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## 1. PRINCIPAL ACCOUNTING POLICIES

These unaudited interim condensed consolidated financial statements have been prepared in accordance with Statement of Standard Accounting Practice (“SSAP”) 25 “Interim financial reporting” issued by the Hong Kong Society of Accountants and Appendix 16 of the Rules Governing the Listing of Securities in The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The accounting policies and basis of preparation used in the preparation of these interim financial statements are the same as those used in the Group’s audited financial statements for the year ended 31 December 2002, except the SSAP 12 (Revised) “Income taxes” has been adopted for the first time in the preparation of the current period’s condensed consolidated financial statements.

SSAP 12 (Revised) “Income taxes” prescribes the basis for accounting for income taxes payable or recoverable, arising from the taxable profit or loss for the current period (current tax); and income taxes payable or recoverable in future periods, principally arising from taxable and deductible temporary differences and the carryforward of unused tax losses (deferred tax). The principal impact of the revision of this SSAP is that deferred tax assets and liabilities relating to the differences between capital allowances for tax purposes and depreciation for financial reporting purposes and other taxable and deductible temporary differences are generally fully provided for, whereas previously the deferred tax was recognised for timing differences only to the extent that it was probable that the deferred tax asset or liability would crystallise in the foreseeable future. In addition, deferred tax liabilities have been recognised on the revaluation of the Group’s land and buildings.

The change in accounting policy has been applied retrospectively. As a result, the prior period adjustments with the opening balances of the Land and buildings revaluation reserve as at 1 January 2002 and 1 January 2003 restated by a reduction of HK\$79,822,000 and the retained profits as at 1 January 2002 and 1 January 2003 restated by an increase of HK\$17,208,000 and HK\$20,494,000, respectively. The comparative amount in respect of taxation for the prior period has also been restated by a reduction of HK\$1,906,000 accordingly.

附註：

## 1. 主要會計政策

此等未經審核中期簡明綜合財務報告乃按照香港會計師公會頒布之香港會計實務準則（「會計實務準則」）第25號「中期財務報告」及香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十六予以編製。

此等中期財務報告所採用之會計政策及編製基準與本集團截至2002年12月31日止年度之經審核財務報告所採用之一致，除了在編製本期間之簡明綜合財務報告時首次採用會計實務準則第12號（經修訂）「所得稅」。

會計實務準則第12號（經修訂）「所得稅」規定來自本期（現行稅項）應課稅溢利或虧損之應付或可收回所得稅；及主要來自應課稅及可扣減暫時性差異及累積可用稅務虧損（遞延稅項）之應付或可收回所得稅。此項會計實務準則修訂之主要影響為以稅務為目的之資本沖減與以財務報告為目的之折舊之間的差異及其他應課稅及可扣減暫時性差異所產生之遞延稅項資產及負債作全數撥備，而過往遞延稅項只對因時差於可見將來可能引起之遞延稅項資產或負債而確認。此外，遞延稅項負債已於重估本集團土地及樓宇時予以確認入賬。

會計政策之變更已追溯應用。因此對截至2002年1月1日及2003年1月1日之前期間的土地及樓宇重估儲備期初結餘調整，需重新列賬及減少79,822,000港元，對截至2002年1月1日及2003年1月1日之前期間的保留溢利期初結餘調整，需分別重新列賬及增加17,208,000港元及20,494,000港元。對先前期間有關稅項之比較數字亦已重新列賬，相應減少1,906,000港元。

## 2. SEGMENT INFORMATION

The analysis of the Group's revenue and results for the period by business segments are as follows:

