

NOTES TO THE ACCOUNTS

賬目附註

1. BASIS OF PREPARATION

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants (“HKSA”). The accounts have been prepared under the historical cost convention as modified by the revaluation of certain land and buildings.

In the current year, the Group adopted the following Statements of Standard Accounting Practice (“SSAPs”) issued by the HKSA which are effective for accounting periods commencing on or after 1st January 2002:

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

The accounting policies below have adopted these new and revised standards.

2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated accounts are set out below:

(a) Basis of consolidation

The consolidated accounts include the accounts of the Company and its subsidiaries made up to 31st March. Subsidiaries are those entities in which the Company, directly or indirectly, controls more than half of the voting power; has the power to govern the financial and operating policies; to appoint or remove the majority of the members of the board of directors; or to cast majority of votes at the meetings of the board of directors.

1. 編製基準

賬目乃根據香港普遍採納之會計原則及香港會計師公會頒佈之會計標準編製。賬目乃根據歷史成本常規法編製，並因應若干土地及樓宇之重估價值而作出修訂。

於本年度，本集團採用以下由香港會計師公會頒佈之會計實務準則（「會計實務準則」），該等會計實務準則於2002年1月1日或以後開始之會計期間生效：

會計實務準則	
第1號（經修訂）	: 呈報財務報表
會計實務準則	
第11號（經修訂）	: 外幣換算
會計實務準則	
第15號（經修訂）	: 現金流量表
會計實務準則第34號	: 僱員福利

下列會計政策已採用該等新及經修訂準則。

2. 主要會計政策

本公司於編製該等綜合賬目時所採用之主要會計政策如下：

(a) 綜合賬目基準

綜合賬目包括本公司及其附屬公司截至3月31日止之賬目。附屬公司乃本公司直接或間接控制其半數以上投票權、有權控制其財政及營運政策、委任或撤換大多數董事會成員或於董事會上有大多數投票權之公司。

2. PRINCIPAL ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

The gain or loss on disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any unamortised goodwill or negative goodwill or goodwill/negative goodwill taken to reserves and which was not previously charged or recognised in the consolidated profit and loss account.

Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

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

Capital reserve arising on shares exchanged on merger represents the difference between the nominal value of the shares of the subsidiaries acquired and the nominal value of the shares issued by the Company as consideration thereof.

2. 主要會計政策 (續)

(a) 綜合賬目基準 (續)

所有集團內公司間之重大交易及結餘已於綜合賬目時對銷。

出售附屬公司之收益或虧損指出售所得收入與本集團所佔其資產淨值之差額，連同之前並未在綜合損益表內支銷或入賬之任何未攤銷商譽或負商譽及已在儲備記賬之商譽／負商譽。

少數股東權益指外界股東在附屬公司之經營業績及資產淨值中擁有之權益。

在本公司之資產負債表內，附屬公司之投資以成本值扣除減值虧損準備入賬。本公司將附屬公司之業績按已收及應收股息基準入賬。

合併時交換股份所產生之資本儲備乃指所收購附屬公司股份之面值與本公司所發行以作為代價之股份之面值兩者間之差額。

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2. PRINCIPAL ACCOUNTING POLICIES (cont'd)

(b) Property, plant and equipment

Leasehold land and buildings comprise retail shops and other properties such as office premises. Retail shops are stated at cost, less accumulated depreciation and accumulated impairment losses. Other properties are interests in leasehold land and buildings other than retail shops and are stated at valuation, less subsequent accumulated depreciation and accumulated impairment losses. The valuation, being fair value at the date of valuation, is determined by the directors based on independent valuations which are performed every three years. In the intervening years, the directors review the carrying value of the land and buildings and adjustment is made where there has been a material change. Increases in valuation are credited to the revaluation reserve. Decreases in valuation are first offset against increases on earlier valuations in respect of the same property and are thereafter debited to operating profit. Any subsequent increases are credited to operating profit up to the amount previously debited. Upon the disposal of a property, the relevant portion of the realised revaluation reserve in respect of previous valuations is transferred from the revaluation reserve to retained earnings.

Other tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Leasehold land is depreciated on a straight-line basis over the unexpired period of the lease. Leasehold buildings are depreciated on a straight-line basis over the unexpired periods of the leases or their expected useful lives to the Group, whichever is shorter.

2. 主要會計政策 (續)

(b) 物業、機器及設備

租賃土地及樓宇由零售商舖及其他物業(例如辦公室)組成。零售商舖乃按成本值扣除其後累積折舊及累積減值虧損列賬。其他物業乃零售商舖以外租賃土地及樓宇之權益，按估值扣除其後累積折舊及累積減值虧損列賬。估值乃於估值日期之公平價值，由董事根據每隔三年進行一次之獨立估值釐定。於兩次獨立估值期間之年度，董事將審閱土地及樓宇之賬面值，並於出現重大轉變時作出調整。估值增加將計入重估儲備。估值虧損將首先在有關同一項物業之先前所增加之估值中扣除，其後再在經營溢利中扣除。任何隨後出現在估值上之增加，最高按先前所扣除之數額計入經營溢利中。於出售物業時，就先前估值之變現之重估儲備有關部份，將由重估儲備轉撥至保留盈利。

其他有形固定資產以成本值扣除累積折舊及累積減值虧損列賬。

租賃土地以直線法按未屆滿之租約年期折舊。租賃樓宇以直線法按未屆滿之租約年期或按其對本集團之預計可使用年期(以較短者為準)折舊。

2. PRINCIPAL ACCOUNTING POLICIES (cont'd)

(b) Property, plant and equipment (cont'd)

Other tangible fixed assets are depreciated at rates sufficient to write off their cost less accumulated impairment losses over their estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Leasehold improvements	20% or over the unexpired lease period, whichever is shorter
Furniture and fixtures	20%
Motor vehicles	20%
Plant and machinery	20%

Major costs incurred in restoring fixed assets to their normal working condition are charged to the profit and loss account. Improvements are capitalised and depreciated over their expected useful lives to the Group.

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that assets included in leasehold land and buildings and other tangible fixed assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss account except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that same asset, in which case it is treated as a revaluation decrease.

The gain or loss on disposal of a fixed asset is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the profit and loss account. Any revaluation reserve balance remaining attributable to the relevant asset is transferred to retained earnings and is shown as a movement in reserves.

2. 主要會計政策 (續)

(b) 物業、機器及設備 (續)

其他有形固定資產之折舊乃將資產成本值按其預計可使用年期以直線法撇銷。主要折舊年率為：

租賃物業裝修	20%或按租約尚餘期間(以較短者為準)
傢俬裝置	20%
汽車	20%
機器及設備	20%

將固定資產重修至其正常運作狀態之重大支出均在損益表支銷。資產改良成本均資本化，並按其對本集團之預計可使用年期折舊。

於每個結算日，本集團均會考慮內部及外界資料來源，以評核有否任何跡象顯示租賃土地及樓宇及其他有形固定資產有減值虧損。倘出現任何上述跡象，則會估計資產之可收回金額，並在合適情況下確認減值虧損以將資產值降至其可收回金額。該等減值虧損於損益表入賬，惟倘資產以估值列賬，而減值虧損不超過同一資產之重估盈餘，則被視作重估減值。

出售固定資產之收益或虧損指出售所得收入淨額與有關資產賬面價值之差額，並在損益表入賬。有關資產應佔之任何重估儲備結餘轉撥至保留盈利，並列作儲備變動。

NOTES TO THE ACCOUNTS

賬目附註

2. PRINCIPAL ACCOUNTING POLICIES (cont'd)

(c) Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Payments made under operating leases net of any incentive received from the leasing company are charged to the profit and loss account on a straight-line basis over the lease periods.

