屬前離職，供款退回本集團。

本集團海外附屬公司僱員均須參加由當地市政府運作的中央退休金計劃。此等海外附屬公司須提撥薪金費用之2%至25%為中央退休金計劃供款，並根據中央退休金計劃條款須予供款時於損益賬扣除。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets and rentals receivable under the operating leases are credited to the profit and loss account on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to the profit and loss account on the straight-line basis over the lease terms.

Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the capital and reserves section of the balance sheet, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's Memorandum of Association and Bye-Laws grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

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

財務報告附註

2002年12月31日

3. 主要會計政策概要(續)

經營租約

當資產擁有權之全部回報及風險絕大部分保留於出租人之租約，以經營租約處理。當本集團為出租人，本集團於經營租約下租出資產包括在非流動資產內，於經營租約下之應收租金以直線法按租期計入損益賬內。當本集團為承租人，於經營租約下之應付租金以直線法按租期於損益賬扣除。

股息

董事擬派之末期股息於資產負債表獨立按股本及儲備項下保留溢利分配列賬，直至此等股息獲股東於股東大會批准。當此等股息獲股東批准及宣派後始確認為負債。

中期股息乃同時予以擬派及宣派，此乃本公司組織章程大綱及細則授予董事宣派中期股息之權力。因此，中期股息於擬派及宣派時即確認為負債。

外幣

外幣交易按交易日之適用匯率記錄。於結算日以外幣為單位之貨幣資產及負債均按結算日之適用匯率換算。匯兌差額撥入損益賬處理。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

On consolidation, the financial statements of overseas subsidiaries and associates are translated into Hong Kong dollars using the net investment method. The profit and loss accounts of overseas subsidiaries and associates are translated into Hong Kong dollars at the weighted average exchange rates for the year, and their balance sheets are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. The resulting translation differences are included in the exchange fluctuation reserve.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries and associates are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries and associates which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

Prior to the adoption of the revised SSAPs 11 and 15 during the year, as explained in note 2 to the financial statements, the profit and loss accounts of overseas subsidiaries and associates and the cash flows of overseas subsidiaries and associates were translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. The adoption of the revised SSAP 11 has had no material effect on the financial statements. The adoption of the revised SSAP 15 has resulted in changes to the layout of the consolidated cash flow statement, further details of which are included in note 34 to the financial statements.

財務報告附註

2002年12月31日

3. 主要會計政策概要(續)

外幣(續)

在綜合賬目時，海外附屬公司及聯營公司之財務報告乃按投資淨額法換算為港元。海外附屬公司及聯營公司之損益賬乃按年內之加權平均匯率換算為港元，該等公司之資產負債表乃按結算日之匯率換算為港元。其產生之換算差額計入外匯變動儲備內。

就綜合現金流量表而言，海外附屬公司及聯營公司之現金流量乃按現金流量當日之匯率換算為港元。年內海外附屬公司及聯營公司日常產生之現金流量乃按年內之加權平均匯率換算為港元。

年內採納經修訂之會計實務準則第11號及第15號前，如財務報告附註2所載，海外附屬公司及聯營公司之損益賬及海外附屬公司及聯營公司之現金流量表乃按結算日之匯率換算為港元。採納經修訂之會計實務準則第11號對此財務報告並無重大影響，但採納經修訂之會計實務準則第15號改變綜合現金流量表之呈列方式。詳情載於財務報告附註34。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

4. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. The Group's business segments are identified as follows:

- (a) manufacture and retail of jewellery;
- (b) wholesale of precious metals; and
- (c) securities broking and investments.

In determining the Group's geographical segments, revenues and results are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets. No geographical analysis is presented as over 90% of the Group's revenue and assets are derived from activities in Hong Kong.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

財務報告附註

2002年12月31日

4. 分部資料

分部資料採用以下兩部形式呈報：(i) 按業務分部為主要分部呈報基準；及 (ii) 按地區分部為次要分部呈報基準。

本集團經營之業務乃根據各項業務之性質及所提供之產品及服務分開架構及管理。本集團各項業務分部代表一策略性經營單位，其提供之產品及服務所承擔之風險及回報均有別於其他業務分部。本集團業務分部概要如下：

- (a) 珠寶製造及零售；
- (b) 貴金屬批發；及
- (c) 證券經紀及投資。

確定本集團之地區分部時，收益及業績乃按客戶之位置分配予各分部，資產則按資產之位置予以分配。本集團90%以上之收入及資產均來自香港業務，因此不提供地區性分析。

內部銷售及轉讓乃根據銷售予第三者之售價作為通用市場價格。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

財務報告附註

2002年12月31日

4. SEGMENT INFORMATION (continued)

Business segments

The following tables present revenue, profit and certain asset, liability and other segment information for the Group's business segments.

4. 分部資料(續)

業務分部

下表為本集團業務分部之收益、溢利及若干資產、負債及其他分部資料。

		Group									
		Manufacture and		Wholesale of		Securities broking		Eliminations		Consolidated	
		retail of jewellery		precious metals		and investments		對銷		綜合	
		珠寶製造及零售		貴金屬批發		證券經紀及投資					
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Segment revenue:	分部收益：										
Sales to external customers	銷售予外界客戶	1,931,116	1,842,401	2,857,923	2,811,587	28,520	32,242	—	—	4,817,559	4,686,230
Intersegment sales	內部銷售	46,736	25,761	122,377	229,633	679	660	(169,792)	(256,054)	—	—
Other revenue from external sources	其他外界收益	18,399	12,998	10	20	5,127	4,429	—	—	23,536	17,447
Intersegment other revenue	內部其他收益	3,792	4,523	—	—	8,141	8,720	(11,933)	(13,243)	—	—
Total	總收益	2,000,043	1,885,683	2,980,310	3,041,240	42,467	46,051	(181,725)	(269,297)	4,841,095	4,703,677
Segment results	分部業績	89,569	19,757	5,167	3,379	(12,550)	(1,625)	—	—	82,186	21,511
Interest income	利息收入									6,260	9,416
Dividend income	股息收入									2,777	3,819
Unallocated expenses	未分配費用									(5,583)	(5,652)
Profit from operating activities	經營業務所得溢利									85,640	29,094
Finance costs	財務費用									(1,073)	(781)
Share of profits of associates	應佔聯營公司溢利									1,065	993
Profit before tax	除稅前溢利									85,632	29,306
Tax	稅項									(22,244)	(8,967)
Profit before minority interests	未計少數股東權益前溢利									63,388	20,339
Minority interests	少數股東權益									252	16
Net profit from ordinary activities attributable to shareholders	股東應佔日常業務溢利									63,640	20,355

NOTES TO FINANCIAL STATEMENTS

31 December 2002

財務報告附註

2002年12月31日

4. SEGMENT INFORMATION (continued)

Business segments (continued)

