

Notes to the **Financial** Statements

財務報表附註

1 Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which include all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

(b) Basis of preparation of financial statements

The measurement basis used in the preparation of the financial statements is historical cost modified by the marking to market of certain investments in securities as explained in the accounting policies set out below.

The principal accounting policies and methods of computation used in the preparation of the financial statements for the year ended 28 February 2007 are consistent with those adopted in the financial statements for the year ended 28 February 2006, except for the adoption of the new and revised HKFRSs as explained in (c) below.

A summary of the significant accounting policies adopted by the Group is set out below.

1 主要會計政策

(a) 遵例聲明

本財務報表是按照香港財務報告準則（「香港財務報告準則」），即包括香港會計師公會（「香港會計師公會」）頒布的所有適用個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）以及香港公司條例的披露規定編製。本財務報表亦符合香港聯合交易所有限公司證券上市規則（「上市規則」）的適用披露規定。

(b) 財務報表的編製基準

本財務報表以歷史成本法為編製基準，並按下述會計政策所說明就部分按市值入賬的證券投資修訂。

除採納下文 (c) 項所述新訂及經修訂香港財務報告準則外，編製截至 2007 年 2 月 28 日止年度財務報表所採用主要會計政策及計算方法與截至 2006 年 2 月 28 日止年度財務報表所採納者一致。

下文載列本集團所採納主要會計政策概要。

1 Significant accounting policies (continued)

(c) Adoption of new and revised Hong Kong Financial Reporting Standards

During the current year, the Group has adopted the following amendments to HKFRSs and Interpretations which are effective for accounting periods commencing on or after 1 January 2006:-

HKAS 19 (Amendment)	Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures
HKAS 21 (Amendment)	The Effects of Changes in Foreign Exchange Rates
HKAS 39 & HKFRS 4 (Amendments)	Financial Guarantee Contracts
HKFRS 1 (Amendment)	First-time Adoption of Hong Kong Financial Reporting Standards
HKFRS 6	Exploration for and Evaluation of Mineral Resources
HKFRS-Int 4	Determining whether an Arrangement contains a Lease
HKFRS-Int 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
HK(IFRIC)-Int 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies

The adoption of the above amendments, new standards and interpretations has had no material impact on the accounting policies of the Group and the Company and the methods of computation in the Group's and the Company's financial statements.

1 主要會計政策(續)

(c) 採納新訂及經修訂香港財務報告準則

於本年度，本集團採納以下於2006年1月1日或以後開始之會計期間生效之香港財務報告準則修訂及詮釋：

香港會計準則第19號(修訂)	僱員福利－精算損益、集團計劃及披露
香港會計準則第21號(修訂)	外匯利率變動之影響
香港會計準則第39號及香港財務報告準則第4號(修訂)	財務擔保合約
香港財務報告準則第1號(修訂)	首次採納香港財務報告準則
香港財務報告準則第6號	礦產資源之勘探及評估
香港財務報告準則－詮釋第4號	釐定安排是否包括租賃
香港財務報告準則－詮釋第5號	解除運作、復原及環境修復基金所產生權益之權利
香港(國際財務報告詮釋委員會)－詮釋第6號	參與特定市場產生之負債－廢棄電業及電子設備
香港(國際財務報告詮釋委員會)－詮釋第7號	應用香港會計準則第29號「嚴重通脹經濟之財務報告」重列法

採納上述修訂、新準則及詮釋對本集團及本公司之會計政策以及本集團及本公司財務報表之計算方法並無構成任何重大影響。

1 Significant accounting policies (continued)

(d) Judgments and estimates

The preparation of financial statements in conformity with HKFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors have considered the development, selection and disclosure of the Group's critical accounting policies and estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets or liabilities are as follows:—

(i) Useful lives and depreciation of property, plant and equipment

The Group determines the estimated useful lives and related depreciation charges of its property, plant and equipment. These estimates are based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The Group will increase the depreciation charge where useful lives are less than previously estimated lives, and will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable lives and therefore depreciation charge in the future periods.

1 主要會計政策(續)

(d) 判斷及估計

按照香港財務報告準則編製財務報表時，管理層必須作出影響政策應用及所呈報資產、負債、收入及開支數額之判斷、估計及假設。在沒有其他明顯可參考的渠道下，其資產及負債的價值有關結果將由乃以過往經驗及多項其他於有關情況下視作合理之因素為基準的估計及假設組成。實際結果可能有別於此等估計數字。

估計及相關假設按持續基準予以檢討。僅影響該期間之會計估計修訂於修訂估計期間確認，或倘修訂影響現時及日後期間，則於修訂之期間及日後期間確認。

董事已考慮本集團主要會計政策及估計之發展、選擇及披露。導致需對資產及負債賬面值作出重大調整之主要風險有關之估計及假設如下：—

(i) 物業、廠房及設備之可使用年期及折舊

本集團釐定物業、廠房及設備之估計可使用年期以及相關折舊開支。該等估計乃根據性質及功能相近之物業、機器及設備實際可使用年期之過往經驗而作出。倘可使用年期較之前之估計為短，則本集團將會提高折舊開支，並會將已報廢或出售之技術上過時或非策略資產撇銷或撇減。實際經濟年期可能與估計之可使用年期不同。定期檢討可使上述資產之可折舊年期出現變動，因而引致本集團在未來期間之折舊開支。

1 Significant accounting policies (continued)

(d) Judgments and estimates (continued)

(ii) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment. Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash generating units to which goodwill has been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

(iii) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and variable selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions in response to severe industry cycle. Management reassesses the estimations at each balance sheet date.

(iv) Allowance of bad and doubtful trade and other receivables

The Group makes the allowance of bad and doubtful trade and other receivables based on an assessment of the recoverability of the receivables. This assessment is based on the credit history of the customers and other debtors and the current market condition. Management reassesses the allowance at each balance sheet date.

1 主要會計政策(續)

(d) 判斷及估計(續)

(ii) 商譽減值

本集團會每年測試商譽有否出現任何減值。釐定商譽是否減值須要估計獲分配有關商譽之現金產生單位使用值。計算使用值須要本集團對預期可自現金產生單位獲得之未來現金流量以及適合計算所得現值之折現率作出估計。倘實際未來現金流量少於預期，則可能出現重大減值虧損。

(iii) 存貨之可變現淨值

存貨之可變現淨值乃於日常業務過程中作出之估計售價減估計完成成本及可變出售開支。此等估計乃根據現時市況及類似性質之製造及出售產品之過往經驗而作出，並會因應客戶品味及競爭對手就劇烈行業週期所作行動而有重大變化。管理層會於各結算日重新評估估計。

(iv) 應收賬款及其他應收款之呆壞賬撥備

本集團按照追收可收回款項之評估對應收賬款及其他應收款之呆壞賬作出撥備。有關評估乃根據客戶之過往記賬記錄及其他應收款及現行市況釐定。管理層會於各結算日重新評估撥備。

1 Significant accounting policies (continued)

(e) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 28 February 2007. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

A subsidiary is an entity in which the Company, directly or indirectly, controls more than half of the issued share capital or controls more than half of its voting power or controls the composition of the board of directors. Subsidiaries are considered to be controlled if the Company has the power, directly or indirectly, to govern the financial and operating policies, so as to obtain benefits from their activities.

The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Intra-group balances and transactions, and any unrealised profits arising from intra-group transactions, are eliminated in full on consolidation. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The acquisition of subsidiaries during the year has been accounted for using the purchase method of accounting. This method involves allocating the cost of the business combinations to fair values of the assets acquired, and liabilities and contingent liabilities assumed at the date of acquisition. The cost of the acquisition is measured at the aggregate of the fair values of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

1 主要會計政策(續)

(e) 綜合基準

綜合財務報表綜合計入本公司及其附屬公司截至2007年2月28日止之財務報表。本公司會於必要時調整附屬公司財務報表，致使所用會計政策與本集團其他成員公司所用者一致。

附屬公司為本公司直接或間接控制過半數已發行股本或控制過半數投票權或控制董事會的組成的實體。倘本公司有權直接或間接監控附屬公司的財務及經營政策以自其業務中獲益，有關附屬公司即被視為受到控制。

附屬公司的業績自收購日期(即本集團取得控制權之日)起至有關控制權終止之日期間綜合入賬。集團內部間的結餘及交易以及任何因集團內部間交易產生的未變現盈利於綜合賬目時悉數對銷。集團內部間交易產生的未變現虧損按與未變現收益相同方式對銷，惟有證據顯示出現減值者除外。

年內所收購附屬公司已按收購會計法入賬。此方法涉及將業務合併成本分配至於收購日期所收購資產以及所承擔負債及或然負債的公允值。收購成本按於交易日期所給予資產、所發行股本工具及所產生或承擔負債的公允值總額，另加收購直接應佔成本計算。

1 Significant accounting policies (continued)

(e) Basis of consolidation (continued)

Any excess of the cost of the acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment. Any excess of the Group's interest in fair values of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination is recognised immediately in the income statement.

Minority interests at the balance sheet date, being the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet and statement of changes in equity within equity, separately from equity attributable to the equity shareholders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

1 主要會計政策(續)

(e) 綜合基準(續)

收購成本超出所收購可識別資產淨值公允值的任何差額確認為商譽。商譽按成本值減累計減值虧損列賬。商譽分配至現金產生單位，並每年進行減值測試。本集團應佔被收購方可識別資產、負債及或然負債公允值的權益超出業務合併成本的任何差額即時於收益表確認。

於結算日的少數股東權益(即並非由本公司直接或透過附屬公司間接擁有的股本權益應佔附屬公司資產淨值的部分)於綜合資產負債表及權益變動表呈列為權益，與本公司股東應佔權益分開呈列。於本集團業績之少數股東權益於綜合收益表呈列為少數股東權益與本公司股東間之年內盈利或虧損總額的分配。

倘適用於少數股東權益的虧損超出附屬公司權益的少數股東權益，則有關差額及任何適用於少數股東權益的進一步虧損均自本集團權益扣除，惟少數股東權益具有約束性責任並可補償虧損者除外。倘附屬公司其後錄得盈利，則本集團之權益將分配至所有該等盈利，直至收回本集團先前承擔的少數股東權益應佔虧損為止。

1 Significant accounting policies (continued)

(f) Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is land or buildings other than investment property carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1 主要會計政策(續)

(f) 資產減值

本集團於每個結算日檢討其有形及無形資產賬面值，以釐定有否跡象顯示該等資產出現減值虧損。倘出現有關跡象，則會估計該資產之可收回金額，以釐定減值虧損(如有)的程度。倘無法估計個別資產的可收回金額，則本集團將估計資產所屬現金產生單位的可收回金額。

可收回金額為售價淨額與使用價值之較高者。於評估使用價值時，估計日後現金流量會貼現至反映金錢時間值現行市場評估及有關資產特定風險的除稅前貼現率計算的現值。

倘資產或現金產生單位的可收回金額估計少於其賬面值，則調減資產(現金產生單位)的賬面值至其可收回金額。減值虧損隨即確認為開支，除非有關資產為按重估價值列賬的投資物業以外的土地或樓宇，於此情況下，減值虧損視作重估減少處理。

倘減值虧損其後撥回，資產(現金產生單位)的賬面值將增至其可收回金額之經修訂估計，惟經增加之賬面值不得超出倘資產(現金產生單位)於過往年度並無確認減值虧損而應釐定的賬面值。減值虧損的撥回即時確認為收入，除非有關資產按重估價值列賬，於此情況下，減值虧損的撥回視作重估增加處理。

1 Significant accounting policies (continued)

(g) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost, less provisions for depreciation and any impairment losses. Details are set out in note 11. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the item has been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the income statement in the year 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 item, the expenditure is capitalised as an additional cost of the item. When an item of property, plant and equipment is sold, its cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from the disposal, being the difference between the net disposal proceeds and the carrying amount of the asset, is included in the income statement.