(d) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition. In accordance with SSAP 30, goodwill on acquisitions occurring on or after 1st April 2001 is included in intangible assets and is amortised using the straight-line method over its estimated useful life of not exceeding 20 years.

Goodwill on acquisitions that occurred prior to 1st April 2001 was written off against reserves. The Group has elected the transitional provision 1(a) set out in paragraph 88 of SSAP 30 and goodwill previously written off against reserves has not been restated. However any impairment arising on such goodwill is accounted for in the consolidated profit and loss account.

The gain or loss on disposal of a subsidiary includes the unamortised balance of goodwill relating to the subsidiary disposed of or, for acquisitions prior to 1st April 2001, the related goodwill written off against reserves to the extent it has not previously been realised in the consolidated profit and loss account.

2. 主要會計政策 (續)

(c) 經營租賃

經營租賃指擁有資產之一切回報及風險實質上仍屬於出租公司之租賃。根據經營租賃支付之租金扣除租賃公司所給予之獎勵金後以直線法按租期在損益表支銷。

(d) 商譽

商譽指本集團收購附屬公司之成本超出本集團所佔購入附屬公司於收購日的資產淨值。根據會計實務準則第30號，於2001年4月1日或其後的收購之商譽列入無形資產，並以直線法以不超過20年之預計可使用年期攤銷。

於2001年4月1日前所作收購之商譽已於儲備撇銷。本集團已選擇會計實務準則第30號第88段所載之過渡條文1(a)，並無重列早前於儲備撇銷之商譽。然而，因該商譽而產生之任何減值虧損已計入綜合損益表內。

出售附屬公司之收益或虧損包括與所出售之附屬公司有關商譽之未攤銷結餘，或倘若於2001年4月1日前所作收購則包括已於儲備中撇銷但從未於綜合損益表內變現之有關商譽。

2. PRINCIPAL ACCOUNTING POLICIES (cont'd)

(e) Other investments

Other investments are stated at cost less any provision for impairment losses.

The carrying amounts of individual investments are reviewed at each balance sheet date to assess whether the fair values have declined below the carrying amounts. When a decline other than temporary has occurred, the carrying amount of such securities will be reduced to its fair value. The impairment loss is recognised as an expense in the profit and loss account. This impairment loss is written back to the profit and loss account when the circumstances and events that led to the write-downs or write-offs cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes direct materials and direct labour. In general, costs are assigned to individual items on the first-in, first-out basis. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(g) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

2. 主要會計政策 (續)

(e) 其他投資

其他投資按成本值扣除任何減值撥備後列賬。

個別投資之賬面值乃於每年結算日進行複核，以評核其公平價值是否已跌至低於其賬面值。倘某項投資項目出現非屬暫時性質之減值，則該等證券之賬面值將下調至公平價值。減值虧損於損益表確認為開支。倘導致撇減或撇銷之情況或事項不再存在，而且有力證據顯示，新情況或事項將於可見將來持續，則減值虧損將撥回損益表。

(f) 庫存

庫存乃按成本值或可變現淨值兩者之較低者入賬。成本值包括直接材料及工資。一般而言，成本值以先入先出法計算入個別產品內。可變現淨值乃按預計銷售所得款項扣除估計銷售費用計算。

(g) 撥備

本集團由於過往事項而負上現有法律性或推定性責任，而解除責任時有可能消耗資源，並可作出可靠之金額估計時，則會確認撥備。

NOTES TO THE ACCOUNTS

賬目附註

2. PRINCIPAL ACCOUNTING POLICIES (cont'd)

(h) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

(i) Deferred taxation

Deferred taxation is accounted for at the current tax rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset is expected to be payable or recoverable in the foreseeable future.

(j) Translation of foreign currencies

Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the profit and loss account.

The balance sheet of subsidiaries expressed in foreign currencies are translated at the rates of exchange ruling at the balance sheet date whilst the profit and loss is translated at an average rate. Exchange differences are dealt with as a movement in reserves.

2. 主要會計政策 (續)

(h) 或然負債

或然負債指因已發生的事件而可能引起之責任，此等責任需就某一宗或多宗事件會否發生才能確認，而集團並不能完全控制這些未來事件會否實現。或然負債亦可能是因已發生的事件引致之現有責任，但由於可能不需要消耗經濟資源，或責任金額未能可靠地衡量而未有入賬。

或然負債不會被確認，但會於賬目附註內披露。倘消耗經濟資源發生之機會出現變動，以致可能需要消耗經濟資源，則會確認為一項撥備。

(i) 遞延稅項

遞延稅項乃按預期在可見將來產生因計算稅項之盈利與賬目所列之盈利兩者之時間差異所引起之負債或資產，以現行稅率計算。

(j) 外幣換算

以外幣為本位之交易，均按交易當日之匯率折算。於結算日以外幣顯示之貨幣資產與負債則按結算日之匯率折算。由此產生之滙兌差額均計入損益表。

附屬公司以外幣顯示之資產負債表均按結算日之匯率折算，而損益表則按平均匯率折算。滙兌差額作為儲備變動入賬。

2. PRINCIPAL ACCOUNTING POLICIES (cont'd)

(j) Translation of foreign currencies (cont'd)

In prior years, the profit and loss accounts of foreign enterprises were translated at closing rate. This is a change in accounting policy, however, the translation of the profit and loss accounts of foreign enterprises in prior years has not been restated as the effect of this change is not material to the current and prior years.

(k) Revenue recognition

Revenue from the sale of goods, at invoiced value net of sales discounts and returns, is recognised on the transfer of risks and rewards of ownership. This generally coincides with the time when cash is received for retail sales and when the goods are delivered to customers and the title has passed for credit sales.

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

Consultancy fee income and service income in respect of technical support and consultancy services are recognised on an accrual basis and are determined in accordance with the terms of the service agreement.

Commission income in relation to introducing brokerage activities is recorded in the accounts based on trade dates. Accordingly, only those transactions whose trade dates fall within the accounting year have been taken into account.

