

NOTES TO FINANCIAL STATEMENTS

31 December 2003

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 commodities broking

2. IMPACT OF A REVISED STATEMENT OF STANDARD ACCOUNTING PRACTICE (“SSAP”)

SSAP 12 (Revised) “Income taxes” is effective for the first time for the current year’s financial statements and has had a significant impact thereon.

This SSAP prescribes 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 adopting this SSAP are summarised as follows:

SSAP 12 prescribes the 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 on these financial statements is described below:

Measurement and recognition:

- 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;

財務報告附註

2003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

2. 經修訂會計實務準則之影響

會計實務準則第12號(經修訂)「所得稅」於本年度之財務報告首次生效，並對本財務報告有重大影響。

此項會計實務準則規定新會計核算及披露慣例。採用此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12號規定來自本期間(本期稅項)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之會計方法。

此項會計實務準則修訂對此等財務報告之主要影響分析如下：

核算及確認：

- 為作稅務用途之資本沖減及作財務報告用途之折舊之間之差異及其他應課稅及可扣減之暫時性差異所產生之遞延稅項資產及負債作全數撥備，而以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予以確認；

NOTES TO FINANCIAL STATEMENTS

31 December 2003

2. IMPACT OF A REVISED STATEMENT OF STANDARD ACCOUNTING PRACTICE (“SSAP”) (continued)

- a deferred tax liability has been recognised on the revaluation of the Group’s land and buildings; and
- a deferred tax asset has been recognised for tax losses arising in the current/prior periods to the extent that it is probable that there will be sufficient future taxable profits against which such losses can be utilised.

Disclosures:

- deferred tax assets and liabilities are presented separately on the balance sheet, whereas previously they were presented on a net basis; and
- the related note disclosures are now more extensive than previously required. These disclosures are presented in notes 10 and 30 to the financial statements and include a reconciliation between the accounting profit and the tax expense for the year.

Further details of these changes and the prior year adjustments arising from them are included in the accounting policy for deferred tax in note 3 and in note 30 to the financial statements.

財務報告附註

2003年12月31日

2. 經修訂會計實務準則之影響(續)

- 遞延稅項負債已於重估本集團土地及樓宇時予以確認；及
- 遞延稅項資產對本期／以往期間產生之稅務虧損於未來可能有足夠應課稅溢利作抵銷而予以確認。

披露：

- 遞延稅項資產及負債在資產負債表分開列賬，以往以淨值基礎呈列；及
- 現時有關附註之披露較以往要求更為廣泛。此等披露已呈列於本財務報告附註10及30，並包括在本年度會計溢利及稅項支出之對賬。

有關變動詳情及產生之以往年度調整已包括在本財務報告附註3及附註30遞延稅項之會計政策內。

NOTES TO FINANCIAL STATEMENTS

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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 2003. 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

2003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2003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之已收及應收股息內。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

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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

2003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

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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.

Prior to the adoption of SSAP 30 "Business combinations" in 2001, 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 the SSAP that permitted such goodwill to remain eliminated against consolidated reserves. Goodwill on acquisitions subsequent to the adoption of the SSAP is treated according to the SSAP 30 goodwill accounting policy above.

財務報告附註

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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攤銷。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。

於2001年，採納會計實務準則第30號「企業合併」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。採納此項會計實務準則後續收購之商譽按上述會計實務準則第30號處理。

NOTES TO FINANCIAL STATEMENTS

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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

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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；以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，或是否有跡象於以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

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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

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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：惟倘若於以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及任何減值虧損列賬。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。

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財務報告附註

2003年12月31日

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.

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。

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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.

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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，按十年撇銷該等權利之成本。

其他資產

長期持有之其他資產乃以個別資產作基準，按成本減任何減值虧損列賬。

NOTES TO FINANCIAL STATEMENTS

31 December 2003

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

2003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價值入賬。由證券公平價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 2003

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.

Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the profit and loss account or in equity if it relates to items that are recognised directly in equity.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences:

- except where the deferred tax liability arises from the initial recognition of an asset or liability and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

財務報告附註

2003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，扣除按要項償還之銀行透支，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其使用不受限制之資產。

所得稅

所得稅包括本期及遞延稅項。所得稅於損益賬確認，或如該項所得稅與於股東權益確認之項目有關，則於股東權益確認。

於結算日之資產及負債之稅基與其在財務報告賬面值之間所有暫時性差異，須按負債法計提遞延稅項撥備。

所有應課稅暫時性差異均會確認為遞延稅項負債：

- 倘若由於在交易時初步確認之資產或負債而產生之遞延稅項負債，對會計利潤或應課稅利潤或虧損均無影響，則屬例外；及
- 對涉及附屬公司及聯營公司投資之應課稅暫時性差異而言，倘若撥回暫時性差異之時間可以控制，以及暫時性差異不大可能在可見將來撥回，則屬例外。

NOTES TO FINANCIAL STATEMENTS

31 December 2003

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax assets and unused tax losses can be utilised:

- except where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

財務報告附註

2003年12月31日

3. 主要會計政策概要 (續)

所得稅 (續)

對於所有可於稅務上扣除之暫時性差異、承前未用稅項資產及未用稅項虧損，如日後有可能出現應課稅溢利，可用作抵銷該等可扣除暫時性差異、承前未用稅項資產及未用稅項虧損，則遞延稅項資產一律確認入賬：

- 倘若由於在交易時初步確認資產或負債而產生之有關可扣除暫時性差異之遞延稅項資產，對會計利潤或應課稅溢利或虧損均無影響，則屬例外；及
- 對涉及附屬公司及聯營公司投資之應課稅暫時性差異而言，只在暫時性差異有可能在可見將來撥回，以及日後可用該等暫時性差異抵銷可能出現之應課稅溢利，才確認遞延稅項資產。

遞延稅項資產之賬面值於每個結算日予以審閱，倘不再可能有足夠應課稅溢利用作抵銷相關稅項資產之全部或部分，則扣除遞延稅項資產賬面值。相反，於可能有足夠應課稅溢利用作抵銷相關稅項之全部或部分時，則確認過往不予確認之遞延稅項資產。

變現資產或償還負債期間預期適用稅率，會用作核算遞延稅項資產及負債，並以於結算日已經生效或大致上已經生效之稅率（及稅法）為基準。

NOTES TO FINANCIAL STATEMENTS

31 December 2003

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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;
- (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 amounts outstanding and the effective interest rate applicable; and
- (f) dividend income, when the shareholders' right to receive payment has been established prior to the balance sheet date.

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.

財務報告附註

2003年12月31日

3. 主要會計政策概要 (續)

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；
- (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，在確定股東於結算日前可收取權利時確認。

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。

NOTES TO FINANCIAL STATEMENTS

31 December 2003

財務報告附註

2003年12月31日

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

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.

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 23% of their 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.

3. 主要會計政策概要 (續)

僱員福利 (續)

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。

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23%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 2003

財務報告附註

2003年12月31日

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.

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附例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 2003

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.

財務報告附註

2003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。

NOTES TO FINANCIAL STATEMENTS

31 December 2003

4. SEGMENT INFORMATION

Segment information is presented by way of the Group's primary segment reporting basis, by business segment. In determining the Group's geographical segments, revenues 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 further geographical segment information is presented as over 90% of the Group's revenue is derived from customers based in Hong Kong, and over 90% of the Group's assets are located in Hong Kong.