		Group								Consolidated	
		Manufacture and retail of jewellery 珠寶製造及零售		Wholesale of precious metals 貴金屬批發		Securities broking and investments 證券經紀及投資		Eliminations 對銷		綜合	
		2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Segment assets	分部資產	<u>1,844,889</u>	<u>1,677,763</u>	<u>57,117</u>	<u>24,589</u>	<u>850,107</u>	<u>889,114</u>	<u>(603,805)</u>	<u>(562,817)</u>	<u>2,148,308</u>	<u>2,028,649</u>
Interests in associates	於聯營公司權益									<u>7,869</u>	<u>7,782</u>
Unallocated assets	未分配資產									<u>12,416</u>	<u>8,097</u>
Total assets	總資產									<u>2,168,593</u>	<u>2,044,528</u>
Segment liabilities	分部負債	<u>(693,809)</u>	<u>(622,265)</u>	<u>(48,468)</u>	<u>(2,028)</u>	<u>(144,843)</u>	<u>(161,659)</u>	<u>603,805</u>	<u>562,817</u>	<u>(283,315)</u>	<u>(223,135)</u>
Unallocated liabilities	未分配負債									<u>(96,367)</u>	<u>(58,958)</u>
Total liabilities	總負債									<u>(379,682)</u>	<u>(282,093)</u>
Other segment information:	其他分部資料：										
Depreciation and amortisation	折舊及攤銷	<u>39,992</u>	<u>46,656</u>	<u>17</u>	<u>17</u>	<u>4,514</u>	<u>4,418</u>	<u>—</u>	<u>—</u>	<u>44,523</u>	<u>51,091</u>
Impairment loss recognised in the profit and loss account	於損益賬中確認之 減值虧損	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>9,447</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>9,447</u>	<u>—</u>
Capital expenditure	資本開支	<u>13,789</u>	<u>12,897</u>	<u>—</u>	<u>—</u>	<u>1,540</u>	<u>3,302</u>	<u>—</u>	<u>—</u>	<u>15,329</u>	<u>16,199</u>

NOTES TO FINANCIAL STATEMENTS

31 December 2002

5. TURNOVER

Turnover represents the net invoiced value of goods sold, after allowances for returns, trade discounts and value-added tax; commission on securities and commodity broking and rental income earned during the year.

Revenue from the following activities has been included in turnover:

Sales of goods	貨品銷售
Commission on securities and commodity broking	證券及期貨經紀 佣金收入
Gross rental income	總租金收入

財務報告附註

2002年12月31日

5. 營業額

營業額指年內撇除退回、交易折扣與增值稅後售出貨品之發票淨值，證券及期貨經紀佣金收入及租金收入。

以下業務之收益已包括在營業額內：

	2002 HK\$'000 千港元	2001 HK\$'000 千港元
Sales of goods	4,789,039	4,653,988
Commission on securities and commodity broking	22,384	25,875
Gross rental income	6,136	6,367
	<u>4,817,559</u>	<u>4,686,230</u>

NOTES TO FINANCIAL STATEMENTS

31 December 2002

財務報告附註

2002年12月31日

7. FINANCE COSTS

Interest on bank loans and overdrafts wholly repayable within five years
Interest on other loans wholly repayable within five years

須於五年內全數償還之
銀行貸款及透支利息
須於五年內全數償還之
其他貸款利息

7. 財務費用

		Group 集團	
		2002	2001
		HK\$'000	HK\$'000
		千港元	千港元
		746	394
		327	387
		<u>1,073</u>	<u>781</u>

8. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to the Listing Rules and Section 161 of the Companies Ordinance is as follows:

8. 董事酬金

根據上市規則及公司條例第161條之規定，董事酬金披露如下：

Fees
Other emoluments:
Salaries and allowances
Bonuses paid and payable
Pension schemes contributions

袍金
其他酬金：
薪金及津貼
已付及應付紅利
退休金計劃供款

		Group 集團	
		2002	2001
		HK\$'000	HK\$'000
		千港元	千港元
		560	598
		5,274	5,765
		107	149
		130	130
		<u>5,511</u>	<u>6,044</u>
		<u>6,071</u>	<u>6,642</u>

Fees include HK\$240,000 (2001: HK\$240,000) payable to the independent non-executive directors. There were no other emoluments payable to the independent non-executive directors during the year (2001: Nil).

袍金包括240,000港元(2001年：240,000港元)付予獨立非執行董事。年內並無其他酬金付予獨立非執行董事(2001年：零港元)。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

8. DIRECTORS' REMUNERATION (continued)

The number of directors whose remuneration fell within the following bands is as follows:

Nil to HK\$1,000,000	零港元 – 1,000,000港元
HK\$1,000,001 to HK\$1,500,000	1,000,001港元 – 1,500,000港元
HK\$1,500,001 to HK\$2,000,000	1,500,001港元 – 2,000,000港元
HK\$2,000,001 to HK\$2,500,000	2,000,001港元 – 2,500,000港元

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included three (2001: three) directors, details of whose remuneration are set out in note 8 above. The aggregate amount of the remuneration of the five highest paid employees are as follows:

Fees	袍金
Salaries and allowances	薪金及津貼
Bonuses paid and payable	已付及應付紅利
Pension schemes contributions	退休金計劃供款

財務報告附註

2002年12月31日

8. 董事酬金(續)

董事酬金組別分列如下：

Number of directors 董事人數	
2002	2001
5	7
1	1
2	1
—	1
<u>8</u>	<u>10</u>

年內董事並無訂立任何安排放棄或同意放棄任何酬金。

9. 五名最高薪酬僱員

本年度本集團五名最高薪酬僱員包括三名(2001年：三名)董事，其詳細酬金資料於上述附註8披露。五名最高薪酬僱員酬金總額如下：

Group 集團	
2002	2001
HK\$'000	HK\$'000
千港元	千港元
200	200
7,291	7,023
333	342
245	210
<u>8,069</u>	<u>7,775</u>

NOTES TO FINANCIAL STATEMENTS

31 December 2002

9. FIVE HIGHEST PAID EMPLOYEES (continued)

The remuneration of the five highest paid employees fell within the following bands:

		Number of employees 人數	
		2002	2001
Nil to HK\$1,000,000	零港元－1,000,000港元	—	2
HK\$1,000,001 to HK\$1,500,000	1,000,001港元－1,500,000港元	2	1
HK\$1,500,001 to HK\$2,000,000	1,500,001港元－2,000,000港元	3	1
HK\$2,000,001 to HK\$2,500,000	2,000,001港元－2,500,000港元	—	1
		<u>5</u>	<u>5</u>

10. TAX

Hong Kong profits tax has been provided at the rate of 16% (2001: 16%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

		2002 HK\$'000 千港元	2001 HK\$'000 千港元
Group:	集團：		
Hong Kong	香港	23,271	10,186
Elsewhere	其他地區	688	445
Overprovision in prior year	上年度超額準備	(1,614)	(945)
Deferred (note 30)	遞延(附註30)	(254)	(858)
		<u>22,091</u>	<u>8,828</u>
Share of tax attributable to associates	應佔聯營公司稅項	<u>153</u>	<u>139</u>
Tax charge for the year	本年度稅項	<u>22,244</u>	<u>8,967</u>

財務報告附註

2002年12月31日

9. 五名最高薪酬僱員(續)

五名最高薪酬僱員酬金組別分列如下：

10. 稅項

香港利得稅乃按本年度於香港產生之估計應課稅溢利以稅率16%(2001年：16%)計算。其他地區之應課利得稅乃按集團營運地區以現行法則、闡釋及慣例為基礎之通用稅率計算。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

11. NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS

The net profit from ordinary activities attributable to shareholders for the year ended 31 December 2002 dealt with in the financial statements of the Company, is HK\$22,465,000 (2001: HK\$53,412,000).