Depreciation is provided on the straight-line method, based on the estimated economic useful lives of the individual assets, as follows:—

Leasehold land and buildings	over 55 years from the date of purchase
Furniture, fixtures and equipment	1 to 10 years
Plant and machinery	3 to 7 years
Motor vehicles	4 to 10 years

1 主要會計政策(續)

(g) 物業、廠房及設備與折舊

物業、廠房及設備按成本值減折舊撥備及任何減值虧損入賬。詳情載於附註11。物業、廠房及設備項目之成本包括其購入價及將資產達至其運作狀況及地點作擬定用途之直接應佔成本。該項目投產後之開支(例如維修保養及大修費用)一般自產生年度之收益表扣除。倘能明確顯示該開支導致預期因使用該項目而產生之日後經濟利益增加，該項目則予以資本化，列為該項目之額外成本。當物業、廠房及設備出售時，其成本及累計折舊則自財務報表中撇除，而出售產生之損益(即該資產出售所得款項淨額與賬面值之差額)將計入收益表內。

折舊按直線法於個別資產之估計經濟可用年期作出撥備如下：—

租賃土地及樓宇	自購買日期起計超過55年
傢具、裝置及設備	1至10年
廠房及機器	3至7年
汽車	4至10年

1 Significant accounting policies (continued)

(h) Leased assets

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

The leasehold interest in the land held for own use is accounted for as being held under an operating lease where the fair value of the interest in any buildings situated on the leasehold land could be separately identified from the fair value of the leasehold interest in the land at the time the lease was first entered into by the Group, or taken over from the previous lessee, or at the date of construction of those buildings, if later. In case the two elements cannot be allocated reliably, the entire lease is classified as a finance lease and carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased assets, or, if lower, the present value of the minimum lease payments of such assets, are included in property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of assets over the term of the relevant leases or, where it is likely the Group or the Company will obtain ownership of the assets, the life of the assets, as set out in note 1 (g) above. Impairment losses are accounted for in accordance with the accounting policy as set out in note 1 (f) above. Finance charges implicit in the lease payments are charged to income statement over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals, if any, are charged to income statement in the accounting period in which they are incurred.

1 主要會計政策(續)

(h) 租賃資產

(i) 本集團租賃資產之分類

本集團持有的租賃資產，如大部份相關風險及回報已轉讓至本集團，該租賃資產歸類為按融資租賃持有。並無轉讓所有權全部相關風險及回報的租賃，歸類為經營租賃。

倘若位於租賃土地之任何樓宇權益之公允值，可與本集團首次訂立租賃時，或從前度承租人接收時，或有關樓宇興建之日(以較遲者為準)之土地租賃權益之公允值分開確定，則持作自用之土地之租賃權益，乃作為根據一項經營租賃而持有之權益處理。如未能可靠地分配上述兩個部份，則整項租賃列作融資租賃處理，並按成本減累積折舊及累計減值虧損入賬。

(ii) 以融資租賃購入的資產

倘本集團按融資租賃獲得資產的使用權，則將相當於租賃資產公允值或最低租賃付款額的現值(如為較低數額)記入物業、廠房及設備，而扣除融資費用後的相應負債則列為融資租賃承擔。折舊是在相關的租賃期或資產的可用年限(如本公司或本集團很可能取得資產的所有權)內，以沖銷資產成本或估值的比率計提；有關可用年限載列於上文附註 1(g)。減值虧損按照上文附註 1(f)所列會計政策入賬。租賃付款內含的融資費用會計入租賃期內的收益表，致使每個會計期間的融資費用佔承擔餘額的比率大致相同。或有租金(如有)在其產生的會計期間計入收益表。

1 Significant accounting policies (continued)

(h) Leased assets (continued)

(iii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to income statement in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in income statement as an integral part of the aggregate net lease payments made. Contingent rentals, if any, are charged to income statement in the accounting period in which they are incurred.

(i) Interests in subsidiaries

Interests in subsidiaries are stated in the Company's balance sheet at cost less any identified impairment losses. Results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

(j) Investments in securities

The Group classifies and measures its debt and equity securities in accordance with HKAS39 "Financial Instruments: Recognition and Measures". Under HKAS 39, financial assets are classified as "financial assets at fair value through profit or loss", "available-for-sale financial assets", "loans and receivables", or "held-to-maturity financial assets". "Financial assets at fair value through profit or loss" that are not part of a hedging relationship and "available-for-sale financial assets" are carried at fair value, with changes in fair values recognised in profit or loss and equity respectively. "Loans and receivables" and "held-to-maturity financial assets" are measured at amortised cost using the effective interest method.

1 主要會計政策(續)

(h) 租賃資產(續)

(iii) 經營租賃費用

如本集團透過經營租賃使用資產，則根據租賃作出的付款會在租賃期所涵蓋會計期間內，以等額在收益表扣除；但如有其他基準能更清楚地反映租賃資產所產生收益模式則除外。經營租賃協議所涉及優惠措施均在收益表中確認為租賃淨付款總額的組成部分。或有租金(如有)在其產生的會計期間內在收益表扣除。

(i) 於附屬公司之權益

於附屬公司之權益乃按成本減任何已識別減值虧損於本公司資產負債表入賬。附屬公司業績按已收及應收股息為基準計入本公司賬目。

(j) 證券投資

本集團根據香港會計準則第39號「金融工具：確認及計量」分類及計算其債務及股本證券。根據香港會計準則第39號，財務資產分類為「按公允值計入損益之財務資產」、「可供出售財務資產」、「貸款及應收款項」或「持至到期財務資產」。不涉及對沖關係之「按公允值計入損益之財務資產」及按公允值列賬之「可供出售財務資產」，公允值變動則分別於損益及權益確認。「貸款及應收款項」及「持至到期財務資產」以實際利率法按攤銷成本計算。

1 Significant accounting policies (continued)

(j) Investments in securities (continued)

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to current market value of another instrument, which is substantially the same; a discounted cash flow analysis and option pricing models. When the fair value of unlisted equity securities cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less any impairment losses.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1 主要會計政策(續)

(j) 證券投資(續)

在有秩序金融市場交投活躍之投資之公允值乃參考結算日營業時間結束時之市場買入價釐定。對於無活躍市場之投資，其公允值則以估價方法釐定。估價方法包括使用近期公平市場交易、參照大致相同之其他財務工具現行市場價值、貼現現金流量分析及期權訂價模式。倘非上市股本證券之公允值由於(a)公允值合理估計之變化性對該投資而言屬重大；或(b)各項估計之或然率無法可靠評估及用以估計公允值，則有關證券按成本減任何減值虧損列賬。

(k) 存貨

存貨以成本及可變現淨值兩者中的較低數額列賬。成本以加權平均成本法計算，其中包括所有採購成本、加工成本及將存貨達至目前地點和現狀的成本。

可變現淨值是以日常業務過程中的估計售價減去完成生產及銷售所需估計成本後所得之數。

存貨出售時，其賬面金額在相關收入獲確認的期間內確認為支出。存貨數額撇減至可變現淨值及存貨的所有虧損，均在出現減值或虧損的期間內確認為支出。存貨的任何減值轉回之數，均在出現轉回的期間內確認為已列作支出的存貨數額減少。

1 Significant accounting policies (continued)

(i) Foreign currency translation

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Foreign exchange gains and losses are recognised in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Balance sheet items, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into Hong Kong dollars at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in a separate component of equity. Goodwill arising on consolidation of a foreign operation acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

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

1 主要會計政策(續)

(i) 外幣換算

年度內的外幣交易按交易日的匯率換算。以外幣為單位的貨幣資產及負債則按結算日的匯率換算。匯兌盈虧於收益表確認。

按歷史成本法以外幣計量之非貨幣資產及負債乃按交易日之匯率換算。以外幣按公允值呈列之非貨幣資產及負債乃按於釐定公允值日期之匯率換算。

海外業務的業績按交易日的概約匯率換算為港元；資產負債表項目（包括綜合於2005年1月1日或之後收購之海外業務產生之商譽）則按結算日的匯率換算為港元。所產生匯兌差額獨立直接確認為權益部分。因於2005年1月1日之前收購海外業務所產生的商譽按收購該海外業務當日適用之匯率換算。

出售海外業務時，與該海外企業有關於權益確認之累計匯兌差額會在計算出售的盈利或虧損時包括在內。

1 Significant accounting policies (continued)

(m) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at cost less allowance for bad and doubtful debts. An allowance for bad and doubtful trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtors, probability that the debtors will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivables are impaired. The amount of the allowance is the difference between the receivables' carrying amounts and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the allowance is recognised in the income statement.

(n) Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(o) Provisions

Provisions are recognised for liabilities of uncertain timing or amount when the Company or Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the balance sheet date of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the income statement.

1 主要會計政策(續)

(m) 應收賬款及其他應收款

應收賬款及其他應收款初步按公允值確認，其後按成本減呆壞賬撥備列賬。當有客觀證據證明本公司之應收賬款及其他應收款將不能按原定之應收款條款收回所有金額時，則作出應收賬款及其他應收款呆壞賬撥備。債務人之重大財務困難、債務人可能破產或進行財務重組，以及拖欠或逾期付款，均被視為是應收款已減值之跡象。撥備金額為應收款賬面值與按實際利率折現之估計未來現金流量現值兩者之間的差額。撥備之金額於收益表內確認。

(n) 應付賬款及其他應付款

應付賬款及其他應付款初步按公平值確認，其後按攤銷成本列賬，惟倘貼現之影響並不重大，則按成本列賬。

(o) 撥備

倘若本公司或本集團須就已發生的事件承擔法律或推定義務，而履行該義務預期會導致經濟效益外流，並可作出可靠的估計時，便會就該時間或數額不定的負債計提撥備。如果貨幣時間價值重大，則按預計履行義務所需資源的現值呈列撥備。

倘貼現之影響重大，就撥備而確認之金額為於結算日預期履行義務所需未來開支之現值。因時間過去而引致之貼現現值增加將計入收益表內之財務費用。

1 Significant accounting policies (continued)

(o) Provisions (continued)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(p) Employee benefits

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

1 主要會計政策(續)

(o) 撥備(續)

倘若經濟利益外流的可能性較低，或無法對有關數額作出可靠估計，則將該義務披露為或有負債；但倘有關資源外流的可能性極低則除外。須視乎某宗或多宗未來事件是否發生才能確定存在與否的潛在義務，亦會披露為或有負債；但倘有關資源外流的可能性極低則除外。

(p) 僱員福利

- (i) 薪金、年度獎金、有薪年假、假期旅遊津貼及各項非貨幣福利導致本集團產生的成本，均在本集團僱員提供相關服務的年度內累計。如延遲付款或結算，而有關影響重大，則上述數額按現值列賬。
- (ii) 根據香港《強制性公積金計劃條例》規定作出的強制性公積金供款及為中華人民共和國（「中國」）及馬來西亞之附屬公司僱員參與有關政府部門管理之退休金計劃的供款，均於產生時在收益表列支；但已計入尚未確認為開支的存貨成本的數額除外。
- (iii) 本集團就香港《僱傭條例》的規定在若干情況下停止聘用員工而應以整筆款項形式支付長期服務金所承擔的義務淨額，是僱員在本期和以往期間提供服務所賺取未來福利的數額。該義務金額由合資格的精算師按預期福利單位法計算，該福利已貼現至現值，並已扣除任何相關計劃資產的公允價值。計算現值所採用的貼現率是根據外匯基金債權證於結算日的收益率釐定，其到期日與本集團就該福利須履行供款責任的年期相若。