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. Summary details of the business segments are as follows:

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

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

2003年12月31日

4. 分部資料

分部資料按本集團業務分部為主要分部呈報基準。確定本集團之地區分部時，收益乃按客戶之位置分配予各分部，及資產乃按資產之位置分配予各分部。本集團90%以上之收入來自香港客戶及本集團90%以上之資產位於香港，因此不進一步提供地區分部資料。

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。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。

內部銷售及轉讓乃根據銷售予第三者之售價作為通用市價。

NOTES TO FINANCIAL STATEMENTS

31 December 2003

財務報告附註

2003年12月31日

4. SEGMENT INFORMATION (continued)

Business segments (continued)

4. 分部資料(續)

業務分部(續)

		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
Segment assets	分部資產	<u>1,808,059</u>	<u>1,844,889</u>	<u>50,633</u>	<u>57,117</u>	<u>1,099,965</u>	<u>850,107</u>	<u>(620,619)</u>	<u>(603,805)</u>	<u>2,338,038</u>	<u>2,148,308</u>
Interests in associates	於聯營公司權益									7,075	7,869
Unallocated assets	未分配資產									<u>19,857</u>	<u>15,776</u>
Total assets	總資產									<u>2,364,970</u>	<u>2,171,953</u>
Segment liabilities	分部負債	<u>(655,240)</u>	<u>(693,809)</u>	<u>(37,545)</u>	<u>(48,468)</u>	<u>(336,227)</u>	<u>(144,843)</u>	<u>620,619</u>	<u>603,805</u>	<u>(408,393)</u>	<u>(283,315)</u>
Unallocated liabilities	未分配負債									<u>(89,823)</u>	<u>(159,055)</u>
Total liabilities	總負債									<u>(498,216)</u>	<u>(442,370)</u>
Other segment information:	其他分部資料:										
Depreciation and amortisation	折舊及攤銷	36,597	39,992	1	17	3,817	4,514	-	-	40,415	44,523
Impairment losses recognised in the profit and loss account	於損益賬中確認之 減值虧損	-	-	-	-	2,720	9,447	-	-	2,720	9,447
Capital expenditure	資本開支	<u>11,012</u>	<u>13,789</u>	-	-	<u>933</u>	<u>1,540</u>	-	-	<u>11,945</u>	<u>15,329</u>

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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 commodities 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 commodities broking	證券及期貨經紀佣金收入
Gross rental income	總租金收入

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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：

2003	2002
HK\$'000	HK\$'000
千港元	千港元
6,290,978	4,789,039
31,378	22,384
6,053	6,136
<u>6,328,409</u>	<u>4,817,559</u>

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6. PROFIT FROM OPERATING ACTIVITIES

The Group's profit from operating activities is arrived at after charging/(crediting):

6. 經營業務所得溢利

本集團之經營業務所得溢利已扣除/(計入)：

		Notes 附註	2003 HK\$'000 千港元	2002 HK\$'000 千港元
Depreciation	折舊	14	40,353	44,461
Amortisation of intangible assets*	無形資產攤銷*	16	62	62
Minimum lease payments under operating leases for land and buildings	土地及樓宇經營租約最低租賃付款		93,755	95,072
Auditors' remuneration	核數師酬金		1,815	1,782
Staff costs (excluding directors' remuneration (note 8)):	員工費用(不包括董事酬金(附註8)):			
Wages and salaries	工資及薪金		206,108	213,807
Pension schemes contributions	公積金供款		9,288	8,838
Less: Forfeited contributions	減: 已沒收供款		(258)	(737)
Net pension schemes contributions	公積金供款淨額		9,030	8,101
			215,138	221,908
Loss on disposal of fixed assets	出售固定資產之虧損		1,158	1,087
Unrealised loss on revaluation of investment properties	重估投資物業之未變現虧損		2,720	9,447
Unrealised loss/(gain) on revaluation of short term investments	重估短期投資之未變現虧損/(收益)		(1,965)	4,690
Exchange losses/(gains), net	匯兌虧損/(收益), 淨值		(519)	1,121
Inventories written off	存貨撇值		-	7,825
Provision for/(write back of) doubtful debts	壞賬準備/(撥回)		(1,618)	626
Net rental income	租金收入淨額		(5,639)	(5,823)
Interest income	利息收入		(6,950)	(6,260)
Dividend income from listed investments	來自上市投資股息		(4,085)	(2,364)
Dividend income from unlisted investments	來自非上市投資股息		(413)	(413)
Gain on disposal of long term listed investments	出售長期上市投資收益		(853)	-
Gain on disposal of long term unlisted investments	出售長期非上市投資收益		-	(428)
Gain on disposal of short term investments	出售短期投資收益		(269)	(221)

* The amortisation of intangible assets for the year is included in "Administrative expenses" on the face of the consolidated profit and loss account.