12. DIVIDENDS

Interim - HK4.0 cents (2001: HK3.0 cents) per ordinary share	中期股息－每股普通股4.0港仙 (2001年：3.0港仙)
Proposed final - HK6.0 cents (2001: HK2.0 cents) per ordinary share	擬派末期股息－每股普通股6.0港仙 (2001年：2.0港仙)

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

13. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the net profit attributable to shareholders for the year of HK\$63,640,000 (2001: HK\$20,355,000), and the 440,000,000 (2001: 440,000,000) ordinary shares in issue during the year.

Diluted earnings per share for the years ended 31 December 2002 and 2001 have not been presented as no diluting events existed during these years.

財務報告附註

2002年12月31日

11. 股東應佔日常業務溢利

於本公司截至2002年12月31日止年度之財務報告中處理之股東應佔日常業務溢利為22,465,000港元(2001年：53,412,000港元)。

12. 股息

2002 HK\$'000 千港元	2001 HK\$'000 千港元
17,600	13,200
26,400	8,800
44,000	22,000

擬派之本年度末期股息須經本公司股東於即將召開之股東週年大會上批准。

13. 每股盈利

每股基本盈利乃按本年度股東應佔溢利63,640,000港元(2001年：20,355,000港元)及年內已發行股份440,000,000(2001年：440,000,000)普通股計算。

由於年內並無攤薄事項，故並無披露截至2002年及2001年12月31日止年度之每股攤薄盈利。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

財務報告附註

2002年12月31日

14. FIXED ASSETS

14. 固定資產

		Group 集團				
		Land and buildings	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Total
		土地及 樓宇	廠房 及機器 設備	傢俬、 裝置 及設備	汽車	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Cost or valuation:	成本或估值：					
At beginning of year	年初	571,033	9,430	146,422	1,702	728,587
Additions	添置	2,922	1,331	10,568	508	15,329
Disposals	出售	—	(147)	(5,806)	—	(5,953)
Exchange realignment	匯兌調整	(1)	(4)	(36)	—	(41)
At 31 December 2002	於2002年12月31日	<u>573,954</u>	<u>10,610</u>	<u>151,148</u>	<u>2,210</u>	<u>737,922</u>
Accumulated depreciation:	累計折舊：					
At beginning of year	年初	103,664	5,090	83,937	1,315	194,006
Provided during the year	年內撥備	14,109	2,043	28,086	223	44,461
Disposals	出售撥回	—	(120)	(4,350)	—	(4,470)
Exchange realignment	匯兌調整	—	(3)	(25)	—	(28)
At 31 December 2002	於2002年12月31日	<u>117,773</u>	<u>7,010</u>	<u>107,648</u>	<u>1,538</u>	<u>233,969</u>
Net book value:	賬面淨值：					
At 31 December 2002	於2002年12月31日	<u>456,181</u>	<u>3,600</u>	<u>43,500</u>	<u>672</u>	<u>503,953</u>
At 31 December 2001	於2001年12月31日	<u>467,369</u>	<u>4,340</u>	<u>62,485</u>	<u>387</u>	<u>534,581</u>

Certain land and buildings of the Group were revalued in 1993 by Knight Frank & Kan, independent professionally qualified valuers, on an open market, existing use basis. As a result, those assets stated at revalued amounts based on revaluations which were reflected in the financial statements for periods ended before 30 September 1995 have not been revalued to their fair values by class at the balance sheet date. Since then, no further revaluations of the Group's leasehold land and buildings have been carried out, as the Group has relied upon the exemption granted under the transitional provisions of SSAP 17, from the requirement to carry out future revaluations of its fixed assets which were stated at valuation at that time.

本集團若干土地及樓宇已於1993年經獨立專業認可測計師簡福銓測量行根據現有用途按公開市值基準重估。因此，反映在1995年9月30日之前之賬目上，根據估值所得之重估金額列賬之資產，於結算日並無按其類別再作市值重估。自此，本集團採納會計實務準則第17號之過渡條款賦予之豁免，根據固定資產之估值列賬，不為其租賃土地及樓宇再作重估。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

財務報告附註

2002年12月31日

14. FIXED ASSETS (continued)

Had these land and buildings been carried at historical cost less accumulated depreciation, their carrying amounts would have been approximately HK\$49,937,000.

The Group's land and buildings included above are held under the following lease terms:

14. 固定資產(續)

倘若此等土地及樓宇以歷史成本減累計折舊列賬，其賬面淨值約49,937,000港元。

本集團上述之土地及樓宇按下列租期持有：

		Hong Kong 香港	Elsewhere 其他地區	Total 合計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At cost:	成本：			
Long term leases	長期租約	666	2,921	3,587
Medium term leases	中期租約	25,666	219	25,885
		<u>26,332</u>	<u>3,140</u>	<u>29,472</u>
At valuation:	估值：			
Long term leases	長期租約	119,500	—	119,500
Medium term leases	中期租約	424,982	—	424,982
		<u>544,482</u>	<u>—</u>	<u>544,482</u>
		<u>570,814</u>	<u>3,140</u>	<u>573,954</u>

At 31 December 2002, certain of the Group's land and buildings with a net book value of approximately HK\$179,180,000 (2001: HK\$186,049,000) were pledged to secure general bank facilities granted to the Group (note 29).

於2002年12月31日，本集團以若干賬面淨值約179,180,000港元(2001年：186,049,000港元)之土地及樓宇作抵押，為本集團所獲一般銀行信貸作擔保(附註29)。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

15. INVESTMENT PROPERTIES

At beginning of year	年初
Additions	添置
Transfer from fixed assets	撥自固定資產
Transfer to fixed assets	撥往固定資產
Deficit on revaluation	重估虧損
At 31 December	於12月31日

The Group's investment properties are held under the following lease terms:

Long term leases:	長期租約：
Hong Kong	香港
Medium term leases:	中期租約：
Hong Kong	香港
Elsewhere	其他地區

The Group's investment properties were revalued on 31 December 2002 by DTZ Debenham Tie Leung Limited, independent professionally qualified valuers, at HK\$94,520,000 on an open market, existing use basis. The investment properties are leased to third parties under operating leases, further summary details of which are included in note 36 to the financial statements.

At 31 December 2002, the Group's investment properties with a value of HK\$39,100,000 (2001: HK\$46,900,000) were pledged to secure general bank facilities granted to the Group (note 29).

財務報告附註

2002年12月31日

15. 投資物業

		Group 集團	
		2002	2001
		HK\$'000	HK\$'000
		千港元	千港元
		106,500	102,743
		—	371
		—	21,250
		—	(743)
		(11,980)	(17,121)
		94,520	106,500

本集團之投資物業按下列租期持有：

		Group 集團	
		2002	2001
		HK\$'000	HK\$'000
		千港元	千港元
		7,870	7,900
		51,050	60,600
		35,600	38,000
		94,520	106,500

於2002年12月31日，本集團之投資物業由獨立專業認可測計師戴德梁行有限公司根據現有用途按公開市值重估為94,520,000港元。該等投資物業按經營租約租予第三者，概要載於財務報告附註36。

於2002年12月31日，本集團以價值39,100,000港元（2001年：46,900,000港元）之投資物業作抵押，為本集團所獲一般銀行信貸作擔保（附註29）。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

財務報告附註

2002年12月31日

16. INTANGIBLE ASSETS

		Group 集團 HK\$'000 千港元
Cost:	成本：	
At beginning of year and at 31 December 2002	年初及於2002年12月31日	620
Accumulated amortisation:	累計攤銷：	
At beginning of year	年初	114
Provided during the year	年內撥備	62
At 31 December 2002	於2002年12月31日	176
Net book value:	賬面淨值：	
At 31 December 2002	於2002年12月31日	444
At 31 December 2001	於2001年12月31日	506