1 Significant accounting policies (continued)

(q) Taxation

- (i) Taxation for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.
- (ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.
- (iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

1 主要會計政策(續)

(q) 稅項

- (i) 本年度稅項包括本期稅項及遞延稅項資產和負債的變動。本期稅項及遞延稅項資產和負債的變動均在收益表內確認，但與直接確認為股東權益項目相關者，則於權益中確認。
- (ii) 本期稅項是按本年度應稅收入根據已執行或在結算日實質上已執行的稅率計算的預期應付稅項，加上以往年度應付稅項的任何調整。
- (iii) 遞延稅項資產和負債分別由可抵扣和應稅暫時差異產生。暫時差異是指資產和負債在財務報表上的賬面金額與這些資產和負債的計稅基礎的差異。遞延稅項資產也可以由未運用可抵扣虧損和未運用稅款抵減產生。

除某些有限例外情況外，所有遞延稅項負債和遞延稅項資產(只限於很可能獲得能運用該遞延稅項資產來抵扣的未來應稅盈利)均會確認。支持確認由可抵扣暫時差異所產生遞延稅項資產的未來應稅盈利包括因轉回目前存在的應稅暫時差異而產生的數額，但這些轉回的差異必須與同一稅務機關及同一應稅實體有關，並預期在可抵扣暫時差異預計轉回的同一年間或遞延稅項資產所產生可抵扣虧損可向後期或向前期結轉的期間內轉回。在決定目前存在的應稅暫時差異是否足以支持確認由未運用可抵扣虧損和稅款抵減所產生的遞延稅項資產時，亦會採用同一準則，即差異是否與同一稅務機關及同一應稅實體有關，並是否預期在能夠使用未運用可抵扣虧損和稅款抵減撥回的同一年間內轉回。

1 Significant accounting policies (continued)

(q) Taxation (continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, negative goodwill treated as deferred income, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination).

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

(iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if, and only if, the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:—

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

1 主要會計政策(續)

(q) 稅項(續)

確認遞延稅項資產和負債的暫時差異是產生自以下有限的例外情況：不可扣稅商譽；作為遞延收入處理的負商譽；不影響會計或應稅盈利的資產或負債的初始確認(如屬業務合併的一部分則除外)。

遞延稅項是按照資產和負債賬面金額的預期實現或清償方式，根據在結算日已執行或實質上已執行的稅率計量。遞延稅項資產和負債均不貼現計算。

本集團會在每個結算日評估遞延稅項資產的賬面金額。如果本集團預期不再可能獲得足夠的應稅盈利以抵扣相關的稅務利益，則會調低該遞延稅項資產的賬面金額；惟倘日後可能獲得足夠應稅盈利，有關減額則會轉回。

(iv) 本期和遞延稅項結餘及其變動額會分開列示，且不予抵銷。本期和遞延稅項資產只會在本公司或本集團有法定行使權以本期稅項資產抵銷本期所得稅負債，並且符合以下附帶條件的情況下，方可分別抵銷本期和遞延稅項負債：—

- 本期稅項資產和負債：本公司或本集團計劃按淨額基準結算，或同時變現該資產和清償該負債；或

1 Significant accounting policies (continued)

(q) Taxation (continued)

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:—
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(r) Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:—

(i) Sale of goods

Revenue is recognised when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts and returns.

(ii) Commission and consultancy service income

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

(iii) Rental income from operating leases

Rental income receivable under operating leases is recognised in the income statement in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised in the income statement as an integral part of the aggregate net lease payments receivable. Contingent rental are recognised as income in the accounting period in which they are earned.

1 主要會計政策(續)

(q) 稅項(續)

- 遞延稅項資產和負債：這些資產和負債必須與同一稅務機關就以下其中一項徵收的所得稅有關：—
 - 同一應稅實體；或
 - 不同應稅實體，而這些實體計劃在日後每個預計有大額遞延稅項負債需要清償或大額遞延稅項資產可以收回的期間內，按淨額基準變現本期稅項資產和清償本期稅項負債，或同時變現該資產和清償該負債。

(r) 收入確認

收入在經濟利益可能流入本集團，以及能夠可靠地計算收入和成本(如適用)時，根據下列基準在收益表內確認：—

(i) 銷售貨品

收入在客戶接收貨品及其所有權相關的風險及回報時確認。收入不包括增值稅或其他銷售稅，並扣除任何營業折扣及退貨。

(ii) 佣金及顧問服務收入

佣金及顧問服務收入在有關服務提供後確認。

(iii) 經營租賃的租金收入

經營租賃的應收租金收入在租賃期所涵蓋會計期間內，以等額在收益表確認；但如有其他基準能更清楚地反映租賃資產所產生收益模式則除外。經營租賃協議所涉及優惠措施均在收益表中確認為應收租賃淨付款總額的組成部分。或有租金在其產生的會計期間內確認為收入。

1 Significant accounting policies (continued)

(r) Revenue recognition (continued)

(iv) Interest income

Interest income from bank deposits is accrued on a time-apportioned basis by reference to the principal outstanding and at the rate applicable.

(s) Borrowing costs

Borrowing costs are expensed as incurred except where they relate to the financing of major capital projects where they are capitalised up to the date that the assets are brought into a working condition for their intended use.

(t) Cash and cash equivalents

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

(u) Related parties

A party is considered to be related to the Group if:-

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group 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;

1 主要會計政策 (續)

(r) 收入確認 (續)

(iv) 利息收入

銀行存款的利息收入以時間比例基準，按尚餘本金及適用利率計算。

(s) 借貸成本

借貸成本於產生時支銷，惟倘該等成本與主要資本項目之融資有關，則該等成本會資本化，直至有關資產達至擬定用途之運作狀況為止。

(t) 現金及現金等價物

就綜合現金流量而言，現金及現金等價物包含銀行存款及現金、存放於銀行和其他財務機構的活期存款，以及短期和流動性極高，而可換算為已知數額現金、所承受價值變動風險甚小，並在購入後三個月內到期的投資項目，減須於墊款日期起計三個月償還之銀行墊款。現金及現金等價物亦包括須於接獲通知時償還，及構成本集團現金管理一部分的銀行透支。

(u) 有關連人士

在以下情況，下列人士將視作本集團有關連人士：-

- (i) 透過一家或以上中介公司直接或間接控制本集團或對本集團之財務及經營決策行使重大影響力（反之亦然），或本集團與該名人士受共同控制或共同影響；

1 Significant accounting policies (continued)

(u) Related parties (continued)

- (ii) the party is a member of the key management personnel of the Group;
- (iii) the party is a close member of the family of any individual referred to in (i) or (ii);
- (iv) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (ii) or (iii); or
- (v) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

(v) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting, the Group has chosen geographical segment information as the primary reporting format. No business segments analysis of the Group is presented as all the Group's turnover and trading result are generated from the manufacture, sale and marketing of jewellery products and provision of related agency services.

1 主要會計政策(續)

(u) 有關連人士(續)

- (ii) 為本集團主要管理人員；
- (iii) 為(i)或(ii)項所述任何人士之近親；
- (iv) 為受直接或間接與(ii)或(iii)項所述任何人士有關之實體控制、共同控制或受重大影響或行使大量投票權之實體；或
- (v) 該方提供福利予本集團或屬於其關連人士之任何實體僱員的離職後福利計劃。

(v) 分部報告

分部是指本集團內可明顯區分的組成部分，並且負責提供單項或一組相關的產品或服務(業務分部)，或在特定經濟環境中提供產品或服務(地區分部)，並承擔有別於其他分部的風險和回報。

按照本集團的內部財務報告程序，本集團選擇以地區分部為報告分部資料的主要形式。由於本集團的營業額及經營業績均來自製造、銷售及推廣珠寶首飾和提供相關的代理服務，故並無提供有關本集團之業務分類分析。

1 Significant accounting policies (continued)

(v) Segment reporting (continued)

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and property, plant and equipment. Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, corporate and financing expenses.

1 主要會計政策(續)

(v) 分部報告(續)

分部收入、支出、經營業績、資產及負債包含直接歸屬某一分部，以及可按合理的基準分配至該分部的項目的數額。例如，分部資產可能包括存貨、應收賬款及物業、廠房及設備。分部收入、支出、資產及負債包含須在編製綜合財務報表時抵銷的集團內部往來的餘額和集團內部交易；但同屬一個分部的集團企業之間的集團內部往來的餘額和交易則除外。

分部資本開支指年內購入預計可使用超過一年的分部資產所產生成本總額。

未分配項目主要包括財務及企業資產、計息貸款、借款、企業和融資支出。

2 Turnover

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

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

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Sales of jewellery products	珠寶產品銷售	1,509,851	1,323,678
Commission income	佣金收入	—	454
		1,509,851	1,324,132

2 營業額

本集團的主要業務是製造、銷售及推廣珠寶首飾和提供相關的代理服務。

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

3 Other revenue 其他收入

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Rental income	租金收入	55	32
Interest income	利息收入	350	279
Foreign exchange gain	匯兌收益	3,000	908
Others	其他	2,044	1,525
		5,449	2,744

4 Profit from ordinary activities before taxation 除稅前正常業務盈利

Profit from ordinary activities before taxation is arrived at after charging/(crediting):- 除稅前正常業務盈利已扣除/(計入)：－

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
(a)	Finance costs		
	(a) 財務費用		
	Interest on bank loans and overdrafts	4,764	2,049
	銀行貸款及透支的利息		
	Interest on other loans	5,374	4,050
	其他貸款的利息		
	Finance charges on obligations under finance leases	194	60
	融資租賃承擔的 財務費用		
		10,332	6,159

4 Profit from ordinary activities before taxation 除稅前正常業務盈利 (continued 續)

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
(b)	Staff costs		
	(b) 員工成本		
	Contributions to defined contribution retirement plan	5,629	4,814
	Expense recognised in respect of long service payments (note 23(a)(ii) and (iii))	2,125	(1,431)
	Retirement costs	7,754	3,383
	Equity-settled share option expenses	1,909	2,332
	Salaries, wages and other benefits	222,134	190,876
		231,797	196,591

4 Profit from ordinary activities before taxation 除稅前正常業務盈利 (continued 續)

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
(c) Other items	(c) 其他項目		
Auditors' remuneration	核數師酬金		
– current year provision	– 本年度撥備	3,121	3,250
– prior year (overprovision)/underprovision	– 以往年度(撥備超額)/撥備不足	(22)	1,077
Bad and doubtful debts	呆壞賬	14,274	–
Cost of inventories sold	出售存貨成本	707,985	657,896
Depreciation	折舊	28,851	24,225
Operating leases charges	經營租賃費用		
– land and buildings situated in Hong Kong	– 香港之土地及樓宇	66,992	66,512
– land and buildings situated other than in Hong Kong	– 香港以外之土地及樓宇	9,770	9,830
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	168	47
Provision/(reversal of provision) for inventories	存貨撥備/(撥備撥回)	9,970	(2,701)
Rentals receivable from properties less direct outgoings of HK\$14,000 (2006: HK\$12,000)	應收物業租金減直接支出 港幣14,000元 (2006年：港幣12,000元)	(41)	(20)

Cost of inventories sold includes HK\$41,956,000 (2006: HK\$37,829,000) relating to staff costs, auditors' remuneration, depreciation expenses and operating lease charges, which amounts are also included in the respective total amounts disclosed separately above in note 4(b) and 4(c) for each of these types of expenses.