* 本年度之無形資產攤銷包括在綜合損益賬內「行政費用」中。

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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	
		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
		1,545	746
		173	327
		<u>1,718</u>	<u>1,073</u>

8. DIRECTORS' REMUNERATION

Directors' remuneration for the year, 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，本年度之董事酬金披露如下：

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	
		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
		560	560
		5,058	5,274
		345	107
		130	130
		<u>5,533</u>	<u>5,511</u>
		<u>6,093</u>	<u>6,071</u>

Fees include HK\$240,000 (2002: 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 (2002: Nil).

袍金包括240,000港元(2002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(2002年：零港元)。

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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

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 two (2002: 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 for the year 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

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8. 董事酬金 (續)

董事酬金組別分列如下：

Number of directors 董事人數	
2003	2002
5	5
1	1
2	2
8	8

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兩名(2002年：三名)董事，其詳細酬金資料於上述附註8披露。本年度五名最高薪酬僱員酬金總額如下：

Group 集團	
2003 HK\$'000 千港元	2002 HK\$'000 千港元
200	200
7,033	7,291
1,024	333
245	245
8,502	8,069

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9. FIVE HIGHEST PAID EMPLOYEES (continued)

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

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

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：

		Number of employees 人數	
		2003	2002
		2	2
		2	3
		1	–
		<u>5</u>	<u>5</u>

10. 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 year. The increased Hong Kong profits tax rate became effective from the year of assessment 2003/2004, and so is applicable to the assessable profits arising in Hong Kong for the whole of the year ended 31 December 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.

10. 稅項

香港利得稅乃按年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 2003/2004 課稅年度開始生效，因此適用於截至 2003 年 12 月 31 日止年度全年在香港產生之應課稅溢利。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。

		2003 HK\$'000 千港元	2002 HK\$'000 千港元 (Restated) (重列)
Group:	集團：		
Current – Hong Kong	本期 – 香港		
Charge for the year	年內稅項	25,465	23,271
Under/(over) provision in prior years	以往年度撥備不足/(超額)	9,949	(1,614)
Current – Elsewhere	本期 – 其他地區	1,902	688
Deferred (note 30)	遞延 (附註 30)	(1,723)	(3,540)
		<u>35,593</u>	<u>18,805</u>
Share of tax attributable to associates	應佔聯營公司稅項	182	153
		<u>35,775</u>	<u>18,958</u>
Total tax charge for the year	年內稅項總額		

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10. TAX (continued)

A reconciliation of the tax expense applicable to profit before tax using the statutory rates for the countries in which the Company and its subsidiaries and associates are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

10. 稅項 (續)

下表就按本公司、其附屬公司及聯營公司註冊成立所在地之法定稅率計算並適用於除稅前溢利之稅項支出，以及按實際稅率計算之稅項支出進行對賬；並就適用稅率(即法定稅率)以及實際稅率進行對賬：

		Group 集團			
		2003		2002	
		HK\$'000	%	HK\$'000	%
		千港元	百分比	千港元 (Restated) (重列)	百分比
Profit before tax	除稅前溢利	<u>153,883</u>		<u>85,632</u>	
Tax at the statutory tax rate	按法定稅率計算稅項	26,930	17.5	13,701	16.0
Difference in tax rates applied for specific provinces or local authority	應用於特定省份或地方之稅率差異	380	0.2	278	0.3
Effect on opening deferred tax of increase in tax rates	稅率增加對年初遞延稅項之影響	(69)	0.0	-	-
Adjustments in respect of current tax of previous periods	就以往期間之稅項作本期調整	9,949	6.5	(1,614)	(1.9)
Estimated income not subject to tax	無須繳稅之估計收入	(1,084)	(0.7)	(2,179)	(2.5)
Estimated expenses not deductible for tax	不可扣稅之估計支出	3,137	2.0	7,819	9.1
Tax losses utilised from previous periods	使用以往期間之稅項虧損	(3,519)	(2.3)	(219)	(0.3)
Estimated tax losses not recognised	尚未確認之估計稅項虧損	51	0.0	1,172	1.4
Tax charge at the Group's effective rate	按本集團實際稅率計算之稅項	<u>35,775</u>	<u>23.2</u>	<u>18,958</u>	<u>22.1</u>