16. 無形資產

17. OTHER ASSETS

		Group 集團	
		2002 HK\$'000 千港元	2001 HK\$'000 千港元
Cost of membership for a seat at The Chinese Gold and Silver Exchange Society	香港金銀業貿易場 會籍費用	1,500	1,500
Deposits with The Stock Exchange of Hong Kong Limited (the "Stock Exchange"):	於香港聯合交易所有限公司 ([「聯交所」])之按金：		
Compensation fund	賠償基金	311	300
Fidelity fund	信用保證基金	300	300
Stamp duty deposit	印花稅按金	75	75
Contributions in cash to Central Clearing and Settlement System Guarantee Fund	於中央結算及交收系統 保證基金之現金供款	300	300
Admission fee paid to Hong Kong Securities Clearing Company Limited	香港中央結算有限公司 之入會費用	400	400
Deposit with the Compensation Fund of Hong Kong Futures Exchange Limited	於期交所賠償基金 之按金	100	100
Deposit with The Hong Kong Futures Exchange Clearing Corporation Limited	於香港期貨交易所結算 有限公司之按金	1,500	1,500
		4,486	4,475

17. 其他資產

NOTES TO FINANCIAL STATEMENTS

31 December 2002

財務報告附註

2002年12月31日

18. INTERESTS IN SUBSIDIARIES

18. 於附屬公司權益

		Company 公司	
		2002	2001
		HK\$'000	HK\$'000
		千港元	千港元
Unlisted shares/investments, at cost	非上市股份／投資，按成本	1,085,873	1,085,873
Due from subsidiaries	附屬公司欠款	429,329	433,269
		<u>1,515,202</u>	<u>1,519,142</u>

The amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

附屬公司欠款為無抵押，不計利息及無固定還款期。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

財務報告附註

2002年12月31日

18. INTERESTS IN SUBSIDIARIES (continued)

Particulars of the subsidiaries are as follows:

Name 名稱	Place of incorporation/ registration and operations 成立／註冊及 經營地點	Nominal value of issued ordinary share capital/ registered capital 已發行普通股本／ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Acclaim Holdings Limited	British Virgin Islands 英屬處女群島	US\$600,000 600,000美元	—	100	Investment holding 控股投資
Chofull Limited	Cook Islands 庫克群島	US\$1 1美元	—	100	Investment holding 控股投資
Chow Sang Sang Bullion Dealers Limited 周生生金號有限公司	Hong Kong 香港	HK\$5,000,000 5,000,000港元	—	100	Bullion trading 期金買賣
Chow Sang Sang Capital Limited 周生生融資有限公司	Hong Kong 香港	HK\$50,000 50,000港元	—	100	Financial services 融資服務
Chow Sang Sang Commodities Limited 周生生商品有限公司	Hong Kong 香港	HK\$5,000,000 5,000,000港元	—	100	Dormant 暫無營業
Chow Sang Sang Corporate Gift Limited 周生生企業禮品有限公司	Hong Kong 香港	HK\$1,000,000 1,000,000港元	—	100	Sale of corporate gift products 企業禮品銷售
Chow Sang Sang Finance Limited 周生生財務有限公司	Hong Kong 香港	HK\$15,000,000 15,000,000港元	—	100	Dormant 暫無營業

18. 於附屬公司權益(續)

附屬公司之詳情如下：

NOTES TO FINANCIAL STATEMENTS

31 December 2002

財務報告附註

2002年12月31日

18. INTERESTS IN SUBSIDIARIES (continued)

18. 於附屬公司權益(續)

Name 名稱	Place of incorporation/ registration and operations 成立/註冊及 經營地點	Nominal value of issued ordinary share capital/ registered capital 已發行普通股本/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Chow Sang Sang Futures Limited 周生生期貨有限公司	Hong Kong 香港	HK\$5,000,000 5,000,000港元	—	100	Commodity broking 期貨經紀
Chow Sang Sang Holdings (BVI) Limited	British Virgin Islands 英屬處女群島	US\$50,000 50,000美元	100	—	Investment holding 控股投資
Chow Sang Sang Holdings Limited 周生生集團有限公司	Hong Kong 香港	HK\$250 250港元	—	100	Investment holding 控股投資
Chow Sang Sang Industrial (Fuzhou) Co., Ltd. [†] 周生生實業(福州) 有限公司 [†]	People's Republic of China 中華人民共和國	HK\$12,180,000 12,180,000港元	—	100	Property investment 物業投資
Chow Sang Sang International (Shunde) Limited 周生生國際(順德) 有限公司	Hong Kong/ People's Republic of China 香港/中華人民 共和國	HK\$2 2港元	—	100	Property investment 物業投資
Chow Sang Sang Investments Limited 周生生投資有限公司	Hong Kong 香港	HK\$2,500,000 2,500,000港元	—	100	Investment holding 控股投資

NOTES TO FINANCIAL STATEMENTS

31 December 2002

財務報告附註

2002年12月31日

18. INTERESTS IN SUBSIDIARIES (continued)

18. 於附屬公司權益(續)

Name 名稱	Place of incorporation/ registration and operations 成立/註冊及 經營地點	Nominal value of issued ordinary share capital/ registered capital 已發行普通股本/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Chow Sang Sang Jewellery (China) Co. Ltd.	British Virgin Islands/ People's Republic of China 英屬處女群島/ 中華人民共和國	US\$1 1美元	—	100	Investment holding 控股投資
Chow Sang Sang Jewellery Company Limited 周生生珠寶金行有限公司	Hong Kong 香港	HK\$30,000,000 30,000,000港元	—	100	Retail of jewellery 珠寶零售
Chow Sang Sang Jewellery Pte Ltd.	Singapore 新加坡	S\$2 2坡元	—	100	Dormant 暫無營業
Chow Sang Sang Jewellery (Shaanxi) Co., Ltd. * † 周生生珠寶金行(陝西) 有限公司* †	People's Republic of China 中華人民共和國	HK\$13,000,000 13,000,000港元	—	100	Manufacture and sale of jewellery 珠寶製造及銷售
Chow Sang Sang Jewellery (Shandong) Co., Ltd. # 周生生珠寶(山東) 有限公司#	People's Republic of China 中華人民共和國	RMB7,000,000 7,000,000人民幣	—	51	Manufacture and sale of jewellery 珠寶製造及銷售

NOTES TO FINANCIAL STATEMENTS

31 December 2002

財務報告附註

2002年12月31日

18. INTERESTS IN SUBSIDIARIES (continued)

18. 於附屬公司權益(續)