出售存貨成本包括與員工成本、核數師酬金、折舊費用及經營租賃費用有關的港幣41,956,000元(2006年：港幣37,829,000元)。有關數額亦已記入以上附註4(b)及附註4(c)所列各類相關開支中。

5 Taxation 稅項

(a) Taxation in the consolidated income statement represents:-

綜合收益表所示的稅項為：—

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Current tax – Hong Kong profits tax	本期稅項 – 香港利得稅		
Tax for the year	本年度稅項	11,083	815
Underprovision in respect of prior years	以往年度撥備不足	327	50,964
		11,410	51,779
Current tax – overseas	本期稅項 – 海外		
Tax for the year	本年度稅項	17,492	22,948
Underprovision/(overprovision) in respect of prior years	以往年度撥備不足/(撥備超額)	248	(1,107)
		17,740	21,841
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時差異的產生和轉回	(4,195)	(3,069)
		24,955	70,551

The provision for Hong Kong profits tax is calculated at 17.5% (2006: 17.5%) of the estimated assessable profits for the year. Taxation for overseas subsidiaries is similarly charged at the appropriate current rate of taxation ruling in the relevant countries.

香港利得稅撥備是按本年度的估計應評稅盈利以17.5% (2006年：17.5%) 的稅率計算。海外附屬公司的稅項以相關國家適用的現行稅率按類似方法計算。

5 Taxation 稅項 (continued 續)

(b) The reconciliation between profit before taxation and taxation in the consolidated income statement is as follows:–

除稅前盈利和綜合收益表所示的稅項之對賬：—

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Profit before taxation	除稅前盈利	98,934	42,433
Notional tax on profit before tax, calculated at the rates applicable to profits in the countries concerned	按照在相關國家獲得盈利的適用稅率計算除稅前盈利的名義稅項	13,650	4,810
Tax effect of profits entitled to tax exemption	可享有免稅優惠的盈利的稅項影響	–	(811)
Tax effect of non-deductible expenses	不可扣減支出的稅項影響	15,252	21,414
Tax effect of non-taxable revenue	毋須課稅收入的稅項影響	(7,150)	(10,733)
Tax effect of prior year's tax losses utilised this year	於本年度動用往年度稅損的稅項影響	(4,967)	(1,197)
Tax effect of temporary differences not recognised	未確認暫時差異的稅項影響	2,495	2,328
Tax effect of prior year's temporary difference recognised this year	於本年度確認往年度暫時差異的稅項影響	3	(1,808)
Tax effect of unused tax losses not recognised	未確認及未運用的稅項虧損的稅項影響	5,019	6,691
Underprovision in respect of prior years	以往年度撥備不足	576	49,857
Tax effect of change of tax rate	稅率改變的稅項影響	77	–
Taxation	稅項	24,955	70,551

6 Directors' remuneration

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

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Fees	袍金	957	1,260
Salaries and other emoluments	薪金及其他酬金	8,604	7,128
Performance related incentives	與表現相關之獎勵	7,649	3,784
Contributions to retirement benefits scheme	退休福利計劃供款	48	25
Share-based payments	以股份償付	1,069	1,139
		18,327	13,336

Included in the directors' remuneration were fees of HK\$957,000 (2006: HK\$1,260,000) paid to the non-executive directors during the year.

6 董事酬金

根據香港《公司條例》第161條披露的董事酬金如下：—

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Fees	袍金	957	1,260
Salaries and other emoluments	薪金及其他酬金	8,604	7,128
Performance related incentives	與表現相關之獎勵	7,649	3,784
Contributions to retirement benefits scheme	退休福利計劃供款	48	25
Share-based payments	以股份償付	1,069	1,139
		18,327	13,336

董事酬金包括年內支付予非執行董事的袍金港幣957,000元(2006年：港幣1,260,000元)。

6 Directors' remuneration 董事酬金 (continued 續)

		Contributions to					
		Salaries and other emoluments	Performance related incentives	retirement benefits scheme	Share - based payments	Total	
		薪金及其他薪酬	與表現相關之獎勵	退休福利計劃供款	以股份償付	總計	
		HKS'000 港幣千元	HKS'000 港幣千元	HKS'000 港幣千元	HKS'000 港幣千元	HKS'000 港幣千元	
2007							
Executive directors: 執行董事:							
Tse Tat Fung, Tommy	謝達峰	–	3,084	5,500	12	478	9,074
Peter Gerardus Van Weerdenburg	溫彼得	–	1,800	753	–	478	3,031
Erwin Steve Huang	黃岳永	–	1,440	760	–	24	2,224
Alex Chan	陳偉康	–	840	210	12	48	1,110
Yau On Yee, Annie	邱安儀	–	780	261	12	24	1,077
Cheung Tse Kin, Michael	張子健	–	660	165	12	17	854
		–	8,604	7,649	48	1,069	17,370
Non-executive directors: 非執行董事:							
Chui Chi Yun, Robert *	崔志仁 *	360	–	–	–	–	360
Gerald Clive Dobby *	Gerald Clive Dobby*	360	–	–	–	–	360
Lui Pui Kee, Francis *	呂培基 *	150	–	–	–	–	150
Peter George Brown*	包安嵐 *	87	–	–	–	–	87
		957	–	–	–	–	957
		957	8,604	7,649	48	1,069	18,327

6 Directors' remuneration 董事酬金 (continued 續)

					Contributions to		
					retirement	Share -	
					benefits	based	
					scheme	payments	Total
	Fees	Salaries and other emoluments	Performance related incentives	與表現相關 之獎勵	退休福利 計劃供款	以股份償付	總計
	袍金	薪金及 其他薪酬					
	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
2006							
Executive directors:	執行董事：						
Tse Tat Fung, Tommy	謝達峰	–	3,078	3,001	12	530	6,621
Peter Gerardus Van Weerdenburg	溫彼得	–	1,765	156	–	530	2,451
Erwin Steve Huang	黃岳永	–	1,260	500	–	26	1,786
Alex Chan	陳偉康	–	830	35	12	53	930
Leung Yit Kuen, Raymond	梁悅權	–	195	92	1	–	288
		–	7,128	3,784	25	1,139	12,076
Non-executive directors:	非執行董事：						
Hong Po Kui, Martin	康寶駒	180	–	–	–	–	180
Chui Chi Yun, Robert *	崔志仁 *	360	–	–	–	–	360
Gerald Clive Dobby *	Gerald Clive Dobby *	360	–	–	–	–	360
Lui Pui Kee, Francis *	呂培基 *	360	–	–	–	–	360
		1,260	–	–	–	–	1,260
		1,260	7,128	3,784	25	1,139	13,336

* Independent non-executive directors.

* 獨立非執行董事

7 Individuals with highest emoluments

Of the five individuals with the highest emoluments, three (2006: three) are directors whose emoluments are disclosed in note 6. The aggregate of the emoluments in respect of the other two (2006: two) individuals are as follows:—

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Salaries and other emoluments	薪金及其他酬金	2,280	2,408
Performance related incentives	與表現相關之獎勵	3,326	2,456
Contributions to retirement benefits scheme	退休福利計劃供款	24	24
Share-based payments	以股份償付	36	86
		5,666	4,974

The emoluments of the two (2006: two) individuals with the highest emoluments are within the following bands:—

		2007 Number of individuals 人數	2006 Number of individuals 人數
HK\$1,000,001 to HK\$1,500,000	港幣 1,000,001 元至港幣 1,500,000 元	1	1
HK\$3,500,001 to HK\$4,000,000	港幣 3,500,001 元至港幣 4,000,000 元	—	1
HK\$4,000,001 to HK\$4,500,000	港幣 4,000,001 元至港幣 4,500,000 元	1	—

7 最高酬金人士

在五名最高酬金人士中，三名(2006年：三名)為董事，有關酬金詳情載於附註6。其餘兩名(2006年：兩名)人士的酬金總額如下：—

該兩名(2006年：兩名)最高酬金人士的酬金在以下範圍內：—

8 Profit/(loss) for the year

The profit/(loss) for the year includes a profit of HK\$85,000 (2006: loss of HK\$37,831,000) which has been dealt with in the financial statements of the Company.

9 Earnings/(loss) per share

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to equity holders of the Company in the amount of HK\$55,562,000 (2006: loss attributable to equity holders of the Company of HK\$47,977,000) and 207,063,221 (2006: 207,063,221) ordinary shares in issue during the year.

(b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share is not shown for the year ended 28 February 2007 as all the potential ordinary shares (i.e. the share options) are anti-dilutive.

There were no dilutive potential ordinary shares in existence during the year ended 28 February 2006.

8 年內盈利／(虧損)

年內盈利／(虧損)包括一筆已列入本公司財務報表的港幣85,000元盈利(2006年：港幣37,831,000元虧損)。

9 每股盈利／(虧損)

(a) 每股基本盈利／(虧損)

每股基本盈利／(虧損)是按照本年度的本公司股東應佔盈利港幣55,562,000元(2006年：本公司股東應佔虧損港幣47,977,000元)，以及年內已發行普通股207,063,221股(2006年：207,063,221股)普通股計算。

(b) 每股攤薄盈利／(虧損)

由於截至2007年2月28日止年度所有潛在普通股(即購股權)均具反攤薄影響，故並無呈列每股攤薄盈利／(虧損)。

於截至2006年2月28日止年度，本公司並無潛在攤薄影響的普通股。

10 Segment reporting

Segment information is presented in respect of the Group's geographical segments. Information relating to geographical segments based on the location of assets is chosen because this is more relevant to the Group in making operating and financial decisions. No business segments analysis of the Group is presented as all the Group's turnover and trading result are generated from the manufacture, sale and marketing of jewellery products and provision of related agency services.

10 分部報告

分部資料是按本集團的地區分部作出呈述。選擇根據資產所在位置而提供有關地區分類之資料，乃因有關資料對本集團作出經營及財務決策時更適用。由於本集團的營業額及經營業績均來自製造、銷售及推廣珠寶首飾和提供相關的代理服務，故並無提供有關本集團之業務類別分析。

	PRC (including Hong Kong) 中國(包括香港)		Others 其他		Inter-segment elimination 分部間抵銷數額		Consolidated 綜合數額	
	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Revenue from external customers Inter-segment revenue Other revenue from external customers	1,477,688 16,890 4,828	1,297,568 10,254 2,397	32,163 – 621	26,564 – 347	– (16,890) –	– (10,254) –	1,509,851 – 5,449	1,324,132 – 2,744
Total	1,499,406	1,310,219	32,784	26,911	(16,890)	(10,254)	1,515,300	1,326,876
Segment results Finance costs Profit on disposal of land and buildings Gain on disposal of subsidiaries Impairment loss on goodwill Negative goodwill on acquisition of subsidiaries Taxation	100,145	48,144	2,109	448			102,254 (10,332) 1,603 1,384 (7,002) 11,027 (24,955)	48,592 (6,159) – – – – (70,551)
Profit/(loss) for the year							73,979	(28,118)
Depreciation for the year	28,649	24,193	202	32				
Significant non-cash expenses (other than depreciation)	281	47	110	–				
Segment assets Unallocated assets	984,537	921,814	25,041	16,699	(113,751)	(108,565)	895,827 25,067	829,948 21,853
Total assets							920,894	851,801
Segment liabilities Unallocated liabilities	354,462	420,662	115,242	110,190	(113,751)	(108,565)	355,953 257,633	422,287 182,604
Total liabilities							613,586	604,891
Capital expenditure incurred during the year	41,521	36,014	626	93				