## 2. 分部資料

本集團本期間業務分部之收益及業績分析如下：

		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		Consolidated 綜合	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元	2003 HK\$'000 千港元	2002 HK\$'000 千港元	2003 HK\$'000 千港元	2002 HK\$'000 千港元	2003 HK\$'000 千港元	2002 HK\$'000 千港元	2003 HK\$'000 千港元	2002 HK\$'000 千港元
Six months ended 30 June 截至6月30日止六個月											
Segment revenue:	分部收益：										
Sales to external customers	銷售予外界客戶	955,517	968,372	1,686,236	1,330,628	12,190	15,266	-	-	2,653,943	2,314,266
Intersegment sales	內部銷售	133,179	28,762	32,061	65,234	435	358	(165,675)	(94,354)	-	-
Other revenue from external sources	其他外界收益	7,235	6,953	55	4	1,242	1,684	-	-	8,532	8,641
Intersegment other revenue	內部其他收益	1,837	1,799	-	-	2,526	2,495	(4,363)	(4,294)	-	-
Total	總收益	<u>1,097,768</u>	<u>1,005,886</u>	<u>1,718,352</u>	<u>1,395,866</u>	<u>16,393</u>	<u>19,803</u>	<u>(170,038)</u>	<u>(98,648)</u>	<u>2,662,475</u>	<u>2,322,907</u>
Segment results	分部業績	32,574	53,061	2,009	2,896	(4,625)	(3,786)	-	-	29,958	52,171
Interest income	利息收入									3,002	2,594
Dividend income	股息收入									2,888	1,778
Unallocated expenses	未分配費用									(2,580)	(2,999)
Profit from operating activities	經營業務所得溢利									33,268	53,544
Finance costs	財務費用									(857)	(485)
Share of profits of associates	應佔聯營公司溢利									455	245
Profit before tax	除稅前溢利									32,866	53,304
Tax	稅項									(8,696)	(10,927)
Profit before minority interests	未計少數股東權益前溢利									24,170	42,377
Minority interests	少數股東權益									(153)	(167)
Net profit from ordinary activities attributable to shareholders	股東應佔日常業務溢利									<u>24,017</u>	<u>42,210</u>

No geographical analysis is presented as over 90% of the Group's revenue and results are derived from activities in Hong Kong.

本集團90%以上之收入及業績均來自香港業務，因此不提供地區性分析。

### 3. PROFIT FROM OPERATING ACTIVITIES

Profit from operating activities is arrived at after charging / crediting :

Depreciation and amortisation	折舊及攤銷
Operating lease rentals on land and buildings	土地及樓宇營業租約租金
Unrealised loss on revaluation of short term listed investments	重估短期上市投資之未變現虧損
Stocks written off	存貨撇值
Dividend income	股息收入
Interest income	利息收入

### 4. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2002: 16%) on the estimated assessable profits arising in Hong Kong during the period. The increased profits tax rate became effective from 1 April 2003. 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.

Group :	集團 :
Provision for tax in respect of profit for the period	就期內溢利作出之稅項準備
Current	現時
Hong Kong	香港
Elsewhere	其他地區
Deferred	遞延
Share of tax attributable to associates	應佔聯營公司稅項
Tax charge for the period	期內稅項

### 3. 經營業務所得溢利

經營業務所得溢利已扣除／計入：

Six months ended 30 June  
截至6月30日止六個月

2003	2002
HK\$'000	HK\$'000
千港元	千港元

21,150	23,668
46,823	48,004
384	2,489
-	3,374
2,888	1,778
<u>3,002</u>	<u>2,594</u>

### 4. 稅項

香港利得稅乃按期內於香港產生之估計應課稅溢利以稅率17.5% (2002年：16%)撥備。提高利得稅率由2003年4月1日起生效。其他地區之應課利得稅乃按本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。

Six months ended 30 June  
截至6月30日止六個月

2003	2002
HK\$'000	HK\$'000
千港元	千港元

9,408	12,282
1,119	546
(1,851)	(1,906)
<u>8,676</u>	<u>10,922</u>
20	5
<u>8,696</u>	<u>10,927</u>

## 5. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the net profit attributable to shareholders for the period of HK\$24,017,000 (2002: HK\$42,210,000) and the 440,000,000 (2002: 440,000,000) ordinary shares in issue during the period.

Diluted earnings per share for the periods ended 30 June 2003 and 2002 have not been disclosed as no diluting events existed during these periods.

## 6. 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.

The aged analysis of accounts receivable is as follows:

Current to 30 days	現在至30日
31 to 60 days	31日至60日
Over 60 days	超過60日
Margin clients accounts receivable *	應收孖展客戶賬款 *

\* 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.

## 5. 每股盈利

每股基本盈利乃按本期股東應佔溢利24,017,000港元(2002年: 42,210,000港元)及本公司期內已發行股份440,000,000(2002年: 440,000,000)普通股計算。

由於期內並無攤薄事項，故並無披露截至2003年及2002年6月30日止期間之每股攤薄盈利。

## 6. 應收賬款

本集團銷售一般以現金交易。向批發客戶提供的除賬期為15至45日。

應收賬款之賬齡分析如下：

30 June 6月30日	31 December 12月31日
2003	2002
HK\$'000	HK\$'000
千港元	千港元
72,061	50,650
4,980	8,710
526	4,550
<hr/>	<hr/>
77,567	63,910
28,246	30,726
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105,813	94,636
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\* 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。

## 7. ACCOUNTS PAYABLE

The aged analysis of accounts payable is as follows:

Current to 30 days	現在至30日
31 to 60 days	31日至60日
Over 60 days	超過60日
Cash clients accounts payable #	應付現金客戶賬款 #
Margin clients accounts payable **	應付孖展客戶賬款 **

# Included in cash clients accounts payable arising from the ordinary course of business of dealing in securities is an amount of approximately HK\$84,779,000 (31 December 2002: HK\$63,266,000) 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.