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11. NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS

The net profit from ordinary activities attributable to shareholders for the year ended 31 December 2003 dealt with in the financial statements of the Company, is HK\$44,589,000 (2002: HK\$22,465,000) (note 33(b)).

12. DIVIDENDS

Interim – HK4.0 cents (2002: HK4.0 cents) per ordinary share	中期股息 – 每股普通股4.0港仙 (2002年：4.0港仙)
Proposed final – HK11.0 cents (2002: HK6.0 cents) per ordinary share	擬派末期股息 – 每股普通股11.0港仙 (2002年：6.0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\$117,160,000 (2002: HK\$66,926,000), and the weighted average of 458,058,000 (2002: 440,000,000) ordinary shares in issue during the year.

Diluted earnings per share for the years ended 31 December 2003 and 2002 have not been presented as no diluting events existed during these years.

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11. 股東應佔日常業務溢利

於本公司截至2003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44,589,000港元(2002年：22,465,000港元)(附註33(b))。

12. 股息

2003 HK\$'000 千港元	2002 HK\$'000 千港元
20,064	17,600
55,176	26,400
<u>75,240</u>	<u>44,000</u>

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117,160,000港元(2002年：66,926,000港元)及年內已發行加權平均股份458,058,000(2002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2003年及2002年12月31日止年度之每股攤薄盈利。

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14. FIXED ASSETS

14. 固定資產

		Land and buildings	Plant and machinery	Group 集團 Furniture, fixtures and equipment	Motor vehicles	Total
		土地及 樓宇	廠房 設備 及機器	傢俬、 裝置 及設備	汽車	合計
		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 beginning of year	年初	573,954	10,610	151,148	2,210	737,922
Additions	添置	-	145	10,981	819	11,945
Disposals	出售	-	(5,608)	(64,733)	(1,010)	(71,351)
Impairment during the year recognised in the revaluation reserve	確認於重估 儲備之年內 減值	(263,390)	-	-	-	(263,390)
Exchange realignment	匯兌調整	(12)	21	135	(3)	141
At 31 December 2003	於2003年12月31日	310,552	5,168	97,531	2,016	415,267
Accumulated depreciation:	累計折舊：					
At beginning of year	年初	117,773	7,010	107,648	1,538	233,969
Provided during the year	年內撥備	14,101	1,401	24,530	321	40,353
Impairment during the year recognised in the revaluation reserve	確認於重估 儲備之年內 減值撥回	(127,473)	-	-	-	(127,473)
Disposals	出售撥回	-	(5,557)	(63,509)	(1,010)	(70,076)
Exchange realignment	匯兌調整	-	17	70	-	87
At 31 December 2003	於2003年12月31日	4,401	2,871	68,739	849	76,860
Net book value:	賬面淨值：					
At 31 December 2003	於2003年12月31日	306,151	2,297	28,792	1,167	338,407
At 31 December 2002	於2002年12月31日	456,181	3,600	43,500	672	503,953

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14. FIXED ASSETS (continued)

Certain of the Group's leasehold land and buildings were revalued in 1993 by Knight Frank & Kan, independent professionally qualified valuers. The land and buildings were revalued at open market value, based on their existing use. Since 1995, 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.

Had these land and buildings been carried at historical cost less accumulated depreciation and impairment losses, their carrying amounts would have been approximately HK\$48,083,000.