2. 主要會計政策 (續)

(j) 外幣換算 (續)

在以往年度，海外企業之損益表均以結算日之匯率折算。這構成會計政策之變動，但由於有關變動對本年度及上年度之影響不大，故並無將海外企業在以往年度之損益換算重列。

(k) 收益確認

銷貨收益(按發票值減去銷售折扣及退貨後計算)在擁有權之風險及回報轉移後確認，風險及回報之轉移通常與零售時收取現金以及賒貨銷售時貨品付運予客戶及所有權轉讓同時發生。

利息收入在計及未償還本金額及適用利率後按時間比例確認。

有關提供技術支援及顧問服務之顧問費收入及服務收入按應計基準確認，並根據相關服務協議之條款釐訂。

有關經紀介紹業務之佣金收入乃根據交易日期記錄於賬目內。因此，只有交易日期屬會計年度內之交易始予入賬。

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2. PRINCIPAL ACCOUNTING POLICIES (cont'd)

(1) Employee benefits

(i) Employee leave entitlements

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

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

(ii) Profit sharing and bonus plans

Provisions for profit sharing and bonus plans are recognised when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(iii) Pension obligations

The Group operates a defined contribution Mandatory Provident Fund retirement scheme (the "MPF Scheme") which is registered under the Mandatory Provident Fund Schemes Ordinance in Hong Kong. The assets of the MPF Scheme are held in a separate administered fund. The MPF Scheme is generally funded by payments from employees and by the Group.

The Group's contributions to the MPF Scheme are expensed as incurred and are reduced by the employer's voluntary contribution forfeited from the MPF Scheme by those employees who leave the scheme prior to vesting fully in the contributions.

2. 主要會計政策 (續)

(1) 僱員福利

(i) 僱員休假權利

僱員享有年假之權利於此等權利產生時確認。本集團就截至結算日止僱員提供服務而產生之年假之估計負債作出撥備。

僱員享有病假及分娩假之權利不作確認，直至僱員正式休假為止。

(ii) 利潤分享及花紅計劃

當本集團因為僱員已提供之服務而產生現有法律性或推定性責任，而責任金額能可靠估算時，則將利潤分享及花紅之預計成本確認為負債入賬。

(iii) 退休金責任

本集團設有一項根據香港強制性公積金計劃條例登記註冊之界定供款強制性公積金退休計劃（「強積金計劃」），有關資產乃由一獨立管理基金持有。該強積金計劃通常由僱員及本集團供款。

本集團對該強積金計劃所作供款於發生時作為費用支銷，而員工在全數取得既得利益前退出計劃而被沒收之僱主自願性供款，將會用作扣減供款。

2. PRINCIPAL ACCOUNTING POLICIES (cont'd)

(l) Employee benefits (cont'd)

(iv) Equity compensation benefits

No employee benefit cost or obligation is recognised at the date of grant when the Group grants share options to its employees, including executive directors. When the options are exercised, the proceeds received net of any transaction costs are credited to share capital (nominal value) and share premium.

(m) Related parties

For the purposes of these accounts, a party is considered to be related to the Group if the Group has the ability, directly or indirectly, to control that party or exercise significant influence over that 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.

(n) Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing products or services (business segment), or 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 determined that business segments be presented as the primary reporting format and geographical segments as the secondary reporting format.

2. 主要會計政策 (續)

(l) 僱員福利 (續)

(iv) 權益補償福利

當本集團將購股權授予其僱員(包括執行董事)之時,不會將僱員福利或責任確認。當該等購股權獲行使時,其實收款項扣除任何交易成本之後,將計入股本(面值)及股份溢價。

(m) 有關連人士

就該等賬目而言,倘本集團有能力直接或間接控制該人士或對該人士就作出財務及營運決策行使重大影響力,或為相反情況,或於本集團及該人士受同一控制或同一重大影響時,該等人士被視為與本集團有關連。有關連人士可以為個別人士或其他實體。

(n) 分部呈報

分部指本集團從事提供產品或服務(業務分部)或於特定經濟環境內提供產品或服務(地區分部)(惟須受有別於其他分部所受之風險及回報)之明顯組成部分。

根據本集團之內部財務申報,本集團決定將業務分部呈列為主要呈報方式而地區分部為從屬呈報方式。

NOTES TO THE ACCOUNTS

賬目附註

2. PRINCIPAL ACCOUNTING POLICIES (cont'd)

(n) Segment reporting (cont'd)

Unallocated costs represent corporate expenses. Segment assets consist primarily of fixed assets, rental deposits paid, inventories, receivables and operating cash, and mainly exclude other investments. Segment liabilities comprise operating liabilities and exclude items such as taxation. Capital expenditure comprises additions to fixed assets, including additions resulting from acquisitions through purchases of subsidiaries.

In respect of geographical segment reporting, sales are based on the country in which the customer is located. Total assets and capital expenditure are where the assets are located.

Inter-segment sales are accounted for based on competitive market price charged to third party customers for similar goods and services.

2. 主要會計政策 (續)

(n) 分部呈報 (續)

未分配成本指企業開支。分部資產主要包括固定資產、已付租金按金、庫存、應收賬項及經營現金，主要不包括其他投資。分部負債包括經營負債，並不包括稅項等項目。資本性開支包括購入固定資產的費用，其中包括因收購附屬公司而添置之固定資產。

就地區分部呈報而言，銷售乃按照客戶所在國家而定。資產總值及資本開支乃按資產所在地計算。

分部間之銷售乃按照就類似貨品及服務向第三者客戶收取之具競爭力市價計算。

3. REVENUE, TURNOVER AND SEGMENT INFORMATION

The Group is principally engaged in the retailing and wholesaling of gold jewellery and gold ornaments, gem-set jewellery and gemstones, and other accessory items. The Group also provides technical support and consultancy services to certain licensees, and quality control of jewellery products. Revenues recognised during the year are as follows:

		2003 <i>HK\$'000</i> 千港元	2002 <i>HK\$'000</i> 千港元
Turnover	營業額		
Sale of goods	銷售貨品	1,461,763	1,478,806
Other revenues	其他收入		
Service income	服務收入	6,478	4,507
Consultancy fee income	顧問費收入	3,246	4,080
Interest income	利息收入	897	2,044
Commission income	佣金收入	1,461	927
Others	其他	1,704	931
		<u>13,786</u>	<u>12,489</u>
Total revenues	總收益	<u>1,475,549</u>	<u>1,491,295</u>

Primary reporting format – business segments

The Group is organised mainly in Hong Kong into two major business segments:

- Retailing of jewellery
- Manufacturing and wholesaling of jewellery

Other operations of the Group mainly comprise securities broking and investments, and services relating to internet and software development.

3. 收入、營業額及分部資料

本集團主要從事金飾與黃金裝飾品、鑲石首飾及寶石以及其他配飾之零售及批發業務。本集團亦向若干特許商提供技術支援及顧問服務以及首飾產品之品質監控。年內確認之收入如下：

		2003 <i>HK\$'000</i> 千港元	2002 <i>HK\$'000</i> 千港元
Turnover	營業額		
Sale of goods	銷售貨品	1,461,763	1,478,806
Other revenues	其他收入		
Service income	服務收入	6,478	4,507
Consultancy fee income	顧問費收入	3,246	4,080
Interest income	利息收入	897	2,044
Commission income	佣金收入	1,461	927
Others	其他	1,704	931
		<u>13,786</u>	<u>12,489</u>
Total revenues	總收益	<u>1,475,549</u>	<u>1,491,295</u>

主要呈報方式 – 業務分部

本集團主要於香港從事兩個主要業務分部：

- 首飾零售
- 首飾生產及批發

本集團其他業務主要包括證券代理及投資以及有關互聯網及軟件開發之服務。

NOTES TO THE ACCOUNTS

賬目附註

3. REVENUE, TURNOVER AND SEGMENT INFORMATION (cont'd)

3. 收入、營業額及分部資料 (續)