Name 名稱	Place of incorporation/ registration and operations 成立/註冊及 經營地點	Nominal value of issued ordinary share capital/ registered capital 已發行普通股本/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Chow Sang Sang Jewellery (Shanghai) Co., Ltd.# 周生生珠寶(上海) 有限公司#	People's Republic of China 中華人民共和國	US\$1,000,000 1,000,000美元	—	61	Manufacture and sale of jewellery 珠寶製造及銷售
Chow Sang Sang Jewellery (Shunde) Ltd. * # 周生生珠寶(順德) 有限公司* #	People's Republic of China 中華人民共和國	HK\$5,000,000 5,000,000港元	—	90	Manufacture and sale of jewellery 珠寶製造及銷售
Chow Sang Sang Jewellery (Taiwan) Limited 周生生珠寶(台灣) 有限公司	British Virgin Islands/ Taiwan 英屬處女群島/ 台灣	US\$50,000 50,000美元	—	100	Sale of jewellery 珠寶銷售
Chow Sang Sang Manufactory Limited 周生生製造廠有限公司	Hong Kong 香港	HK\$7,500,000 7,500,000港元	—	100	Manufacture of jewellery 珠寶製造
Chow Sang Sang Manufacturing International Limited 周生生製造國際有限公司	British Virgin Islands/ People's Republic of China 英屬處女群島/ 中華人民共和國	US\$1 1美元	—	100	Investment holding 控股投資

NOTES TO FINANCIAL STATEMENTS

31 December 2002

財務報告附註

2002年12月31日

18. INTERESTS IN SUBSIDIARIES (continued)

18. 於附屬公司權益(續)

Name 名稱	Place of incorporation/ registration and operations 成立/註冊及 經營地點	Nominal value of issued ordinary share capital/ registered capital 已發行普通股本/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Chow Sang Sang Nominees Limited 周生生代理人有限公司	Hong Kong 香港	HK\$1,000,000 1,000,000港元	—	100	Nominee services 租務及物業 發展代理
Chow Sang Sang Property Holdings N.V.	Netherlands Antilles/ Hong Kong 荷屬安的列斯/ 香港	US\$30,000 30,000美元	—	100	Property investment 物業投資
Chow Sang Sang Properties Limited 周生生置業有限公司	Hong Kong 香港	HK\$10,000,000 10,000,000港元	—	100	Property investment 物業投資
Chow Sang Sang Securities Limited 周生生證券有限公司	Hong Kong 香港	HK\$10,000,000 10,000,000港元	—	100	Securities broking 證券經紀
Chow Sang Sang Securities (HK) Limited 周生生證券(香港) 有限公司	Hong Kong 香港	HK\$10,000,000 10,000,000港元	—	100	Securities broking 證券經紀
Chow Sang Sang Trading (China) Company Limited	British Virgin Islands/ People's Republic of China 英屬處女群島/ 中華人民共和國	US\$1 1美元	—	100	Sale of jewellery 珠寶銷售

NOTES TO FINANCIAL STATEMENTS

31 December 2002

財務報告附註

2002年12月31日

18. INTERESTS IN SUBSIDIARIES (continued)

18. 於附屬公司權益(續)

Name 名稱	Place of incorporation/ registration and operations 成立/註冊及 經營地點	Nominal value of issued ordinary share capital/ registered capital 已發行普通股本/ 註冊股本面值	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Fullink Developments Inc.	British Virgin Islands 英屬處女群島	US\$1 1美元	—	100	Dormant 暫無營業
Leahander International Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	—	100	Investment holding 控股投資
Qatar Management Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	—	100	Investment holding 控股投資
Tsin Chuk Kam Manufactory Limited	British Virgin Islands/ People's Republic of China 英屬處女群島/ 中華人民共和國	US\$100,000 100,000美元	—	100	Processing of jewellery 珠寶加工
World Commercial Sales Company Limited 世界批發行有限公司	Hong Kong 香港	HK\$2,500,000 2,500,000港元	—	100	Wholesale of precious metals 貴金屬批發
338.Net Limited	Hong Kong 香港	HK\$2 2港元	—	100	Technology services 科技服務

* Newly incorporated during the year

† Wholly foreign-owned enterprise

Sino-foreign co-operative joint venture

* 年內新成立

† 全外資擁有企業

中外合資合營公司

NOTES TO FINANCIAL STATEMENTS

31 December 2002

財務報告附註

2002年12月31日

19. INTERESTS IN ASSOCIATES

Share of net assets	所佔淨資產
Loan from an associate	欠聯營公司之貸款
Due to an associate	應付聯營公司欠款

19. 於聯營公司權益

		Group 集團	
		2002	2001
		HK\$'000	HK\$'000
		千港元	千港元
		8,351	8,410
		(403)	(403)
		(79)	(225)
		<u>7,869</u>	<u>7,782</u>

The loan from an associate and the amount due to an associate are unsecured, interest-free and have no fixed terms of repayment.

欠聯營公司之貸款及應付聯營公司欠款為無抵押，不計利息及無固定還款期。

Particulars of the associates are as follows:

聯營公司之詳情如下：

Name 名稱	Business structure 業務架構	Place of incorporation/ registration and operations 成立／註冊及 經營地點	Percentage of ownership interest attributable to the Group 集團應佔權益 百分比		Principal activities 主要業務
			2002	2001	
Foo Sang Enterprises Company Limited 富生置業有限公司	Corporate 公司	Hong Kong 香港	36.63	36.63	Property investment 物業投資
Qingdao Kang Hua Diamond Co., Ltd. 青島康華鑽石有限公司	Corporate 公司	People's Republic of China 中華人民共和國	32	32	Processing of diamonds 鑽石加工

The associates are indirectly held by the Company.

聯營公司由本公司間接持有。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

20. LONG TERM INVESTMENTS

Listed equity investments in
Hong Kong, at market value

香港上市股份投資，
按市值

2002
HK\$'000
千港元

59,814

Unlisted equity investments in
Hong Kong, at fair value

香港非上市股份投資，
按公平價值

7,030

66,844

Group
集團

2001
HK\$'000
千港元

72,327

7,776

80,103

At 31 December 2002, the Group's listed equity investments with a value of HK\$26 million (2001: Nil) were pledged to secure general bank facilities granted to the Group (note 29).

於2002年12月31日，本集團抵押上市股份投資價值26,000,000港元（2001年：零港元），為本集團所獲一般銀行信貸作擔保（附註29）。

21. INVENTORIES

Goods held for sale

持作銷售之貨品

931,066

Group
集團

2002
HK\$'000
千港元

2001
HK\$'000
千港元

856,697

The carrying amount of inventories is arrived at after charging a general provision of HK\$9,101,000 (2001: HK\$9,101,000).

存貨之賬面值已扣除一般撥備9,101,000港元（2001年：9,101,000港元）。

財務報告附註

2002年12月31日

20. 長期投資

21. 存貨

NOTES TO FINANCIAL STATEMENTS

31 December 2002

22. ACCOUNTS RECEIVABLE

The Group's sales are normally on cash basis. Credit is offered to wholesale customers with terms ranging from 15 to 45 days.

An aged analysis of the accounts receivable as at the balance sheet date, based on invoice date, is as follows:

		Group 集團	
		2002	2001
		HK\$'000	HK\$'000
		千港元	千港元
Current to 30 days	現在至30日	50,650	64,730
31 to 60 days	31日至60日	8,710	4,895
Over 60 days	超過60日	4,550	98
		<hr/>	<hr/>
		63,910	69,723
Margin clients accounts receivable *	應收孖展客戶賬款 *	30,726	19,025
		<hr/>	<hr/>
		94,636	88,748
		<hr/> <hr/>	<hr/> <hr/>

* The margin clients accounts receivable are secured by the underlying pledged securities, repayable on demand and bear interest at commercial rates. No aged analysis is disclosed as, in the opinion of the directors, an aged analysis is not relevant in view of the nature of the business of securities margin financing.