The impairment losses of fixed assets of HK\$135,917,000 arose from the reduction in usage of the Group's land and buildings and therefore the decrease in value in use thereof. Based on the assessment, the carrying amount of the land and buildings was written down by HK\$135,917,000, which was charged to the land and buildings revaluation reserve account. The estimates of recoverable amounts were based on their value in use determined by reference to the professional valuation conducted by DTZ Debenham Tie Leung Limited, independent professionally qualified valuers as at 31 December 2003.

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14. 固定資產(續)

本集團若干租賃土地及樓宇已於1993年經獨立專業認可測計師簡福銓測量行重估。土地及樓宇根據現有用途按公開市值基準重估。本集團自1995年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。

倘若此等土地及樓宇以歷史成本減累計折舊及減值虧損列賬，其賬面淨值約48,083,000港元。

本集團土地及樓宇因減少使用而引致其價值下調，因而產生固定資產減值虧損135,917,000港元。基於該項評估，土地及樓宇之賬面淨值撇減135,917,000港元及於土地及樓宇重估儲備扣除。可收回金額之估計以獨立專業認可測計師戴德梁行有限公司於2003年12月31日之價值為評估依據。

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14. FIXED ASSETS (continued)

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

14. 固定資產(續)

本集團上述之土地及樓宇按下列租期持有：

		Hong Kong 香港 HK\$'000 千港元	Elsewhere 其他地區 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At cost:	成本：			
Long term leases	長期租約	666	2,907	3,573
Medium term leases	中期租約	25,666	219	25,885
		<u>26,332</u>	<u>3,126</u>	<u>29,458</u>
At valuation:	估值：			
Long term leases	長期租約	78,757	–	78,757
Medium term leases	中期租約	202,337	–	202,337
		<u>281,094</u>	<u>–</u>	<u>281,094</u>
		<u>307,426</u>	<u>3,126</u>	<u>310,552</u>

At 31 December 2003, certain of the Group's land and buildings with a net book value of approximately HK\$114,600,000 (2002: HK\$179,180,000) were pledged to secure general bank facilities granted to the Group (note 29).

於2003年12月31日，本集團以若干賬面淨值約114,600,000港元(2002年：179,180,000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)。

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15. INVESTMENT PROPERTIES

At beginning of year	年初
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 2003 by DTZ Debenham Tie Leung Limited, independent professionally qualified valuers, at HK\$91,800,000 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 35(a) to the financial statements.

At 31 December 2003, the Group's investment properties with a value of HK\$37,300,000 (2002: HK\$39,100,000) were pledged to secure general bank facilities granted to the Group (note 29).

財務報告附註

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15. 投資物業

		Group 集團	
		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
At beginning of year	年初	94,520	106,500
Deficit on revaluation	重估虧損	(2,720)	(11,980)
At 31 December	於12月31日	<u>91,800</u>	<u>94,520</u>

本集團之投資物業按下列租期持有：

		Group 集團	
		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
Long term leases:	長期租約：		
Hong Kong	香港	7,150	7,870
Medium term leases:	中期租約：		
Hong Kong	香港	49,650	51,050
Elsewhere	其他地區	35,000	35,600
		<u>91,800</u>	<u>94,520</u>

於2003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91,800,000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35(a)。

於2003年12月31日，本集團以價值37,300,000港元（2002年：39,100,000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）。

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16. INTANGIBLE ASSETS

16. 無形資產

		Group 集團 HK\$'000 千港元
Cost:	成本：	
At beginning of year and at 31 December 2003	年初及於2003年12月31日	620
Accumulated amortisation:	累計攤銷：	
At beginning of year	年初	176
Provided during the year	年內撥備	62
At 31 December 2003	於2003年12月31日	238
Net book value:	賬面淨值：	
At 31 December 2003	於2003年12月31日	382
At 31 December 2002	於2002年12月31日	444

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17. OTHER ASSETS

17. 其他資產

		Group	
		2003	2002
		HK\$'000	HK\$'000
		千港元	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	311
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 (the "Futures Exchange")	於香港期貨交易所有限公司 (「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	1,707	1,500
		4,693	4,486