Primary reporting format – business segments (cont'd)

主要呈報方式 – 業務分部 (續)

		Retailing		Manufacturing and wholesaling		Other operations		Eliminations		Group	
		零售		生產及批發		其他業務		撤銷		本集團	
		2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
		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	
Sales to external customers	對外客戶銷售額	1,375,891	1,380,983	85,872	97,800	-	23	-	-	1,461,763	1,478,806
Inter-segment sales	分部間銷售額	3,846	2,957	301,284	265,802	-	-	(305,130)	(268,759)	-	-
Other revenues from external customers	來自對外客戶之其他收入	91	-	9,516	8,994	3,282	1,451	-	-	12,889	10,445
Inter-segment other revenues	分部間之其他收入	-	440	-	-	934	455	(934)	(895)	-	-
Total	總額	1,379,828	1,384,380	396,672	372,596	4,216	1,929	(306,064)	(269,654)	1,474,652	1,489,251
Segment results	分部業績	77,880	91,133	14,576	12,196	(5,737)	(4,848)	(2,679)	(436)	84,040	98,045
Interest income	利息收入									897	2,044
Unallocated costs	未分配成本									(27,392)	(21,537)
Operating profit	經營溢利									57,545	78,552
Finance costs	財務成本									(25)	(24)
Profit before taxation	除稅前溢利									57,520	78,528
Taxation	稅項									(11,408)	(13,901)
Profit after taxation	除稅後溢利									46,112	64,627
Minority interests	少數股東權益									(329)	(402)
Profit attributable to shareholders	股東應佔溢利									45,783	64,225

3. REVENUE, TURNOVER AND SEGMENT INFORMATION (cont'd)

3. 收入、營業額及分部資料 (續)

Primary reporting format – business segments (cont'd)

主要呈報方式 – 業務分部 (續)

		Retailing		Manufacturing and wholesaling		Other operations		Eliminations		Group	
		零售		生產及批發		其他業務		撤銷		本集團	
		2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
		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	458,306	414,769	170,053	153,840	15,732	18,744	(78,927)	(71,941)	565,164	515,412
Unallocated assets	未分配資產									61,980	91,084
Total assets	總資產									627,144	606,496
Segment liabilities	分部負債	(108,826)	(101,098)	(57,142)	(54,092)	(715)	(543)	78,927	71,941	(87,756)	(83,792)
Unallocated liabilities	未分配負債									(10,200)	(8,075)
Total liabilities	總負債									(97,956)	(91,867)
Depreciation	折舊										
– allocated	– 已分配	7,927	10,686	1,383	1,620	630	706	–	–	9,940	13,012
– unallocated	– 未分配									2,954	2,397
										12,894	15,409
Capital expenditure	資本開支										
– allocated	– 已分配	8,200	6,503	6,267	3,165	155	422	–	–	14,622	10,090
– unallocated	– 未分配									5,479	13,551
										20,101	23,641
Deficit on revaluation of land and buildings	土地及樓宇重估虧絀										
– allocated	– 已分配	42	323	–	–	–	–	–	–	42	323
– unallocated	– 未分配									1,884	357
										1,926	680

NOTES TO THE ACCOUNTS

賬目附註

3. REVENUE, TURNOVER AND SEGMENT INFORMATION (cont'd)

Secondary reporting format – geographical segments

No geographical analysis is presented as over 90% of the Group's revenue, results and assets are derived from activities in Hong Kong during the two years ended 31st March 2002 and 2003.

4. OPERATING PROFIT

Operating profit is stated after crediting and charging the following:

3. 收入、營業額及分部資料 (續)

從屬呈報方式 – 地區分部

由於截至2002年及2003年3月31日止兩個年度本集團逾90%之收益、業績及資產均來自香港之業務，故並無呈列按地區分部之分析。

4. 經營溢利

經營溢利已計入及扣除下列項目：

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
<i>Crediting</i>	計入		
Write-back of impairment loss on other investments	撥回其他投資 減值虧損	–	1,006
Net exchange gains	滙兌收益淨額	–	759
Reversal of provision for long service payments included in staff costs	包括在員工成本項下之 長期服務金撥備之撥回	–	361
Write-back of provision for slow-moving inventories	撥回滯銷存貨撥備	2,637	–
		2,637	–
<i>Charging</i>	扣除		
Cost of inventories sold	已售存貨成本	1,160,047	1,159,746
Depreciation of fixed assets	固定資產折舊	12,894	15,409
Deficit on revaluation of land and buildings	土地及樓宇重估虧絀	1,926	680
Loss on disposal of fixed assets	出售固定資產之虧損	727	176
Operating lease rentals in respect of land and buildings	土地及樓宇經營 租賃之租金	51,238	50,360
Auditors' remuneration	核數師酬金	1,572	1,470
Staff costs (including directors' emoluments)	員工成本 (包括董事酬金)	117,954	113,050
Retirement benefit costs included in staff costs (note 10)	計於員工成本項下之 退休福利成本 (附註10)	3,559	5,004
Provision for slow-moving inventories	滯銷存貨撥備	–	1,575
Write-off of slow-moving inventories	滯銷存貨撇銷	–	1,339
Net loss on disposal of other investments	出售其他投資之虧損淨額	–	1,555
Provision for impairment loss on other investments	其他投資減值撥備	–	900
		–	900

5. FINANCE COSTS

Interest on bank overdrafts 銀行透支利息

6. TAXATION

The amount of taxation charged to the consolidated profit and loss account represents:

Hong Kong profits tax 香港利得稅
Over provision in prior years 往年度超額準備

Hong Kong profits tax has been provided at the rate of 16% (2002: 16%) on the estimated assessable profit for the year.

There was no material unprovided deferred taxation for the year.

7. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The profit attributable to shareholders is dealt with in the accounts of the Company to the extent of HK\$70,204,000 (2002: HK\$12,439,000).

5. 財務費用

2003 HK\$'000 千港元	2002 HK\$'000 千港元
-------------------------	-------------------------

25	24
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6. 稅項

在綜合損益表內支銷之稅項如下：

2003 HK\$'000 千港元	2002 HK\$'000 千港元
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12,155	14,603
(747)	(702)

11,408	13,901
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香港利得稅乃按照本年度估計應課稅溢利按稅率16% (2002年：16%) 提撥準備。

本年度無重大未經撥備遞延稅項。

7. 股東應佔溢利

在本公司賬目內所處理之股東應佔溢利為70,204,000港元 (2002年：12,439,000港元)。

NOTES TO THE ACCOUNTS

賬目附註

8. DIVIDENDS

8. 股息

		2003 <i>HK\$'000</i> 千港元	2002 <i>HK\$'000</i> 千港元
2001/2002 final, paid, of HK\$0.05 (2000/2001 final: HK\$0.05) per ordinary share	已付2001/2002年度末期股息 每股普通股0.05港元 (2000/2001年度 末期股息：0.05港元)	23,704	23,306
2002/2003 interim, paid, of HK\$0.02 (2001/2002 interim: HK\$0.025) per ordinary share	已付2002/2003年度中期股息 每股普通股0.02港元 (2001/2002年度 中期股息：0.025港元)	9,493	11,712
2002/2003 final, proposed on 23rd July 2003, of HK\$0.04 (2001/2002 final: HK\$0.05) per ordinary share (<i>note</i>)	於2003年7月23日擬派2002/2003年 度末期股息每股普通股0.04港元 (2001/2002年度末期股息： 0.05港元) (<i>附註</i>)	18,987	23,704
		28,480	35,416

Note: At a meeting held on 23rd July 2003, the directors declared a final dividend of HK\$0.04 per ordinary share. This proposed dividend is not reflected as a dividend payable in these accounts, but will be reflected as an appropriation of retained earnings for the year ending 31st March 2004.