財務報告附註

2002年12月31日

22. 應收賬款

本集團銷售一般以現金交易。向批發客戶提供的賒賬期為15至45日。

應收賬款於結算日根據發票日期之賬齡分析如下：

		Group 集團	
		2002	2001
		HK\$'000	HK\$'000
		千港元	千港元
Current to 30 days	現在至30日	50,650	64,730
31 to 60 days	31日至60日	8,710	4,895
Over 60 days	超過60日	4,550	98
		<hr/>	<hr/>
		63,910	69,723
Margin clients accounts receivable *	應收孖展客戶賬款 *	30,726	19,025
		<hr/>	<hr/>
		94,636	88,748
		<hr/> <hr/>	<hr/> <hr/>

* 應收孖展客戶賬款以其證券作抵押，須於要求時償還及按商業條款計息。鑑於證券孖展借貸業務性質，賬齡分析作用不大，董事認為無需披露賬齡分析。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

財務報告附註

2002年12月31日

23. OTHER RECEIVABLES

		Group 集團		Company 公司	
	Note 附註	2002 HK\$'000 千港元	2001 HK\$'000 千港元	2002 HK\$'000 千港元	2001 HK\$'000 千港元
Prepayments and deposits	預付款項及按金	116,418	90,722	73	73
Prepaid tax	預付稅項	1,597	6,567	—	—
Loans to a minority shareholder of a subsidiary	附屬公司 少數股東借款	24 6,596	—	—	—
		<u>124,611</u>	<u>97,289</u>	<u>73</u>	<u>73</u>

24. LOANS TO A MINORITY SHAREHOLDER OF A SUBSIDIARY

The loans to a minority shareholder of a subsidiary are unsecured, bear interest at 6% per annum and repayable within one year.

23. 其他應收賬款

24. 附屬公司少數股東借款

附屬公司少數股東借款為無抵押，按年利率6%計息及須於一年內償還。

25. SHORT TERM INVESTMENTS

		Group 集團	
		2002 HK\$'000 千港元	2001 HK\$'000 千港元
Listed equity investments in Hong Kong, at market value	香港上市股份投資， 按市值	<u>10,555</u>	<u>1,231</u>

25. 短期投資

NOTES TO FINANCIAL STATEMENTS

31 December 2002

財務報告附註

2002年12月31日

26. CASH AND CASH EQUIVALENTS AND PLEDGED TIME DEPOSITS

26. 現金、等同現金及已抵押定期存款

		Group 集團		Company 公司	
		2002 HK\$'000 千港元	2001 HK\$'000 千港元	2002 HK\$'000 千港元	2001 HK\$'000 千港元
Cash and bank balances	現金及銀行存款	50,900	31,231	3	4
Time deposits	定期存款	204,408	154,573	—	—
		<u>255,308</u>	<u>185,804</u>	<u>3</u>	<u>4</u>
Less: Pledged time deposits:	減：已抵押定期存款：				
Pledged for short term bank loans	作短期銀行 貸款抵押	(31,000)	(15,000)	—	—
Pledged for short term bills payable	作短期應付 票據抵押	(9,750)	—	—	—
Pledged for bank facilities	作銀行信貸抵押	(1,000)	(16,000)	—	—
		<u>(41,750)</u>	<u>(31,000)</u>	<u>—</u>	<u>—</u>
Cash and cash equivalents	現金及等同現金	<u>213,558</u>	<u>154,804</u>	<u>3</u>	<u>4</u>

NOTES TO FINANCIAL STATEMENTS

31 December 2002

27. ACCOUNTS PAYABLE

An aged analysis of the accounts payable as at the balance sheet date, based on invoice date, is as follows:

		Group 集團	
		2002 HK\$'000 千港元	2001 HK\$'000 千港元
Current to 30 days	現在至30日	64,774	42,398
31 to 60 days	31日至60日	2,413	2,277
Over 60 days	超過60日	2,743	5,057
		<hr/>	<hr/>
Cash clients accounts payable #	應付現金客戶賬款#	69,930	49,732
Margin clients accounts payable *	應付孖展客戶賬款*	76,847	81,208
		<hr/>	<hr/>
		3,408	13,223
		<hr/>	<hr/>
		150,185	144,163
		<hr/> <hr/>	<hr/> <hr/>

Included in cash clients accounts payable arising from the ordinary course of business of dealing in securities is an amount of approximately HK\$63,266,000 (2001: HK\$60,369,000) representing these client's undrawn monies / excess deposits placed with the Group. The balances are repayable on demand. No aged analysis is disclosed as, in the opinion of the directors, an aged analysis is not meaningful in view of the nature of the business of dealing in securities.

* The margin clients accounts payable are repayable on demand and bear interest at commercial rates. No aged analysis is disclosed as, in the opinion of the directors, an aged analysis is not relevant in view of the nature of the business of securities margin financing.

財務報告附註

2002年12月31日

27. 應付賬款

應付賬款於結算日根據發票日期之賬齡分析如下：

		Group 集團	
		2002 HK\$'000 千港元	2001 HK\$'000 千港元
Current to 30 days	現在至30日	64,774	42,398
31 to 60 days	31日至60日	2,413	2,277
Over 60 days	超過60日	2,743	5,057
		<hr/>	<hr/>
Cash clients accounts payable #	應付現金客戶賬款#	69,930	49,732
Margin clients accounts payable *	應付孖展客戶賬款*	76,847	81,208
		<hr/>	<hr/>
		3,408	13,223
		<hr/>	<hr/>
		150,185	144,163
		<hr/> <hr/>	<hr/> <hr/>

已計入證券買賣業務期間產生之應付現金客戶賬款內之數額約 63,266,000 港元 (2001 年：60,369,000 港元) 為此等客戶存於本集團之備用款項 / 額外按金。餘額須於要求時償還。鑑於證券買賣業務性質，賬齡分析作用不大，董事認為無需披露賬齡分析。

* 應付孖展客戶賬款須於要求時償還及根據商業條款計息。鑑於證券孖展借貸業務性質，賬齡分析作用不大，董事認為無需披露賬齡分析。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

財務報告附註

2002年12月31日

28. OTHER PAYABLES AND ACCRUALS

28. 其他應付賬款及應計項目

		Group 集團		Company 公司	
		2002 HK\$'000 千港元	2001 HK\$'000 千港元	2002 HK\$'000 千港元	2001 HK\$'000 千港元
Accruals and other liabilities	應計項目及其他負債	122,600	77,041	1,051	801
Bills payable	應付票據	9,329	—	—	—
		131,929	77,041	1,051	801

SSAP 34 was adopted during the year, as explained in note 2 and under the heading "Employee benefits" in note 3 to the financial statements. As a result, an accrual is now made at the balance sheet date for the expected future cost of paid annual leave earned during the year by employees, which remains untaken by the employees at the balance sheet date and is permitted to be carried forward and utilised in the following year.

This change in accounting policy has had no material effect on the prior year financial statements, but has resulted in HK\$2,153,000 being included in the balance of the Group's accruals in respect of paid leave carried forward as at 31 December 2002.