11 Property, plant and equipment 物業、廠房及設備

(a) The Group 本集團

		Land and buildings 土地及 建築物 HK\$'000 港幣千元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 港幣千元	Plant and machinery 廠房及機器 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Sub-total 小計 HK\$'000 港幣千元	Investment properties 投資物業 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
Cost 成本								
1 March 2005	於2005年3月1日	96,375	126,142	21,551	3,788	247,856	1,420	249,276
Exchange adjustments	匯兌調整	-	517	28	6	551	-	551
Additions	增置	-	33,785	1,887	435	36,107	-	36,107
Transfer from investment properties	從投資物業中轉入	1,420	-	-	-	1,420	(1,420)	-
Disposals	出售	-	(4,926)	(496)	(1,318)	(6,740)	-	(6,740)
28 February 2006	於2006年2月28日	97,795	155,518	22,970	2,911	279,194	-	279,194
Exchange adjustments	匯兌調整	-	1,804	56	32	1,892	-	1,892
Additions	增置	-	40,708	1,083	356	42,147	-	42,147
Disposals	出售	(522)	(8,215)	(187)	(308)	(9,232)	-	(9,232)
Reclassification	重新分類	-	8,371	(8,371)	-	-	-	-
28 February 2007	於2007年2月28日	97,273	198,186	15,551	2,991	314,001	-	314,001
Accumulated depreciation 折舊總額								
1 March 2005	於2005年3月1日	19,768	104,274	16,518	3,032	143,592	-	143,592
Exchange adjustments	匯兌調整	-	353	11	3	367	-	367
Charge for the year	本年度折舊	1,910	20,121	1,827	367	24,225	-	24,225
On disposals	出售時	-	(4,875)	(496)	(1,310)	(6,681)	-	(6,681)
28 February 2006	於2006年2月28日	21,678	119,873	17,860	2,092	161,503	-	161,503
Exchange adjustments	匯兌調整	-	1,308	28	12	1,348	-	1,348
Charge for the year	本年度折舊	1,911	24,784	1,700	456	28,851	-	28,851
On disposals	出售時	(181)	(7,762)	(136)	(285)	(8,364)	-	(8,364)
Reclassification	重新分類	-	7,106	(7,106)	-	-	-	-
28 February 2007	於2007年2月28日	23,408	145,309	12,346	2,275	183,338	-	183,338
Net book value 賬面淨值								
28 February 2007	於2007年2月28日	73,865	52,877	3,205	716	130,663	-	130,663
28 February 2006	於2006年2月28日	76,117	35,645	5,110	819	117,691	-	117,691

11 Property, plant and equipment 物業、廠房及設備 (continued 續)

(b) The Company 本公司

Furniture,
fixtures and
equipment
傢俬、裝置
及設備
HK\$'000 千港元

Cost	成本	
1 March 2005	於2005年3月1日	207
Additions	增置	240
Disposals	出售	(3)
28 February 2006	於2006年2月28日	444
Additions	增置	125
28 February 2007	於2007年2月28日	569
Accumulated depreciation	折舊總額	
1 March 2005	於2005年3月1日	207
Charge for the year	本年度折舊	5
On disposals	出售時	(3)
28 February 2006	於2006年2月28日	209
Charge for the year	本年度折舊	62
28 February 2007	於2007年2月28日	271
Net book value	賬面淨值	
28 February 2007	於2007年2月28日	298
28 February 2006	於2006年2月28日	235

11 Property, plant and equipment 物業、廠房及設備 (continued 續)

(c) The analysis of net book value of land and buildings is as follows:—

土地及樓宇賬面淨值的分析如下：—

		The Group 本集團	
		2007	2006
		HKS'000 港幣千元	HKS'000 港幣千元
In Hong Kong	在香港		
– Long leases	– 長期租賃	7,121	7,292
– Medium-term leases	– 中期租賃	62,883	64,877
		70,004	72,169
Other parts of the PRC	在中國其他地方		
– Long leases	– 長期租賃	1,867	1,909
– Medium-term leases	– 中期租賃	1,994	2,039
		3,861	3,948
		73,865	76,117

At the balance sheet date, the property ownership certificates in respect of the property interests held in other parts of the PRC of HK\$1,867,000 (2006: HK\$1,909,000) as stated above have not been issued by the relevant PRC government authority.

於結算日，國內相關政府部門仍未就上述本集團在中國其他地方持有的港幣1,867,000元(2006年：港幣1,909,000元)物業權益發出房地產擁有權證明書。

11 Property, plant and equipment 物業、廠房及設備 (continued 續)

(d) The net book value of a motor vehicle and office equipment held under finance leases of the Group was HK\$ 386,000 (2006: HK\$ 499,000).

本集團以融資租賃持有汽車及辦公室設備的賬面淨值為港幣 386,000 元 (2006 年：港幣 499,000 元)

12 Interests in subsidiaries 附屬公司權益

		The Company 本公司	
		2007	2006
		HK\$'000 港幣千元	HK\$'000 港幣千元
Unlisted shares/capital contributions, at cost	非上市股份／出資，按成本	708,072	708,072
Due from subsidiaries	應收附屬公司賬款	446,747	426,274
<hr/>			
Less: Impairment loss	減：減值虧損	1,154,819 (928,076)	1,134,346 (928,076)
<hr/>			
		226,743	206,270

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

下表只載列對本集團的業績、資產或負債有重大影響的附屬公司詳情。除另有註明者外，所持有的股份均為普通股。

12 Interests in subsidiaries 附屬公司權益 (continued 續)

Name of company 公司名稱	Place of establishment/ incorporation and operation 成立／註冊成立 及經營地點	Particulars of issued and paid up capital 已發行及繳足 股本詳情	Group's effective ownership interest 本集團的實際所有權權益		Principal activities 主要業務
			2007	2006	
TSL Investment (B.V.I.) Limited	BVI 英屬處女群島	HK\$1,000 港幣 1,000 元	100%	100%	Investment holding 投資控股
Impromptus Asia Pacific Limited	Hong Kong 香港	HK\$10,000 港幣 10,000 元	100% @	100% @	Goldsmith and jewellery trading 足金及珠寶貿易
Tse Sui Luen Jewellery Company Limited ("TSLJ") 謝瑞麟珠寶有限公司 (「謝瑞麟珠寶」)	Hong Kong 香港	HK\$34,000 港幣 34,000 元	100% @	100% @	Jewellery manufacturing, trading and retailing 珠寶製造、貿易 及零售
Tse Sui Luen Jewellery (Malaysia) Limited 謝瑞麟珠寶(馬來西亞) 有限公司	Hong Kong/ Malaysia 香港／馬來西亞	HK\$3,000,000 港幣 3,000,000 元	100% @	100% @	Jewellery retailing 珠寶零售

12 Interests in subsidiaries 附屬公司權益 (continued 續)

Name of company 公司名稱	Place of establishment/ incorporation and operation 成立/註冊成立 及經營地點	Particulars of issued and paid up capital 已發行及繳足 股本詳情	Group's effective ownership interest 本集團的實際所有權權益		Principal activities 主要業務
			2007	2006	
TSL Properties Management Limited 謝瑞麟物業管理有限公司	Hong Kong 香港	HK\$1,000 港幣 1,000 元	100% @	100% @	Property holding and investment 持有物業及投資
Liberty Mark Limited	BVI 英屬處女群島	US\$1 1 美元	100% @	100% @	Investment holding 投資控股
TSL Manufacturing and Distribution Limited (formerly, Woody Gold Investment Limited) 謝瑞麟製造及分銷有限公司 (前稱活高投資有限公司)	Hong Kong 香港	HK\$ 2 ^ 港幣 2 元 ^	100% @	100% @	Procurement, manufacturing and distribution of jewellery 採購、製造及 包銷珠寶
TSL Jewellery (H.K.) Co. Limited 謝瑞麟珠寶(香港)有限公司	Hong Kong 香港	HK\$ 490 港幣 490 元	100% @	100% @	Jewellery retailing 珠寶零售

12 Interests in subsidiaries 附屬公司權益 (continued 續)

Name of company 公司名稱	Place of establishment/ incorporation and operation 成立／註冊成立 及經營地點	Particulars of issued and paid up capital 已發行及繳足 股本詳情	Group's effective ownership interest 本集團的實際所有權權益		Principal activities 主要業務
			2007	2006	
TSL Jewellery (Export) Company Limited 謝瑞麟珠寶(出口)有限公司	Hong Kong 香港	HK\$ 2,824,775 港幣 2,824,775 元	100% @	100% @	Jewellery export 珠寶出口
Beijing Tse Sui Luen Jewellery Company Limited #/* ("BTSL") 北京謝瑞麟珠寶 有限公司(「北京謝瑞麟」)*	PRC 中國	RMB1,750,000 and US\$1,800,000 1,750,000 人民幣及 1,800,000 美元	80.46% @	56.46% @	Jewellery manufacturing and trading 珠寶製造及貿易
Excellent Ford Development Limited ("EF") 福銳發展有限公司 (「福銳發展」)	Hong Kong 香港	HK\$10,000 港幣 10,000 元	80.46% @	56.46% @	Jewellery trading 珠寶貿易
Guangzhou Xi Yun Jewellery Company Limited #/** 廣州禧雲珠寶有限公司**	PRC 中國	RMB2,000,000 2,000,000 人民幣	80.46% @	56.46% @	Jewellery trading and retailing 珠寶貿易及零售

12 Interests in subsidiaries 附屬公司權益 (continued 續)

Name of company 公司名稱	Place of establishment/ incorporation and operation 成立/註冊成立 及經營地點	Particulars of issued and paid up capital 已發行及繳足 股本詳情	Group's effective ownership interest 本集團的實際所有權權益		Principal activities 主要業務
			2007	2006	
Guangzhou Xiang Yun Jewellery Company Limited ("GZ Xiang Yun")#/*** 廣州祥雲珠寶有限公司 (「廣州祥雲」)**	PRC 中國	RMB3,000,000 3,000,000 人民幣	80.46% @	56.46% @	Jewellery retailing 珠寶零售
Infinite Assets Corp. ("IAC")	British Virgin Islands ("BVI") 英屬處女群島	HK\$277,254 港幣 277,254 元	80.46% @	56.46% @	Investment holding 投資控股
Shanghai Fu Yun Jewellery Company Limited #/** 上海福雲珠寶 有限公司	PRC 中國	RMB1,000,000 1,000,000 人民幣	80.46% @	56.46% @	Jewellery retailing 珠寶零售

12 Interests in subsidiaries 附屬公司權益 (continued 續)

Name of company 公司名稱	Place of establishment/ incorporation and operation 成立／註冊成立 及經營地點	Particulars of issued and paid up capital 已發行及繳足 股本詳情	Group's effective ownership interest 本集團的實際所有權權益		Principal activities 主要業務
			2007	2006	
Tse Sui Luen Investment (China) Limited ("TSL China") 謝瑞麟投資(中國)有限公司 (「謝瑞麟中國」)	BVI 英屬處女群島	US\$6,863 6,863 美元	80.46% [@]	56.46% [@]	Investment holding 投資控股
#	Unofficial translation 非正式譯名				
*	Registered under the laws of the PRC as sino-foreign joint venture 根據中國法律註冊為中外合資經營企業				
**	Registered under the laws of the PRC as limited liability company 根據中國法律註冊為有限責任公司				
***	Registered under the laws of the PRC as foreign enterprise 根據中國法律註冊為外資企業				
@	Indirectly held through subsidiaries 透過附屬公司間接持有				
^	Paid up capital increased to HK\$ 12,000,000 on 15 May 2007 subsequent to the balance sheet date. 繳足股本於結算日後 2007 年 5 月 15 日增加至港幣 12,000,000 元				

13 Other financial asset 其他財務資產

		The Group 本集團	
		2007	2006
		HKS'000 港幣千元	HKS'000 港幣千元
Investment security, at cost	證券投資，按成本		
– Membership and seat in the Chinese Gold and Silver Exchange Society	– 金銀業貿易場會籍及席位	500	500

14 Club debenture 會籍債權證

		The Group 本集團	
		2007	2006
		HKS'000 港幣千元	HKS'000 港幣千元
Membership in 北京中國會, at cost	北京中國會會籍，按成本	103	103

Club debenture is designated as an available-for-sale financial asset. The debenture was issued by a private group and the directors are of the opinion that its fair value cannot be measured reliably. Accordingly, such debenture is stated at cost less impairment loss, if any. No impairment loss has been recognised as, in the opinion of the directors, the carrying amount of the debenture is not less than its recoverable amount.