附註： 於2003年7月23日召開之會議上，董事建議分派末期股息每股普通股0.04港元。此項擬派股息並無於本賬目中列為應付股息，但將於截至2004年3月31日止年度列作保留盈利分派。

9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit attributable to shareholders of HK\$45,783,000 (2002: HK\$64,225,000) and the weighted average number of 473,815,212 (2002: 466,661,716) ordinary shares in issue during the year.

The calculation of diluted earnings per share is based on the Group's profit attributable to shareholders of HK\$45,783,000 (2002: HK\$64,225,000) and the weighted average number of 484,350,454 (2002: 475,495,555) ordinary shares in issue during the year after adjusting for the effects of all potential dilutive ordinary shares deemed to be issued at no consideration if all outstanding share options granted under the share option scheme of the Company had been exercised.

10. RETIREMENT BENEFIT COSTS

All statutory contributions under MPF Scheme are immediately fully vested on the employees.

During the year, the Group's contributions to the retirement scheme are as follows:

Gross contributions	供款總額	5,020	5,033
Forfeited contributions used by the Group to reduce the existing level of contributions	本集團用以扣減現有供款水平之被沒收供款	(1,461)	(29)
Net contributions charged to consolidated profit and loss account	年內於綜合損益表中支銷之供款淨額	3,559	5,004

At 31st March 2003, there was no unutilised forfeited contributions (2002: HK\$974,000).

9. 每股盈利

每股基本盈利乃根據年內之本集團股東應佔溢利45,783,000港元(2002年: 64,225,000港元)及年內已發行普通股之加權平均數473,815,212股(2002年: 466,661,716股)計算。

每股攤薄盈利乃根據本集團之股東應佔溢利45,783,000港元(2002年: 64,225,000港元)及年內所有受潛在攤薄普通股之影響作出調整後(假設因所有根據本公司購股權計劃授出之尚未行使購股權已被行使後,以不收取代價方式下已發行之普通股股份)之已發行普通股之加權平均數484,350,454股(2002年: 475,495,555股)計算。

10. 退休福利成本

根據強積金計劃所作出之所有法定供款將即時全數歸於僱員所有。

年內,本集團向退休計劃之供款如下:

	2003 HK\$'000 千港元	2002 HK\$'000 千港元
	5,020	5,033
	(1,461)	(29)
	<u>3,559</u>	<u>5,004</u>

於2003年3月31日,沒有尚未動用之被沒收供款(2002年: 974,000港元)。

NOTES TO THE ACCOUNTS

賬目附註

11. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The aggregate amounts of emoluments payable to the directors of the Company during the year are as follows:

Fees	袍金
Basic salaries, housing allowances, other allowances and benefits in kind	基本薪金、房屋津貼、其他津貼及實物利益
Performance/discretionary bonuses	按表現／酌情發放之花紅
Directors' pensions	董事退休金
Benefit from exercise of share options	行使購股權所得利益

Directors' fees disclosed above include HK\$220,000 (2002: HK\$220,000) paid to the independent non-executive directors.

11. 董事及高級管理人員酬金

(a) 董事酬金

年內向本公司董事支付之酬金總額如下：

	2003 HK\$'000 千港元	2002 HK\$'000 千港元
	825	825
	8,476	7,903
	1,329	1,856
	261	260
	—	357
	<u>10,891</u>	<u>11,201</u>

以上所披露之董事袍金包括支付給獨立非執行董事之220,000港元(2002年：220,000港元)。

11. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (cont'd)

(a) Directors' emoluments (cont'd)

The emoluments of the directors fell within the following bands:

Nil零	– HK\$1,000,000港元
HK\$1,000,001港元	– HK\$1,500,000港元
HK\$5,000,001港元	– HK\$5,500,000港元
HK\$5,500,001港元	– HK\$6,000,000港元

No directors waived their emoluments in respect of the years ended 31st March 2002 and 2003.

(b) Five highest paid individuals

Among the five highest paid individuals, four (2002: four) of them are directors of the Company and the details of their remuneration have been disclosed in the preceding paragraph. The amounts of the remaining highest paid individual whose emoluments, which fell within the emolument band of HK\$1,500,001 to HK\$2,000,000 (2002: HK\$1,500,001 to HK\$2,000,000), are as follows:

		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
Basic salaries, housing allowances, other allowances and benefits in kind	基本薪金、房屋津貼 其他津貼及實物利益	1,308	1,325
Performance/discretionary bonus	按表現／酌情發放之花紅	300	420
Pensions	退休金	49	48
		<u>1,657</u>	<u>1,793</u>

11. 董事及高級管理人員酬金 (續)

(a) 董事酬金 (續)

介乎下列酬金組別之董事人數如下：

	Number of directors 董事人數	
	2003	2002
Nil零	8	7
HK\$1,000,001港元	3	4
HK\$5,000,001港元	–	1
HK\$5,500,001港元	1	–
	<u>12</u>	<u>12</u>

截至2002年及2003年3月31日止年度，並無董事放棄收取酬金。

(b) 五位最高薪酬人士

本年度本公司5位最高薪酬人士包括4位(2002年：4位)本公司董事，其酬金詳情已載於上文，其餘1名最高薪人士之酬金介乎1,500,001港元至2,000,000港元之間(2002年：1,500,001港元至2,000,000港元)，現分析如下：

NOTES TO THE ACCOUNTS

賬目附註

12. FIXED ASSETS

12. 固定資產

Group	集團	Leasehold land and buildings		Leasehold improvements	Furniture and fixtures	Motor vehicles	Plant and machinery	Total
		Retail shops 租賃土地及樓宇 零售商舖	Other properties 其他物業					
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Cost or valuation	成本或估值							
At 1st April 2002	於2002年4月1日	28,292	13,887	44,353	19,098	2,402	3,506	111,538
Additions	添置	–	5,735	8,527	4,639	993	207	20,101
Revaluation adjustment	重估調整	–	(2,427)	–	–	–	–	(2,427)
Transfer between categories	各類資產之間轉撥	–	–	123	(123)	–	–	–
Disposals	出售	–	–	(1,755)	(1,307)	(1,606)	(117)	(4,785)
At 31st March 2003	於2003年3月31日	28,292	17,195	51,248	22,307	1,789	3,596	124,427
Accumulated depreciation	累積折舊							
At 1st April 2002	於2002年4月1日	1,698	223	34,148	13,424	953	1,998	52,444
Charge for the year	本年度折舊	566	392	8,078	2,948	358	552	12,894
Revaluation adjustment	重估調整	–	(501)	–	–	–	–	(501)
Transfer between categories	各類資產之間轉撥	–	–	63	(63)	–	–	–
Disposals	出售	–	–	(1,739)	(1,007)	(565)	(109)	(3,420)
At 31st March 2003	於2003年3月31日	2,264	114	40,550	15,302	746	2,441	61,417
Net book value	賬面淨值							
At 31st March 2003	於2003年3月31日	26,028	17,081	10,698	7,005	1,043	1,155	63,010
At 31st March 2002	於2002年3月31日	26,594	13,664	10,205	5,674	1,449	1,508	59,094