會計實務準則第34號於年內採納，詳情載於此財務報告附註2及附註3下標題「僱員福利」內。因此，僱員於年內已賺得而於結算日尚未提取並准予結轉至下年度享用之有薪假期，於結算日提計一項有薪假期預計未來成本之應計費用。

此會計政策改變，對上年度之財務報告並無重大影響。但於2002年12月31日，本集團之應計項目結餘內已為此相關結轉有薪假期提計2,153,000港元。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

財務報告附註

2002年12月31日

29. INTEREST-BEARING BANK BORROWINGS

29. 計息銀行貸款

		Group		Company	
		集團		公司	
		2002	2001	2002	2001
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Bank overdrafts:	銀行透支：				
Secured	抵押	8,784	4,293	—	—
Unsecured	無抵押	378	501	212	328
		<u>9,162</u>	<u>4,794</u>	<u>212</u>	<u>328</u>
Bank loans, secured	銀行貸款，抵押	20,423	10,350	—	—
		<u>29,585</u>	<u>15,144</u>	<u>212</u>	<u>328</u>

The Group's bank facilities are secured by the pledge of the Group's time deposits amounting to HK\$42 million (2001: HK\$31 million) and certain assets of the Group disclosed in notes 14, 15 and 20 to the financial statements.

本集團之銀行信貸以定期存款42,000,000港元(2001年：31,000,000港元)，及若干於財務報告附註14、15及20披露之資產作抵押。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

財務報告附註

2002年12月31日

30. DEFERRED TAX

Balance at beginning of year	年初結餘
Credit for the year (note 10)	年內轉撥(附註10)
Exchange realignment	匯兌調整
At 31 December	於12月31日

30. 遞延稅項

		Group 集團	
		2002	2001
		HK\$'000	HK\$'000
		千港元	千港元
		3,816	4,649
		(254)	(858)
		3	25
		<u>3,565</u>	<u>3,816</u>

The principal components of the Group's provision for deferred tax, and the net deferred tax asset position not recognised in the financial statements are as follows:

本集團遞延稅項撥備之主要成分，及未於財務報告中確認之淨遞延稅項資產情況如下：

		Provided 撥備		Not provided 無撥備	
		2002	2001	2002	2001
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Accelerated depreciation allowances	加速折舊免稅額	3,565	3,816	18	591
Tax losses	稅項虧損	—	—	(8,893)	(6,875)
		<u>3,565</u>	<u>3,816</u>	<u>(8,875)</u>	<u>(6,284)</u>

The revaluation of the Group's investment properties does not constitute a timing difference and, consequently, the amount of potential deferred tax thereon has not been quantified.

重估本集團之投資物業並不構成時差，因此，並無對有關潛在遞延稅項金額作出估計。

No provision has been made for taxes which would arise on the remittance to Hong Kong of retained profits of overseas companies as it is not anticipated that these amounts will be remitted in the near future.

因不預期海外公司之保留溢利在短期內匯往香港，故並無為此等匯款可能產生之稅項作撥備。

The Company had no unprovided deferred tax at the balance sheet date (2001: Nil).

於結算日，本公司並無未撥備之遞延稅項(2001：零港元)。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

財務報告附註

2002年12月31日

31. MINORITY INTERESTS

31. 少數股東權益

		Group 集團	
		2002	2001
		HK\$'000	HK\$'000
		千港元	千港元
Minority interests	少數股東權益	7,406	7,107
Loans from a minority shareholder of a subsidiary	附屬公司少數股東貸款	6,113	1,385
		<u>13,519</u>	<u>8,492</u>

The loans from a minority shareholder of a subsidiary are unsecured, interest-free and not repayable within one year.

附屬公司少數股東貸款為無抵押，不計利息及不會在一年內償還。

32. SHARE CAPITAL

32. 股本

		2002	2001
		HK\$'000	HK\$'000
		千港元	千港元
Authorised:	法定：		
1,000,000,000 ordinary shares of HK\$0.25 each	每股面值0.25港元之 普通股1,000,000,000股	<u>250,000</u>	<u>250,000</u>
Issued and fully paid:	已發行及繳足：		
440,000,000 ordinary shares of HK\$0.25 each	每股面值0.25港元之 普通股440,000,000股	<u>110,000</u>	<u>110,000</u>

NOTES TO FINANCIAL STATEMENTS

31 December 2002

33. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 23 to 24 of the financial statements.

The revised SSAP 11 was adopted during the year, as explained in note 2 and under the heading "Foreign currencies" in note 3 to the financial statements. As a result, the profit and loss accounts of overseas subsidiaries and associates are now translated into Hong Kong dollars at the weighted average exchange rates for the year.

The amount of goodwill arising on the acquisition of subsidiaries in prior years remain eliminated against consolidated retained profits and the capital reserve amounted to HK\$4,832,000.

(b) Company

財務報告附註

2002年12月31日

33. 儲備

(a) 集團

本集團之儲備額及年內及上年度之變動詳情載於財務報告第23頁至第24頁之綜合權益變動表內。

經修訂會計實務準則第11號於年內採納，詳情載於財務報告附註2及附註3下標題「外幣」內。因此，海外附屬公司及聯營公司之損益賬乃按年內之加權平均匯率換算為港元。

上年度因收購附屬公司產生之商譽仍於綜合保留溢利及股本儲備撇銷之數值達4,832,000港元。

(b) 公司

			Contributed surplus 繳入盈餘	Retained profits 保留溢利	Total 合計
	Note 附註		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Balance at 1 January 2001		於2001年1月1日結餘	975,582	392,130	1,367,712
Net profit for the year		年內淨溢利	—	53,412	53,412
Interim 2001 dividend	12	2001年中期股息	—	(13,200)	(13,200)
Proposed final 2001 dividend	12	擬派2001年末期股息	—	(8,800)	(8,800)
At 31 December 2001 and beginning of year		於2001年12月31日及年初	975,582	423,542	1,399,124
Net profit for the year		年內淨溢利	—	22,465	22,465
Interim 2002 dividend	12	2002年中期股息	—	(17,600)	(17,600)
Proposed final 2002 dividend	12	擬派2002年末期股息	—	(26,400)	(26,400)
At 31 December 2002		於2002年12月31日	975,582	402,007	1,377,589

NOTES TO FINANCIAL STATEMENTS

31 December 2002

33. RESERVES (continued)

The Company's contributed surplus arose in 1992 as a result of the Group's reorganisation and represents the difference between the nominal value of the Company's shares allocated under the reorganisation scheme and the then consolidated net asset value of the acquired subsidiaries.

Under the Companies Act 1981 of Bermuda, the contributed surplus is distributable to shareholders under certain circumstances.

34. NOTE TO THE CONSOLIDATED CASH FLOW STATEMENT

Changes to the layout of the consolidated cash flow statement

SSAP 15 (Revised) was adopted during the current year, as detailed in note 2 to the financial statements, which has resulted in a change to the layout of the consolidated cash flow statement. The consolidated cash flow statement is now presented under three headings: cash flows from operating activities, investing activities and financing activities. Previously five headings were used, comprising the three headings listed above, together with cash flows from returns on investments and servicing of finance and from taxes paid. The significant reclassifications resulting from the change in presentation are that taxes paid are now included in cash flows from operating activities, interest received is now included in cash flows from operating activities and cash flows from investing activities, dividends received are now included in cash flows from investing activities and dividends paid are now included in cash flows from financing activities. The presentation of the 2001 comparative consolidated cash flow statement has been changed to accord with the new layout.