會籍債權證乃指定為可供出售財務資產。債權證由私人集團發行，而董事認為其公允值未能可靠地計量。因此，該等債權證按成本減減值虧損（如有）列賬。董事認為，由於債權證賬面值不少於其可收回數額，因此並無確認減值虧損。

15 Inventories 存貨

		The Group 本集團	
		2007	2006
		HKS'000 港幣千元	HKS'000 港幣千元
Raw materials – at net realisable value	原材料—按可變現淨值	28,991	80,776
Work in progress – at net realisable value	在製品—按可變現淨值	35,637	54,422
Finished goods – at net realisable value	製成品—按可變現淨值	456,961	365,525
		521,589	500,723

16 Trade and other receivables 應收賬款及其他應收款

(a) Included in trade and other receivables are trade receivables (net of allowance of bad and doubtful debts) with the following ageing analysis:—
包括於應收賬款及其他應收款內的應收賬款(已扣除呆壞賬撥備)的賬齡分析如下:—

		The Group 本集團	
		2007	2006
		HKS'000 港幣千元	HKS'000 港幣千元
0 to 30 days	0至30天	74,692	41,983
31 to 60 days	31天至60天	6,306	3,117
61 to 90 days	61天至90天	1,135	2
Over 90 days	超過90天	2,042	20,386
Total trade receivables	應收賬款總額	84,175	65,488
Other receivables, deposits and prepayments (note (c))	其他應收款、按金 及預付款(附註(c))	59,519	44,192
		143,694	109,680

16 Trade and other receivables (continued)

(a) (continued)

The directors consider that trade and other receivables approximate their fair value.

Apart from retail customers, the Group allows an average credit period from 30 to 90 days to other customers.

(b) Details of trade and other receivables denominated in different currencies are as follows:—

		The Group 本集團	
		2007	2006
		HKS'000 港幣千元	HKS'000 港幣千元
Hong Kong dollars	港幣	45,618	52,235
Chinese Renminbi	人民幣	87,089	52,576
United States dollars	美元	9,768	4,169
Others	其他	1,219	700
		143,694	109,680

16 應收賬款及其他應收款(續)

(a) (續)

董事認為，應收賬款及其他應收款與其公平值相若。

除零售顧客外，本集團給予其他顧客平均由30至90天的除賬期。

(b) 以不同貨幣列值之應收賬款及其他應收款詳情如下：—

16 Trade and other receivables 應收賬款及其他應收款 (continued 續)

(c) Details of other receivables, deposits and prepayments are as follows:—

其他應收款、按金及預付款明細如下：—

		The Group 本集團		The Company 本公司	
		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Other receivables	其他應收款	16,067	9,562	4,569	4,691
Deposits	按金	19,843	18,736	1	1
Prepayments	預付款	23,609	15,894	3,316	1,350
		59,519	44,192	7,886	6,042

17 Cash at bank and in hand 銀行存款及現金

Details of cash at bank and in hand denominated in different currencies are as follows:—

以不同貨幣列值之銀行存款及現金詳情如下：—

		The Group 本集團	
		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Hong Kong dollars	港幣	35,019	34,824
Chinese Renminbi	人民幣	57,540	62,937
Malaysian Ringgits	馬來西亞元	1,580	2,125
United States dollars	美元	4,861	1,069
Others	其他	178	294
		99,178	101,249

18 Trade and other payables 應付賬款及其他應付款

(a) Included in trade and other payables are trade payables with the following ageing analysis:—

包括於應付賬款及其他應付款內的應付賬款的賬齡分析如下：—

		The Group 本集團	
		2007	2006
		HK\$'000 港幣千元	HK\$'000 港幣千元
0 to 30 days	0至30天	39,054	34,603
31 to 60 days	31天至60天	26,435	31,713
61 to 90 days	61天至90天	20,856	19,209
Over 90 days	超過90天	100,651	97,461
<hr/>		<hr/>	
Total trade payables	應付賬款總額	186,996	182,986
Other payables and accruals (note (c))	其他應付款及應計費用(附註(c))	171,313	172,033
<hr/>		<hr/>	
		358,309	355,019

The directors consider that trade and other payables approximate their fair value.

董事認為，應付賬款及其他應付款與其公允值相若。

18 Trade and other payables 應付賬款及其他應付款 (continued 續)

(b) Details of trade and other payables denominated in different currencies are as follows:—

以不同貨幣列值之應付賬款及其他應付款詳情如下：—

		The Group 本集團	
		2007	2006
		HKS'000 港幣千元	HKS'000 港幣千元
Hong Kong dollars	港幣	162,226	141,699
Chinese Renminbi	人民幣	87,082	101,901
United States dollars	美元	105,721	107,774
Others	其他	3,280	3,645
		358,309	355,019

(c) Details of other payables and accruals are as follows:—

其他應付款及應計費用明細如下：

		The Group 本集團		The Company 本公司	
		2007	2006	2007	2006
		HKS'000 港幣千元	HKS'000 港幣千元	HKS'000 港幣千元	HKS'000 港幣千元
Other payables	其他應付款	84,303	110,376	478	478
Customer deposits	顧客按金	5,925	6,747	—	—
Provision for liabilities	負債撥備	23,544	14,982	—	—
Accruals	應計費用	57,541	39,928	4,896	4,207
		171,313	172,033	5,374	4,685

19 Bank loans and overdrafts – secured 銀行貸款及透支—有抵押

At 28 February 2007, the secured bank loans were repayable as follows:—

於2007年2月28日，有抵押銀行貸款的還款期如下：—

		The Group 本集團	
		2007	2006
		HKS'000 港幣千元	HKS'000 港幣千元
Within 1 year or on demand	1年內或接獲通知時	12,800	4,000
After 1 year but within 2 years	1年後但2年內	14,400	12,800
After 2 years but within 5 years	2年後但5年內	23,800	40,200
		38,200	53,000
		51,000	57,000

Details of the securities for the bank loans and overdrafts are set out in note 31 (a) to (c) to the financial statements.

銀行貸款及透支之抵押詳情載於財務報表附註31(a)至(c)。

20 Other loans – secured 其他貸款—有抵押

At 28 February 2007, the other loans were repayable as follows:–

於2007年2月28日，其他貸款的還款期如下：–

		The Group 本集團		The Company 本公司	
		2007	2006	2007	2006
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Within 1 year or on demand	1年內或接獲通知時	38,135	14,500	16,335	–
After 1 year but within 2 years	1年後但2年內	14,552	21,800	–	–
After 2 years but within 5 years	2年後但5年內	21,514	36,067	–	–
		36,066	57,867	–	–
		74,201	72,367	16,335	–

(a) During the year, a loan of US\$2,100,000 (HK\$16,335,000) was extended from Rosy Blue (Hong Kong) Limited to the Company to finance a subsidiary's acquisition of 24% additional interest in the subsidiary, TSL China. The loan is secured by an equitable mortgage over the entire issued share capital of the subsidiary acquiring the 24% additional interest in TSL China (see also note 31 (d) below) and interest bearing at London Interbank Offering Rate plus 3% per annum.

Subsequent to the balance sheet date, on 19 April 2007, the loan from Rosy Blue (Hong Kong) Limited was fully repaid by the Company with a new bank loan of HK\$16,000,000. The bank loan is repayable by 36 equal instalments.

(b) Other loans also include secured loans from Partner Logistics Limited which carry interest at Hong Kong Interbank Offering Rate plus 2% per annum. Details of the securities for other loans from Partner Logistics Limited are set out in note 31 (a) to (c) to the financial statements.

(a) 年內，2,100,000美元(港幣16,335,000元)之貸款由Rosy Blue (Hong Kong) Limited借予本公司，以為附屬公司收購附屬公司謝瑞麟中國之24%額外權益提供資金。該貸款由一間收購謝瑞麟中國之24%額外權益之附屬公司全部已發行股本的衡平法按揭(亦參閱下文附註31(d))，並每年按倫敦銀行同業拆息加3厘計息。

在結算日後，於2007年4月19日，Rosy Blue (Hong Kong) Limited之貸款由本公司以新銀行貸款港幣16,000,000元悉數償還。銀行貸款須以36期分期償還。

(b) 其他貸款亦包括Partner Logistics Limited之有抵押貸款，乃每年按香港銀行同業拆息加2厘計息。由Partner Logistics Limited借予之其他貸款之抵押詳情載於財務報表附註31(a)至(c)。

21 Other loan – unsecured 其他貸款 – 無抵押

At 28 February 2007, the other loan was repayable as follows:

於2007年2月28日，其他貸款的還款期如下：

		The Group and the Company 本集團及本公司	
		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Within 1 year or on demand	1年內或接獲通知時	1,640	–
After 1 year but within 2 years	1年後但2年內	1,782	–
After 2 years but within 5 years	2年後但5年內	311	–
		2,093	–
		3,733	–

Other loan represents an unsecured loan from a third party which carries interest at a flat rate of 8.3% per annum and is repayable by 36 equal instalments of HK\$157,374 each (inclusive of interest).

其他貸款指來自第三方之無抵押貸款，乃每年按劃一利率8.3厘計息，並須分36期每期港幣157,374元（包括利息）償還。

22 Obligations under finance leases

The Group leases a motor vehicle and office equipment under finance leases expiring in one year and five years, respectively (note 11(d)). The Group also leases computer equipment of HK\$3,316,000 (2006: HK\$1,349,000) under finance leases expiring in three years. The computer equipment was included in prepayments. At the end of the lease term, the Group has the option to purchase the assets at a price deemed to be a bargain purchase option. None of the leases included contingent rentals.

At 28 February 2007, the Group and the Company had obligations under finance leases repayable as follows:—

(a) The Group 本集團

		2007			2006		
		Present value of the minimum lease payments 最低租賃付款額現值	Interest expense relating to future periods 日後期間的利息支出	Total minimum lease payments 付款額總數	Present value of the minimum lease payments 最低租賃付款額現值	Interest expense relating to future periods 日後期間的利息支出	Total minimum lease payments 最低租賃付款額總數
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Within 1 year	1年內	1,151	119	1,270	660	60	720
After 1 year but within 2 years	1年後但2年內	865	44	909	479	24	503
After 2 years but within 5 years	2年後但5年內	126	—	126	135	6	141
		991	44	1,035	614	30	644
		2,142	163	2,305	1,274	90	1,364

22 融資租賃承擔

本集團透過分別於一年及五年內到期之融資租賃租用汽車及辦公室設備(附註11(d))。本集團亦透過三年內到期之融資租賃租用為數港幣3,316,000元(2006年：港幣1,349,000元)之電腦設備。電腦設備乃計入預付款。於租賃期完結時，本集團有權以優惠價格購入有關的資產。各融資租賃均不包含或有租金。

於2007年2月28日，本集團及本公司的融資租賃承擔的還款期如下：—

22 Obligations under finance leases 融資租賃承擔 (continued續)

(b) The Company 本公司

		2007			2006		
		Present value of the minimum lease payments	Interest expense relating to future periods	Total minimum lease payments	Present value of the minimum lease payments	Interest expense relating to future periods	Total minimum lease payments
		最低租賃付款額現值	日後期間的利息支出	最低租賃付款額總數	最低租賃付款額現值	日後期間的利息支出	最低租賃付款額總數
		HKS'000 港幣千元	HKS'000 港幣千元	HKS'000 港幣千元	HKS'000 港幣千元	HKS'000 港幣千元	HKS'000 港幣千元
Within 1 year	1年內	980	117	1,097	446	47	493
After 1 year but within 2 years	1年後但2年內	841	44	885	331	21	352
After 2 years but within 5 years	2年後但5年內	62	–	62	135	6	141
		903	44	947	466	27	493
		1,883	161	2,044	912	74	986

23 Employee benefit obligations

(a) Long service payments

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

The latest actuarial valuation specifically designated for the Group's employees were completed by a qualified actuary, Watson Wyatt Hong King Limited, as at 28 February 2007 using the projected unit credit method.