The analysis of the cost or valuation of the above assets is as follows: 上述資產之成本或估值分析如下:

At 31st March 2003	於2003年3月31日							
At cost	成本值	28,292	–	51,248	22,307	1,789	3,596	107,232
At professional valuation – 2003	專業估值 – 2003年	–	11,460	–	–	–	–	11,460
At directors' valuation – 2003	董事估值 – 2003年	–	5,735	–	–	–	–	5,735
		28,292	17,195	51,248	22,307	1,789	3,596	124,427
At 31st March 2002	於2002年3月31日							
At cost	成本值	28,292	–	44,353	19,098	2,402	3,506	97,651
At professional valuation – 2002	專業估值 – 2002年	–	2,700	–	–	–	–	2,700
At directors' valuation – 2002	董事估值 – 2002年	–	11,187	–	–	–	–	11,187
		28,292	13,887	44,353	19,098	2,402	3,506	111,538

12. FIXED ASSETS (cont'd)

Net book value of leasehold land and buildings comprises:

		Group 集團			
		2003		2002	
		Retail shops 零售商鋪 HK\$'000 千港元	Other properties 其他物業 HK\$'000 千港元	Retail shops 零售商鋪 HK\$'000 千港元	Other properties 其他物業 HK\$'000 千港元
Leasehold properties held	在香港持有				
in Hong Kong under	之租賃物業				
– long leases	– 長期租約	26,028	8,130	26,594	10,865
– medium term leases	– 中期租約	–	2,030	–	1,300
		<u>26,028</u>	<u>10,160</u>	<u>26,594</u>	<u>12,165</u>
Leasehold properties held	在海外持有				
overseas under	之租賃物業				
– long leases	– 長期租約	–	1,301	–	–
– medium term leases	– 中期租約	–	5,620	–	1,499
		<u>–</u>	<u>6,921</u>	<u>–</u>	<u>1,499</u>
		<u>26,028</u>	<u>17,081</u>	<u>26,594</u>	<u>13,664</u>

Certain other properties were revalued on 31st March 2003 on the basis of open market value by FPD Savills (HK) Limited, an independent professional valuer.

The directors of the Company have reviewed the carrying value of the remaining other properties at 31st March 2003 and are of the opinion that the fair value is not materially different from the carrying amount.

The carrying amount of these revalued other properties would have been HK\$17,081,000 (2002: HK\$13,664,000) had they been stated at cost less accumulated depreciation and accumulated impairment losses.

12. 固定資產 (續)

租賃土地及樓宇之賬面淨值分別為：

		Group 集團			
		2003		2002	
		Retail shops 零售商鋪 HK\$'000 千港元	Other properties 其他物業 HK\$'000 千港元	Retail shops 零售商鋪 HK\$'000 千港元	Other properties 其他物業 HK\$'000 千港元
Leasehold properties held	在香港持有				
in Hong Kong under	之租賃物業				
– long leases	– 長期租約	26,028	8,130	26,594	10,865
– medium term leases	– 中期租約	–	2,030	–	1,300
		<u>26,028</u>	<u>10,160</u>	<u>26,594</u>	<u>12,165</u>
Leasehold properties held	在海外持有				
overseas under	之租賃物業				
– long leases	– 長期租約	–	1,301	–	–
– medium term leases	– 中期租約	–	5,620	–	1,499
		<u>–</u>	<u>6,921</u>	<u>–</u>	<u>1,499</u>
		<u>26,028</u>	<u>17,081</u>	<u>26,594</u>	<u>13,664</u>

若干其他物業已於2003年3月31日由獨立專業估值師第一太平戴維斯按公開市值重估。

本公司之董事已於2003年3月31日審閱剩餘其他物業之賬面值，並認為公平值與賬面值無重大差異。

假若其他物業以成本值扣除累積折舊及累積減值虧損列賬，則其賬面值應為17,081,000港元(2002年：13,664,000港元)。

NOTES TO THE ACCOUNTS

賬目附註

13. INVESTMENTS IN SUBSIDIARIES

Unlisted investments, at cost 非上市投資，按成本值
Loans to subsidiaries 向附屬公司之貸款

Particulars of the principal subsidiaries are set out on pages 81 to 83.

Loans to subsidiaries are unsecured, interest-free and not repayable within the next twelve months.

14. OTHER INVESTMENTS

Unlisted investments, at cost 非上市投資，按成本值
Less: Provision for impairment losses 減：減值虧損撥備

Shares listed in Hong Kong, at cost 於香港上市之股份，按成本值

Market value of listed shares 上市股份市值

13. 附屬公司投資

		Company 公司	
		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
		298,887	298,887
		120,521	120,533
		419,408	419,420

主要附屬公司之詳情載於第81至第83頁。

向附屬公司之貸款為無抵押、免息及毋須於未來12個月內償還。

14. 其他投資

		Group 集團	
		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
		3,080	1,980
		—	(900)
		3,080	1,080
		—	1,623
		3,080	2,703
		—	1,623

15. INVENTORIES

At 31st March 2003, the carrying amount of inventories that are carried at net realisable value amounted to HK\$5,493,000 (2002: HK\$4,992,000).

16. AMOUNTS DUE FROM/TO SUBSIDIARIES

The amounts due from/to subsidiaries are unsecured, interest-free and repayable on demand.

17. TRADE RECEIVABLES

The majority of the Group's sales are on cash basis. Credit sales are mainly for the Group's wholesale customers with terms of 30 to 90 days.

The ageing analysis of trade receivables is as follows:

0 – 30 days	0至30日
31 – 60 days	31至60日
61 – 90 days	61至90日
91 – 120 days	91至120日
Over 120 days	超過120日

15. 庫存

於2003年3月31日，以可變現淨值列賬之庫存之賬面值為5,493,000港元(2002年：4,992,000港元)。

16. 應收／應付附屬公司賬項

應收／應付附屬公司賬項為無抵押、免息及須於提出要求時即時償還。

17. 貿易應收賬項

本集團大部份銷售均以現金進行。賒售主要為本集團之批發客戶而設，而信貸期為30至90日。

貿易應收賬項之賬齡分析如下：

		Group 集團	
		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
		10,209	12,756
		85	475
		8	34
		–	–
		15	2
		<u>10,317</u>	<u>13,267</u>

NOTES TO THE ACCOUNTS

賬目附註

18. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables and their ageing analysis is as follows:

		Group 集團	
		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
0 – 30 days	0至30日	36,662	36,180
31 – 60 days	31至60日	14,074	12,261
61 – 90 days	61至90日	4,539	3,933
91 – 120 days	91至120日	3,989	941
Over 120 days	超過120日	39	296
		59,303	53,611