財務報告附註

2002年12月31日

33. 儲備(續)

本公司1992年產生之繳入盈餘來自集團重組，指根據重組計劃配發之本公司股份面值與已收購附屬公司當時之綜合資產淨值之差額。

根據百慕達1981年公司法，在若干情況下，繳入盈餘可分派予股東。

34. 綜合現金流量表附註

改變綜合現金流量表之呈列方式

會計實務準則第15號(經修訂)於年內採納，詳情載於此財務報告附註2內，其影響乃改變綜合現金流量表之呈列方式。綜合現金流量表現以三個項目呈報：經營業務、投資業務及融資活動所得現金流量。先前採用之五個項目，包括上述三個項目，及投資回報及融資費用之現金流量及已付稅項。呈列方式上的改變產生之重大重新分類，乃將已付稅項計入經營業務所得現金流量，已收利息計入經營業務所得現金流量及投資業務所得現金流量，已收股息計入投資業務所得現金流量及已付股息計入融資活動所得現金流量。2001年度綜合現金流量比較數字之呈報方式已作改變，以符合新的呈列方式。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

35. CONTINGENT LIABILITIES

- (a) The Company has provided guarantees to the extent of US\$52 million and HK\$2 million (2001: US\$77 million) in respect of gold trading facilities granted to subsidiaries. In addition, corporate guarantees to the extent of HK\$278 million (2001: HK\$256 million) have also been provided by the Company to secure the general bank facilities of certain subsidiaries. As at the balance sheet date, the amounts drawn against the gold trading facilities and general bank facilities amounted to HK\$12,239,000 (2001: HK\$6,944,000) and HK\$11,001,000 (2001: Nil), respectively.
- (b) The Group has a contingent liability in respect of possible future long service payments to employees under the Hong Kong Employment Ordinance, with a maximum possible amount of HK\$1.9 million as at 31 December 2002, as further explained in note 3 to the financial statements. The contingent liability has arisen as a number of current employees have achieved the required number of years of service to the Group, to the balance sheet date, in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated under certain circumstances. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

財務報告附註

2002年12月31日

35. 或然負債

- (a) 本公司為其附屬公司所獲黃金買賣信貸提供52,000,000美元及2,000,000港元(2001年: 77,000,000美元)之擔保。此外,本公司亦為若干附屬公司所獲一般銀行信貸作278,000,000港元(2001年: 256,000,000港元)之公司擔保。於結算日,已使用之黃金買賣信貸及一般銀行信貸額分別為12,239,000港元(2001年: 6,944,000港元)及11,001,000港元(2001年: 零港元)。
- (b) 本集團根據香港僱傭條例為僱員提供長期服務金而須承擔一項於2002年12月31日最高金額可達1,900,000港元之或然負債,詳情載於財務報告附註3。該項或然負債產生,乃由於部分現有僱員於結算日已達到本集團所需之服務年數,以便根據僱傭條例倘在若干情況下終止僱用時可符合資格領取長期服務金。鑑於該情況不會令本集團實質資源流出,故無須為此等可行付款作準備確認。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

36 OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 15) under operating lease arrangements, with leases negotiated for terms ranging from one to five years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 December 2002, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

Within one year	一年內
In the second to fifth years, inclusive	二至五年(包括首尾兩年)

財務報告附註

2002年12月31日

36. 經營租約承擔

(a) 出租人

本集團根據經營租約租出其投資物業(附註15)，經磋商訂定租期為一至五年。租約條款一般要求租客付保證按金及根據普遍市場環境作定期租金調整。

於2002年12月31日，本集團就不可撤銷之經營租約而可於未來收取之最低租賃收款如下：

		Group 集團	
		2002	2001
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	5,201	7,166
In the second to fifth years, inclusive	二至五年(包括首尾兩年)	2,761	4,966
		<u>7,962</u>	<u>12,132</u>

NOTES TO FINANCIAL STATEMENTS

31 December 2002

36. OPERATING LEASE ARRANGEMENTS (continued)

(b) As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to five years.

At 31 December 2002, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

Within one year	一年內
In the second to fifth years, inclusive	二至五年(包括首尾兩年)

財務報告附註

2002年12月31日

36. 經營租約承擔(續)

(b) 承租人

本集團按經營租約承租若干辦公室物業，物業租期經磋商訂定為期一至五年。

於2002年12月31日，本集團就不可撤銷之經營租約而須於未來支付之最低租賃付款如下：

Group	
集團	
2002	2001
HK\$'000	HK\$'000
千港元	千港元
86,499	73,778
84,770	60,667
<u>171,269</u>	<u>134,445</u>

37. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

- The Group advanced RMB7,000,000 to the minority shareholder of a 90% owned subsidiary for its working capital. At 31 December 2002, the outstanding balances of approximately HK\$6,596,000 are unsecured, bear interest at 6% per annum and repayable within one year.
- The Group pledged a time deposit of HK\$10,000,000 to a bank to secure bank loans made available to a 90% owned subsidiary for its working capital. The outstanding bank loans as at 31 December 2002 amounted to HK\$9,423,000.

37. 關連人士交易

除已於財務報告其他部分詳載之交易及結算外，本集團於年內與關連人士進行以下重大交易：

- 本集團預支7,000,000人民幣予一90%持有之附屬公司少數股東作為營運資金。於2002年12月31日，尚欠結餘約6,596,000港元，為無抵押，按年利率6%計息及須於一年內償還。
- 本集團抵押銀行定期存款10,000,000港元，為一90%持有之附屬公司銀行貸款作擔保，作營運資金之用。於2002年12月31日，尚欠銀行貸款9,423,000港元。

NOTES TO FINANCIAL STATEMENTS

31 December 2002

37. RELATED PARTY TRANSACTIONS (continued)

- (c) The Group pledged a time deposit of HK\$6,000,000 to a bank to secure the bank facility made available to a 61% owned subsidiary for its working capital. No amount was drawn against that bank facility as at 31 December 2002.
- (d) The Group and the minority shareholder of a 51% owned subsidiary advanced shareholder loans of US\$946,000 and US\$909,000, respectively, for its working capital. At 31 December 2002, the outstanding shareholders' loans of approximately HK\$17,324,000 in total are unsecured, interest-free and not repayable within one year.
- (e) The Group purchased goods of HK\$2,066,000 from minority shareholders of subsidiaries in the ordinary course of business for a consideration decided between the parties and with reference to the prevailing market prices.

38. COMPARATIVE AMOUNTS

As further explained in note 2 to the financial statements, due to the adoption of certain new and revised SSAPs during the current year, the accounting treatment and presentation of certain items in the financial statements have been revised to comply with the new requirements. Accordingly, certain comparative amounts have been reclassified to conform with the current year's presentation.

39. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 3 April 2003.

財務報告附註

2002年12月31日

37. 關連人士交易 (續)

- (c) 本集團抵押銀行定期存款6,000,000港元，為一61%持有之附屬公司銀行信貸作擔保，作營運資金之用。於2002年12月31日，尚未使用該項銀行信貸。
- (d) 本集團及本集團持有51%之附屬公司少數股東，分別預付股東貸款946,000美元及909,000美元，作營運資金。於2002年12月31日，尚欠股東貸款合計約17,324,000港元，為無抵押，不計利息及不會在一年內償還。
- (e) 本集團於日常業務運作期間及基於雙方協議之市場價格，向附屬公司少數股東購貨2,066,000港元。

38. 比較數字

如財務報告附註2所載，因年內採納若干新訂及經修訂會計實務準則，在財務報告中若干項目之會計處理及呈報已經修訂，以符合新訂要求。因此，若干調整及若干比較數額已重新分類，以符合本年度之呈報方式。

39. 財務報告之批核

本財務報告於2003年4月3日經董事會批核。