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

		The Group	本集團
		2007	2006
		HKS'000 港幣千元	HKS'000 港幣千元
Present value of defined benefit obligations	界定福利義務的現值	10,836	8,759

23 僱員福利義務

(a) 長期服務金

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

為本集團僱員而設的最近期精算估值已由合資格精算師華信惠悅顧問有限公司於2007年2月28日採用預計單位貸記法完成。

(i) 在綜合資產負債表確認的數額如下：—

		The Group	本集團
		2007	2006
		HKS'000 港幣千元	HKS'000 港幣千元
Present value of defined benefit obligations	界定福利義務的現值	10,836	8,759

23 Employee benefit obligations 僱員福利義務 (continued 續)

(a) Long service payments 長期服務金 (continued 續)

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

在綜合資產負債表確認的負債淨額變動如下：–

		The Group 本集團	
		2007	2006
		HKS'000 港幣千元	HKS'000 港幣千元
At beginning of the year	年初餘額	8,759	10,190
Expense recognised in the consolidated income statement (note 4(b))	在綜合收益表確認的支出 (附註4(b))	2,125	(1,431)
Benefit payments	福利付款	(48)	–
At end of the year	年末餘額	10,836	8,759

(iii) Expense recognised in the consolidated income statement is as follows:–

(iii) 在綜合收益表確認的支出如下：–

		The Group 本集團	
		2007	2006
		HKS'000 港幣千元	HKS'000 港幣千元
Current service cost	本年度服務成本	15	13
Interest cost	利息費用	370	427
Net actuarial losses/(gains) recognised	已確認精算虧損/(收益)淨額	1,740	(1,871)
		2,125	(1,431)

23 Employee benefit obligations (continued)

(a) Long service payments (continued)

(iv) The expense/(reversal of expense) is recognised in the following line items in the consolidated income statement: –

		The Group 本集團	
		2007	2006
		HKS'000 港幣千元	HKS'000 港幣千元
Cost of sales	銷售成本	534	(289)
Selling expenses	銷售費用	431	(854)
Administrative expenses	行政費用	1,160	(288)
		2,125	(1,431)

(v) The principal actuarial assumptions used as at 28 February 2007 (expressed as weighted average) are as follows: –

		The Group 本集團	
		2007	2006
Discount rate	折讓率	4.25%	4.25%
Future salary increases	未來薪金升幅		
Year 2006	2006年	–	4%
Year 2007 and thereafter	2007年及其後	4%	3%
Return of MPF balances	強積金結餘回報	4%	4%

23 僱員福利義務(續)

(a) 長期服務金(續)

(iv) 各項支出／(撥回支出) 在下列綜合收益表項目內確認：–

(v) 於2007年2月28日使用的主要精算假設(以加權平均數表示)如下：–

23 Employee benefit obligations (continued)

(b) Defined contribution retirement plan

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

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

23 僱員福利義務(續)

(b) 界定供款退休計劃

本集團按照香港《強制性公積金計劃條例》的規定，參與根據香港《僱傭條例》聘用的僱員的強制性公積金計劃(「強積金計劃」)。強積金計劃是一個界定供款退休計劃，由獨立的受託人管理。根據強積金計劃，僱主和僱員均須按照僱員相關入息的5%向計劃作出供款；但每月的相關入息上限為港幣20,000元。向計劃作出的供款即時成為既定僱員福利。

本集團參與中國及馬來西亞所有合資格的僱員的一個界定供款退休計劃。向該等計劃支付的供款分別佔中國及馬來西亞的員工薪金總額的7%及12%。計劃的資產獨立於本集團的資產持有，並由獨立受託人管理。

24 Current tax (recoverable)/payable (可收回)/應付本期稅項

(a) Current tax (recoverable)/payable in the balance sheet represents:-

資產負債表所示(可收回)/應付本期稅項為：—

		The Group 本集團	
		2007	2006
		HK\$'000 港幣千元	HK\$'000 港幣千元
Provision for Hong Kong profits tax for the year	本年度香港利得稅撥備	11,083	815
Provisional profits tax paid	已付暫繳利得稅	(916)	(1,353)
<hr/>		10,167	(538)
Overseas taxation	海外稅項	9,721	9,553
Profits tax provision relating to prior years	以往年度利得稅撥備	74,865	81,841
<hr/>		94,753	90,856
<hr/>			
Representing:-	代表：—		
Current tax recoverable	可收回本期稅項	(71)	(1,020)
Current tax payable	應付本期稅項	94,824	91,876
<hr/>		94,753	90,856

24 Current tax (recoverable)/payable (continued)

(b) Deferred tax assets and liabilities recognised

The Group

The components of deferred tax (assets)/liabilities recognised in the consolidated balance sheet and movements during the year are as follows:—

		Depreciation in excess of depreciation allowances 超過折舊 免稅額的折舊 HK\$'000 港幣千元	Employee benefit obligations 僱員福利義務 HK\$'000 港幣千元	Provision for inventories 存貨準備 HK\$'000 港幣千元	Tax losses 稅項虧損 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
Deferred tax arising from:—	遞延稅項來自：					
1 March 2005	於2005年3月1日	(2,966)	(1,783)	(10,052)	(2,868)	(17,669)
Credited/(charged) to consolidated income statement	在綜合收益表 計入/(列支)	(1,278)	250	43	(2,084)	(3,069)
Exchange difference	匯兌差額	(11)	—	(39)	—	(50)
28 February 2006 and 1 March 2006	於2006年2月28日及 2006年3月1日	(4,255)	(1,533)	(10,048)	(4,952)	(20,788)
Credited/(charged) to consolidated income statement	在綜合收益表 計入/(列支)	(3,149)	(363)	(1,075)	392	(4,195)
Exchange difference	匯兌差額	(66)	—	8	—	(58)
28 February 2007	於2007年2月28日	(7,470)	(1,896)	(11,115)	(4,560)	(25,041)

24 (可收回)/應付本期稅項(續)

(b) 已確認遞延稅項資產和負債

本集團

在綜合資產負債表確認的遞延稅項(資產)/負債及年內的變動如下：—

24 Current tax (recoverable)/payable (可收回)/應付本期稅項 (continued 續)

(b) Deferred tax assets and liabilities recognised 已確認遞延稅項資產和負債 (continued 續)

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Net deferred tax asset recognised on the consolidated balance sheet	在綜合資產負債表確認的遞延稅項資產淨值	(25,096)	(20,834)
Net deferred tax liability recognised on the consolidated balance sheet	在綜合資產負債表確認的遞延稅項負債淨額	55	46
		(25,041)	(20,788)

The Company

The components of deferred tax assets recognised in the Company's balance sheet and movements during the year are as follows:-

本公司

在本公司資產負債表確認的遞延稅項資產及年內的變動如下：-

		Tax losses 稅項虧損 HK\$'000 港幣千元
Deferred tax arising from:-	遞延稅項來自：	
1 March 2006	於2006年3月1日	-
Charged to Company's income statement	在本公司收益表列支	(1,394)
28 February 2007	於2007年2月28日	(1,394)

24 Current tax (recoverable)/payable (continued)

(c) Deferred tax assets and liabilities not recognised

The components of unrecognised deferred tax (assets)/liabilities at the balance sheet date are as follows:—

The Group 本集團

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Depreciation allowances in excess of related depreciation	超過相關折舊的折舊免稅額	1,685	4,156
Tax losses	稅項虧損	(104,328)	(107,617)
Net deferred tax assets not recognised	未確認的遞延稅項資產淨值	(102,643)	(103,461)

The net deferred tax assets have not been recognised in the financial statements as they have arisen in subsidiaries that have been loss-making or dormant for some time.

24 (可收回)/應付本期稅項(續)

(c) 未確認的遞延稅項資產和負債

於結算日之未確認的遞延稅項(資產)/負債部分如下：—

由於以上的遞延稅項資產淨值來自若干期間出現虧損或暫無業務之附屬公司，因此本集團並未於財務報表內予以確認。

25 Share capital 股本

		2007		2006	
		No. of shares 股份數目 '000 千股	Amount 金額 HK\$'000 港幣千元	No. of shares 股份數目 '000 千股	Amount 金額 HK\$'000 港幣千元
Authorised:	法定：				
Ordinary shares of HK\$0.25 each	每股面值港幣0.25元普通股	1,500,000	375,000	1,500,000	375,000
Issued and fully paid:	已發行及繳足：				
Ordinary shares	普通股				
At beginning and end of the year	年初及年末餘額	207,063	51,766	207,063	51,766

26 Reserves 儲備
The Company 本公司

		Share premium 股份溢價	Contributed surplus 實繳盈餘	Share-based compensation reserve 股份補償儲備	Retained profits 保留盈利	Total 總額
		HKS'000 港幣千元	HKS'000 港幣千元	HKS'000 港幣千元	HKS'000 港幣千元	HKS'000 港幣千元
1 March 2005	於2005年3月1日	116,634	14,770	–	59,281	190,685
Issue of share options	發行購股權	–	–	2,332	–	2,332
Loss for the year	本年度虧損	–	–	–	(37,831)	(37,831)
28 February 2006 and 1 March 2006	於2006年2月28日 及2006年3月1日	116,634	14,770	2,332	21,450	155,186
Share option expenses	購股權開支	–	–	2,005	–	2,005
Adjustment arising from lapse of share options	購股權失效所產生的調整	–	–	(183)	183	–
Profit for the year	本年度盈利	–	–	–	85	85
28 February 2007	於2007年2月28日	116,634	14,770	4,154	21,718	157,276

26 Reserves (continued)

The Company (continued)

(a) The contributed surplus of the Company arose from the difference between the consolidated net assets of the Group's subsidiaries acquired pursuant to a group reorganisation at the date on which the reorganisation became effective, and the nominal amount of the Company's ordinary shares issued under the reorganisation; less the set-off the accumulated losses of the Company amounting to HK\$865,747,000 as at 29 February 2004 pursuant to a capital reorganisation.

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend or make a distribution out of contributed surplus if:—

- (i) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

(b) The aggregate amount of reserves available for distribution to shareholders of the Company at 28 February 2007 was HK\$157,276,000 (2006: HK\$155,186,000).