19. SHARE CAPITAL

19. 股本

		2003		2002	
		No. of shares	HK\$'000	No. of shares	HK\$'000
		股份數目	千港元	股份數目	千港元
Authorised:	法定股本：				
Ordinary shares	每股面值0.1港元				
of HK\$0.1 each	之普通股	800,000,000	80,000	800,000,000	80,000
Issued and fully paid:	已發行及繳足股本：				
Ordinary shares	每股面值0.1港元				
of HK\$0.1 each	之普通股				
At the beginning of	年初	470,398,850	47,040	464,771,850	46,477
the year					
Exercise of share option	行使購股權	4,276,000	427	5,627,000	563
At the end of the year	年終	474,674,850	47,467	470,398,850	47,040

18. 貿易及其他應付賬項

計入貿易及其他應付賬項之貿易應付賬項之賬齡分析如下：

19. SHARE CAPITAL (cont'd)

The Company has a share option scheme under which the directors may, at their discretion, grant employees, including any executive directors, of the Company and/or any of its subsidiaries, options to subscribe for shares in the Company, subject to the terms and conditions stipulated in the share option scheme.

During the year, no such options were granted.

Options to subscribe for 4,276,000 ordinary shares in the Company were exercised at a price of HK\$0.34 per share during the year. The premium on the issue of the shares of HK\$1,027,000 was credited to the share premium account.

At 31st March 2003, there were 17,833,000 share options outstanding which are exercisable at HK\$0.34 per share at any time prior to 13th June 2010.

20. RESERVES

- (a) The reserves of the Group and Company as at 31st March 2003 are analysed as follows:

		Group		Company	
		集團	公司	集團	公司
		2003	2002	2003	2002
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Reserves	儲備	458,266	439,936	407,922	365,171
Proposed final dividend (note 8)	擬派末期股息 (附註8)	18,987	23,704	18,987	23,704
Total reserves	總儲備	477,253	463,640	426,909	388,875

19. 股本 (續)

本公司設有一項購股權計劃，據此董事可根據購股權計劃所訂條款及條件，酌情向本公司及／或其任何附屬公司之僱員 (包括任何執行董事) 授出可認購本公司股份之購股權。

年內，概無授出該等購股權。

年內，可認購本公司4,276,000股普通股之購股權已按每股0.34港元之價格行使。發行股份之溢價1,027,000港元已計入股份溢價賬。

於2003年3月31日，共有17,833,000份未行使購股權，可於2010年6月13日前任何時間按每股0.34港元之價格行使。

20. 儲備

- (a) 本集團及本公司於2003年3月31日之儲備現分析如下：

NOTES TO THE ACCOUNTS

賬目附註

20. RESERVES (cont'd)

(b) Group

		Share premium 股份溢價 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1st April 2001	於2001年4月1日	52,226	135,713	245,143	433,082
Exercise of share options	行使購股權	1,351	–	–	1,351
Profit attributable to shareholders	股東應佔溢利	–	–	64,225	64,225
2000/2001 final dividend paid (note 8)	2000/2001年度已付 末期股息 (附註8)	–	–	(23,306)	(23,306)
2001/2002 interim dividend paid (note 8)	2001/2002年度已付 中期股息 (附註8)	–	–	(11,712)	(11,712)
		<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 2002	於2002年3月31日	53,577	135,713	274,350	463,640
At 1st April 2002	於2002年4月1日	53,577	135,713	274,350	463,640
Exercise of share options (note 19)	行使購股權 (附註19)	1,027	–	–	1,027
Profit attributable to shareholders	股東應佔溢利	–	–	45,783	45,783
2001/2002 final dividend paid (note 8)	2001/2002年度已付 末期股息 (附註8)	–	–	(23,704)	(23,704)
2002/2003 interim dividend paid (note 8)	2002/2003年度已付 中期股息 (附註8)	–	–	(9,493)	(9,493)
		<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 2003	於2003年3月31日	54,604	135,713	286,936	477,253

20. 儲備 (續)

(b) 集團

20. RESERVES (cont'd)

20. 儲備 (續)

(c) Company

(c) 公司

		Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 實繳盈餘 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1st April 2001	於2001年4月1日	52,226	298,687	59,190	410,103
Exercise of share options	行使購股權	1,351	–	–	1,351
Profit for the year	本年度溢利	–	–	12,439	12,439
2000/2001 final dividend paid (note 8)	2000/2001年度已付 末期股息 (附註8)	–	–	(23,306)	(23,306)
2001/2002 interim dividend paid (note 8)	2001/2002年度已付 中期股息 (附註8)	–	–	(11,712)	(11,712)
		<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 2002	於2002年3月31日	53,577	298,687	36,611	388,875
		<hr/>	<hr/>	<hr/>	<hr/>
At 1st April 2002	於2002年4月1日	53,577	298,687	36,611	388,875
Exercise of share options (note 19)	行使購股權 (附註19)	1,027	–	–	1,027
Profit for the year	本年度溢利	–	–	70,204	70,204
2001/2002 final dividend paid (note 8)	2001/2002年度已付 末期股息 (附註8)	–	–	(23,704)	(23,704)
2002/2003 interim dividend paid (note 8)	2002/2003年度已付 中期股息 (附註8)	–	–	(9,493)	(9,493)
		<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 2003	於2003年3月31日	54,604	298,687	73,618	426,909
		<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE ACCOUNTS

賬目附註

20. RESERVES (cont'd)

- (d) The contributed surplus of the Company represents the difference between the nominal value of the shares issued by the Company in exchange for all the issued ordinary shares of Luk Fook Investment (B.V.I.) Limited and the value of net assets of the underlying subsidiaries acquired by the Company as at 17th April 1997. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to the shareholders, provided that the Company would, after the payment of dividends out of the contributed surplus, be able to pay its liabilities as they become due; or the realisable value of the Company's assets would thereby not be less than the aggregate of its liabilities, its issued share capital and its share premium. At the group level, the contributed surplus is reclassified into its component of reserves of the underlying subsidiaries.
- (e) At 31st March 2003, goodwill written off against the Group's capital reserves as a result of the acquisition of subsidiaries prior to 1st April 2001 amounted to HK\$4,147,000 (2002: HK\$4,147,000).