## 8. CONTINGENT LIABILITIES

As at 30 June 2003, the Company has provided guarantees to the extent of US\$48 million and HK\$2 million (31 December 2002: US\$52 million and HK\$2 million) in respect of gold trading facilities granted to subsidiaries. In addition, corporate guarantees to the extent of HK\$330 million (31 December 2002: HK\$278 million) have also been provided by the Company to secure the general bank facilities of certain subsidiaries. The amounts drawn against the gold trading facilities and general bank facilities at 30 June 2003 amounted to HK\$14,437,000 (31 December 2002: HK\$12,239,000) and HK\$11,506,000 (31 December 2002: HK\$11,001,000), respectively.

## 7. 應付賬款

應付賬款之賬齡分析如下：

30 June	31 December
6月30日	12月31日
2003	2002
HK\$'000	HK\$'000
千港元	千港元
13,228	64,774
2,797	2,413
5,580	2,743
21,605	69,930
108,218	76,847
2,714	3,408
132,537	150,185

# 在日常業務之證券買賣所產生應付現金客戶之賬款，包括約為84,779,000港元(2002年12月31日：63,266,000港元)存置於本集團該等客戶之未動用款項／超額按金。結餘須於要求時償還。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。

## 8. 或然負債

於2003年6月30日，本公司為其附屬公司所獲黃金買賣信貸提供48,000,000美元及2,000,000港元(2002年12月31日：52,000,000美元及2,000,000港元)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出330,000,000港元(2002年12月31日：278,000,000港元)之擔保。於2003年6月30日，已使用之黃金買賣信貸及一般銀行信貸分別為14,437,000港元(2002年12月31日：12,239,000港元)及11,506,000港元(2002年12月31日：11,001,000港元)。

## 9. RELATED PARTY TRANSACTIONS

The Group had the following material transactions with related parties during the period:

- (a) During the prior year, the Group advanced RMB7,000,000 to the minority shareholder of a 90% owned subsidiary for its working capital. At 30 June 2003, the outstanding balances of approximately HK\$6,596,000 were unsecured, bore interest at 6% per annum and were rolled over to November 2003.
- (b) The Group pledged a time deposit of HK\$15,000,000 to a bank to secure bank loans made available to a 90% owned subsidiary for its working capital. The outstanding bank loans as at 30 June 2003 amounted to HK\$14,135,000.
- (c) The Group provided corporate guarantees of RMB20,000,000 to a bank to secure the bank facility made available to a 90% owned subsidiary for its working capital. No amount was drawn against that bank facility as at 30 June 2003.
- (d) The Group provided corporate guarantees of RMB20,000,000 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 30 June 2003.
- (e) The Group and the minority shareholder of a 51% owned subsidiary advanced shareholder loans of US\$74,000 and US\$59,000, respectively, for its working capital. At 30 June 2003, the outstanding shareholders loans of approximately HK\$18,349,000 in total were unsecured, interest-free and not repayable within one year.
- (f) The Group purchased goods of HK\$5,819,000 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.

## 10. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with the current period's presentation.

## 9. 關連人士交易

本集團於期內與關連人士進行以下重大交易：

- (a) 本集團於上年度內預支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2003年6月30日，尚欠結餘約6,596,000港元，為無抵押，按年利率6%計息及續期至2003年11月。
- (b) 本集團抵押銀行定期存款15,000,000港元，作為一90%持有之附屬公司銀行貸款作擔保，作營運資金之用。於2003年6月30日，尚欠銀行貸款14,135,000港元。
- (c) 本集團為其一90%持有之附屬公司所獲銀行信貸提供20,000,000人民幣之擔保，作營運資金之用。於2003年6月30日，尚未使用該銀行信貸。
- (d) 本集團為其一61%持有之附屬公司所獲銀行信貸提供20,000,000人民幣之擔保，作營運資金之用。於2003年6月30日，尚未使用該銀行信貸。
- (e) 本集團及一51%持有之附屬公司少數股東分別預支74,000美元及59,000美元之股東貸款，作為營運資金。於2003年6月30日，尚欠股東貸款約18,349,000港元，為無抵押，不計利息及不會在一年內償還。
- (f) 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5,819,000港元。

## 10. 比較數字

若干調整及若干比較數額已重新分類，以符合本期間之呈報方式。