20. 儲備 (續)

- (d) 本公司之實繳盈餘指本公司為交換Luk Fook Investment (B.V.I.) Limited全部已發行普通股而所發行之股份面值與於1997年4月17日本公司所收購之有關附屬公司資產淨值兩者之差額。根據百慕達1981年公司法(經修訂)，實繳盈餘可派發予各股東，惟本公司從實繳盈餘派付股息後，必須能於負債到期時清償債務或於作出宣派後，本公司資產之可變現淨值將不會少於其債務、已發行股本及其股份溢價賬之總和。於集團賬內，此實繳盈餘經重新分類為各有關附屬公司之各項儲備中。
- (e) 於2003年3月31日，因本集團於2001年4月1日前收購附屬公司而對本集團資本儲備撇銷之商譽達4,147,000港元(2002年：4,147,000港元)。

21. NOTES TO CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of profit before taxation to net cash inflow generated from operating activities

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Profit before taxation	除稅前溢利	57,520	78,528
Depreciation	折舊	12,894	15,409
Deficit on revaluation of land and buildings	重估土地及樓宇虧絀	1,926	680
Provision for impairment loss on other investments	其他投資減值撥備	-	900
Write-back of impairment loss on investment securities	其他投資證券減值虧損撥回	-	(1,006)
Loss on disposal of fixed assets	出售固定資產之虧損	727	176
Net loss on disposal of other investments	出售其他投資之淨虧損	-	1,555
Interest paid	已付利息	25	24
Interest income	利息收入	(897)	(2,044)
Operating profit before working capital changes	營運資金變動前之經營溢利	72,195	94,222
Increase in rental deposits paid	已付租金按金增加	(1,469)	(49)
(Increase)/decrease in inventories	庫存之(增加)/減少	(61,800)	19,423
Decrease/(increase) in trade and other receivables, deposits and prepayments	貿易及其他應收賬項、按金、預付賬項之減少/(增加)	134	(5,737)
Increase in trade and other payables	貿易及其他應付賬項之增加	5,105	12,738
Net cash inflow generated from operating activities	經營活動產生之現金流入淨額	<u>14,165</u>	<u>120,597</u>

21. 綜合現金流量表附註

(a) 除稅前溢利與經營活動之現金流入淨額之對賬表

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Profit before taxation	除稅前溢利	57,520	78,528
Depreciation	折舊	12,894	15,409
Deficit on revaluation of land and buildings	重估土地及樓宇虧絀	1,926	680
Provision for impairment loss on other investments	其他投資減值撥備	-	900
Write-back of impairment loss on investment securities	其他投資證券減值虧損撥回	-	(1,006)
Loss on disposal of fixed assets	出售固定資產之虧損	727	176
Net loss on disposal of other investments	出售其他投資之淨虧損	-	1,555
Interest paid	已付利息	25	24
Interest income	利息收入	(897)	(2,044)
Operating profit before working capital changes	營運資金變動前之經營溢利	72,195	94,222
Increase in rental deposits paid	已付租金按金增加	(1,469)	(49)
(Increase)/decrease in inventories	庫存之(增加)/減少	(61,800)	19,423
Decrease/(increase) in trade and other receivables, deposits and prepayments	貿易及其他應收賬項、按金、預付賬項之減少/(增加)	134	(5,737)
Increase in trade and other payables	貿易及其他應付賬項之增加	5,105	12,738
Net cash inflow generated from operating activities	經營活動產生之現金流入淨額	<u>14,165</u>	<u>120,597</u>

NOTES TO THE ACCOUNTS

賬目附註

21. NOTES TO CONSOLIDATED CASH FLOW STATEMENT (cont'd)

(b) Disposal of a subsidiary

Net assets disposed	已出售淨資產
Other receivables	其他應收賬項
Satisfied by cash	以現金支付

During the year, the Group disposed of its 100% interest in Freeview International Limited. Prior to the disposal, operating loss of HK\$98,000 (2002: HK\$480,000) has been taken up by the Group for the year.

22. COMMITMENTS

(a) Capital commitments

Contracted but not provided for property, plant and equipment	已訂約但未作出撥備物業、機器及設備
Authorised but not contracted for property, plant and equipment	已批准但未訂約物業、機器及設備

21. 綜合現金流量表附註 (續)

(b) 出售一間附屬公司

2003	2002
HK\$'000	HK\$'000
千港元	千港元
2,310	—
2,310	—

年內，本集團已出售於Freeview International Limited之100%權益。於出售前，本集團年內已承擔98,000港元(2002年：480,000港元)之經營虧損。

22. 承擔

(a) 資本承擔

Group	
集團	
2003	2002
HK\$'000	HK\$'000
千港元	千港元
2,751	1,893
2,380	1,739

22. COMMITMENTS (cont'd)

(b) Commitments under operating leases

At 31st March 2003, the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings as follows:

Not later than one year	第一年內
Later than one year and not later than five years	第二至第五年內

- (c) At 31st March 2003, the Company did not have any material capital and financial commitments (2002: Nil).

23. RELATED PARTY TRANSACTIONS

- (a) A subsidiary of the Company entered into a tenancy agreement with Mr WONG Kwai Sang, Mr WONG Wai Sheung's father, for the lease of a retail shop of the Group for a period of 1 year (2002: 2 years), expiring on 31st December 2003. During the year, rental payable to Mr WONG Kwai Sang amounted to HK\$1,980,000 (2002: HK\$2,160,000).

22. 承擔 (續)

(b) 經營租賃承擔

於2003年3月31日，本集團就土地及樓宇根據不可撤銷之經營租賃而於未來支付之最低租賃付款總額如下：

Group 集團	
2003	2002
HK\$'000	HK\$'000
千港元	千港元
46,449	35,746
<u>43,860</u>	<u>15,363</u>
<u>90,309</u>	<u>51,109</u>

- (c) 於2003年3月31日，本公司並無任何重大資本及財務承擔 (2002年：無)。

23. 有關連人士之交易

- (a) 本公司之一間附屬公司與黃偉常先生之父親黃桂生先生訂立租賃協議，將物業租予本集團作零售商舖用途，租期為一年 (2002年：兩年)。該租約將於2003年12月31日屆滿。年內，應向黃桂生先生支付之租金為1,980,000港元 (2002年：2,160,000港元)。

NOTES TO THE ACCOUNTS

賬目附註

23. RELATED PARTY TRANSACTIONS (cont'd)

- (b) A subsidiary of the Company entered into a service contract ("Service Contract") with Miss YEUNG Po Ling, Pauline and Topone Investments Limited ("Topone") for a period of 1 year expiring on 31st March 2003. Pursuant to the Services Contract, Topone agreed to make available Miss Yeung's exclusive services for the promotion of the products and services of the Group in consideration of an annual fee of HK\$460,000 (2002: HK\$460,000).

Both Mr WONG Wai Sheung and Miss YEUNG Po Ling, Pauline are directors of the Company and have beneficial interests in the Company. Miss YEUNG Po Ling, Pauline also holds beneficial interests in Topone.

24. ULTIMATE HOLDING COMPANY

The directors regard Luk Fook (Control) Limited, a company incorporated in the British Virgin Islands, as being the ultimate holding company.

25. APPROVAL OF ACCOUNTS

The accounts were approved by the board of directors on 23rd July 2003.

23. 有關連人士之交易 (續)

- (b) 本公司之一間附屬公司已與楊寶玲小姐及泰一投資有限公司(「泰一」)訂立服務合約(「服務合約」)，該服務合約為期1年，已於2003年3月31日屆滿。根據該服務合約，泰一已同意楊小姐提供獨家服務，以推廣本集團產品及服務，代價為每年460,000港元(2002年：460,000港元)。

黃偉常先生及楊寶玲小姐均為本公司董事，並於本公司擁有實益權益。楊寶玲小姐亦於泰一持有實益權益。

24. 最終控股公司

董事認為本公司之最終控股公司為在英屬維京群島註冊成立之Luk Fook (Control) Limited。

25. 賬目通過

本年度賬目已於2003年7月23日由董事會通過。