26 儲備(續)

本公司(續)

(a) 本公司之實繳盈餘乃產生自集團附屬公司於重組生效日期因集團重組被收購時之綜合資產淨值與因重組發行之本公司普通股面值之差額；減根據一項資本重組，本公司於2004年2月29日為數港幣865,747,000元的累計虧損抵銷額。

根據百慕達1981年公司法(經修訂)，本公司之實繳盈餘賬可分派予股東。但在下列情況下，本公司不得從實繳盈餘提取款項作宣派或繳付股息之用，或分派實繳盈餘：—

- (i) 在繳付股息後，本公司不能或將不能繳付到期負債；或
- (ii) 本公司資產的可變現價值因而低於其負債、已發行股本及股份溢價賬之總和。

(b) 於2007年2月28日，可分派予本公司股東之儲備為港幣157,276,000元(2006年：港幣155,186,000元)。

27 Notes to the consolidated cash flow statement 綜合現金流量表附註

(a) Disposal of subsidiaries 出售附屬公司

Net liabilities disposed of:
所出售負債淨值：

		2007 HK\$'000 港幣千元
Net liabilities disposed of:	所出售負債淨值：	
Accrued liabilities and other payables	累計負債及其他應付款	(421)
Tax payable	應付稅項	(2)
Exchange reserve	匯兌儲備	(961)
		(1,384)
Gain on disposal of subsidiaries	出售附屬公司收益	1,384
Total consideration	總代價	-

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:—

出售附屬公司之現金及現金等價物流入淨額分析如下：—

		2007 HK\$'000 港幣千元
Cash consideration	現金代價	-
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	出售附屬公司之現金及 現金等價物流入淨額	-

(b) Non-cash transactions

Additions to property, plant and equipment during the year amounting to HK\$113,000 were financed by new finance leases.

(b) 非現金交易

於年內，物業、廠房及設備之添置港幣113,000元由新融資租賃提供資金。

28 Commitments 承擔

(a) Capital commitments outstanding at 28 February 2007 not provided for in the financial statements were as follows:—

於2007年2月28日，未償付而未在財務報表內提撥準備的資本承擔如下：—

		The Group 本集團		The Company 本公司	
		2007	2006	2007	2006
		HKS'000 港幣千元	HKS'000 港幣千元	HKS'000 港幣千元	HKS'000 港幣千元
Contracted for	已訂約	874	3,017	—	—

(b) At 28 February 2007, the total future minimum lease payments under non-cancellable operating leases are payable as follows:—

(b) 於2007年2月28日，根據不可解除的經營租賃在日後應付的最低租賃付款額總數如下：—

		The Group 本集團		The Company 本公司	
		2007	2006	2007	2006
		HKS'000 港幣千元	HKS'000 港幣千元	HKS'000 港幣千元	HKS'000 港幣千元
Within 1 year	1年內	65,568	57,444	7,800	3,174
After 1 year but within 5 years	1年後但5年內	53,704	56,829	11,239	—
		119,272	114,273	19,039	3,174

The Group leases a number of properties under operating leases. The leases typically run for an initial period of one to three years, with an option to renew the lease when all terms are renegotiated. Lease payments are usually adjusted to reflect market rentals upon renegotiation of the terms of the lease.

本集團以經營租賃租用部分物業。這些租賃一般初步為期一年至三年，並且有權選擇在到期日後續期，屆時所有條款均可重新商定。租賃付款額通常會於商議租約條款時調整，以反映市場租金。

29 Share options

As disclosed under the heading of Share Option Scheme, 8,825,000 options were granted in 2005 to the directors, employees and service providers of the Company and its subsidiaries pursuant to the 2003 Share Option Scheme. 20% options granted are exercisable from 22 August 2005. The next 40% options granted are exercisable from 18 months from the date of grant and the remaining 40% options granted are exercisable from 24 months from the date of grant.

The fair value of options granted, was determined by using the Binomial valuation model. The significant inputs into the model were share price of HK\$1.71 at the grant date, exercise price of HK\$1.76, expected volatility of the Company's share price: 60% per annum, expected life of options of 4 years, expected nil dividend, annual risk-free interest rate of 3.38% per annum, rate of leaving service of 15% per annum and assume option holders will exercise their options when the share price is at least 180% of the exercise price. The fair value of options granted are as follows:—

Exercise period 行使期

22 August 2005 – 25 July 2009	2005年8月22日–2009年7月25日
22 January 2007 – 25 July 2009	2007年1月22日–2009年7月25日
25 July 2007 – 25 July 2009	2007年7月25日–2009年7月25日

Given the above assumptions and the inherent limitations of the Binomial valuation model, shareholders and other investors are hereby warned of the subjectivity and uncertainty of the aforementioned values of the options.

29 購股權

誠如購股權計劃一節所披露，本公司根據2003年購股權計劃，在2005年共授出8,825,000份購股權予本公司及其附屬公司之董事、僱員及服務供應商。其中20%已授出的購股權可自2005年8月22日起行使，另外40%已授出的購股權可於授出日期起計18個月後行使，餘下40%已授出的購股權則可於授出日期起計24個月後行使。

已授出的購股權的公允值按「二項式」期權定價模式計算。上述模式所依據的主要數據包括授出日期的股價港幣1.71元、行使價港幣1.76元、本公司股價之預期波幅每年60%、購股權的預期年期4年、預期零股息、無風險年利率3.38%、每年離職比率15%，並假設購股權持有人將於股價達行使價最少180%時行使購股權。已授出的購股權的公允值如下：—

Fair value per option 每份購股權的公允值	No. of vested options granted 已授出並歸屬的 購股權數目
HK\$0.56 港幣 0.56元	1,765,000
HK\$0.69 港幣 0.69元	3,530,000
HK\$0.73 港幣 0.73元	3,530,000

鑑於上述假設及「二項式」期權定價模式之既有限制，本公司謹此提醒各股東及其他投資者，上述購股權價值相當主觀，而且難以預計。

29 Share options 購股權 (continued 續)

The number and weighted average exercise prices of share options are as follows:—
購股權之數目及加權平均行使價如下：—

		2007		2006	
		Weighted average exercise price 加權平均行使價	Number of options 購股權數目	Weighted average exercise price 加權平均行使價	Number of options 購股權數目
Outstanding at the beginning of the year	年初未行使	HK\$1.76 港幣 1.76 元	8,775,000	—	—
Granted during the year	年內授出	—	—	HK\$1.76 港幣 1.76 元	8,825,000
Lapsed during the year	年內失效	HK\$1.76 港幣 1.76 元	(662,500)	HK\$1.76 港幣 1.76 元	(50,000)
Outstanding at the end of the year	年末未行使	HK\$1.76 港幣 1.76 元	8,112,500	HK\$1.76 港幣 1.76 元	8,775,000
Exercisable at the end of the year	年內可行使	HK\$1.76 港幣 1.76 元	4,867,500	HK\$1.76 港幣 1.76 元	1,755,000

The options outstanding at 28 February 2007 had a weighted average remaining contractual life of 2.4 years (2006: 3.4 years). The details of exercise price are set out in the Report of the Directors.

於2007年2月28日尚未行使之購股權之加權平均剩餘合約年期為2.4年(2006年：3.4年)。行使價之詳情載於董事會報告內。

30 Contingent liabilities

(a) At 28 February 2007, the Company has issued guarantees to banks and financial creditors in respect of general banking and other credit facilities extended to certain subsidiaries of the Company amounting to HK\$129,298,000 (2006: HK\$150,096,000).

(b) As set out in the announcements of the Company dated 1 February, 2006 and 20 April, 2006, the Company has been informed that two directors, a consultant and an employee have been charged by the Independent Commission Against Corruption ("ICAC") relating to the alleged offences under the Prevention of Bribery Ordinance, the Crime Ordinance and the Theft Ordinance ("ICAC Charges").

30. 或有負債

(a) 於2007年2月28日，本公司就銀行及財務債權人給予部分附屬公司一般銀行及其他貸款融資信貸，向銀行及財務債權人作出合共港幣129,298,000元(2006年：港幣150,096,000元)的擔保。

(b) 誠如本公司日期為2006年2月1日及2006年4月20日之公佈所載，本公司得悉兩名董事、一名顧問及一名僱員被廉政公署(「廉署」)檢控，涉及觸犯防止賄賂條例、刑事罪行條例及盜竊罪條例中多項罪行(「廉署檢控」)。

30 Contingent liabilities (continued)

Under the Company's Bye-Laws, the Company may be required to indemnify its directors from and against all actions, costs, charges, losses, damages and expenses which they or any of them may incur in execution of their duty, provided that such indemnity shall not be extended to any matter in respect of, among other things, fraud and dishonesty.

The directors have consulted with the Company's legal advisers as to what legal implication the ICAC Charges may have, if any, for the Group as a whole. In view of the discussions with the legal advisers, the directors are of the view that they are not in a position to conclude that whether and/or to what extent the Company may be required to indemnify the directors involved in relation to the ICAC Charges. As a result, the directors will, in conjunction with the Company's legal advisers, consider any such claims as and when they are received and the Company will make such a provision or adjustment in the accounts as deemed necessary at that time.

(c) At the balance sheet date, the disputes of certain subsidiaries with Inland Revenue Department ("IRD") regarding the tax treatment of certain offshore income and agent commission payments and promoter fees arising in prior years is undetermined. The Group has established a provision of approximately HK\$91,000,000 in respect of such disputes. In the event that the Group is not successful in defending the tax treatments adopted, the Group may be subject to significant additional tax liabilities and possibly penalties which, under the provisions of the current tax legislation, may be up to three times any tax under-reported as assessed by the IRD. Furthermore, the ICAC's allegations as mentioned in (b) above and the ongoing investigation may or may not have impact on the IRD's challenges on the tax treatments adopted by the Group relating to agent commission payments and promoter fees arising in prior years. The directors consider that it is impractical to estimate the potential amount of additional tax liabilities arising if the IRD's challenge in respect of the agent commission payments and promoter fees is successful.

30 或有負債(續)

根據本公司之公司細則，本公司可能須就其董事因履行職務而產生之所有訴訟、成本、支出、損失、賠償及開支向彼等或彼等當中任何人士作出彌償，惟有關彌償並不包括(其中包括)欺詐及不誠實行為。

董事已諮詢本公司法律顧問有關廉署檢控可能(如有)對本集團整體構成之法律影響。基於與法律顧問所進行之討論，董事認為，彼等未能就是否需要向涉及廉署檢控之董事作出彌償及/或本公司作出彌償之程度作出定論。因此，董事將於收到任何有關申索之時候，連同本公司之法律顧問考慮有關申索，而本公司將在當時認為必須的情況下，於賬目中作出撥備或調整。

(c) 於資產負債表日期，稅務局與若干附屬公司就以往年度產生的若干離岸收入及代理佣金支出與業務推廣費用所採納稅務處理方法之質疑尚未得出結論。本集團已就該事件作出約港幣91,000,000元之撥備。倘本集團未能就所採納稅務處理方法成功辯護，本集團或須承擔額外稅務責任，且可能須繳交罰款。根據現行稅法，罰款或會多達稅務局評估任何漏報稅項之三倍。此外，上文(b)項所述廉署之指控及持續調查可能對稅務局就本集團有關以往年度代理佣金支出與業務推廣費用所採納稅務處理方法之質疑構成影響。董事認為，倘稅務局就本集團有關以往年度代理佣金支出與業務推廣費用所採納稅務處理方法之質疑落實，評估所產生之潛在額外稅務負債並不切實可行。

31 Pledge of assets

(a) At 28 February 2007, the Group had granted debentures in favour of its bankers and financial creditors charging, by way of fixed and floating charges, all of the undertakings, properties and assets of the Company and of its 18 subsidiaries as security for, inter alia, all obligations and liabilities, actual or contingent, from time to time owing by the Group to the bankers and financial creditors. Rental revenue of the Group is also charged in favour of the Group's bankers.

(b) At 28 February 2007, the Group had pledged the capital contribution to a subsidiary of the Group amounting to US\$232,500 and all the benefits accruing to the pledged equity interest of 11.625% of the subsidiary to the Group's bankers and financial creditors as security for, inter alia, all obligations and liabilities, actual or contingent, from time to time owing by the Group to the bankers and financial creditors.

(c) At 28 February 2007, the Group had pledged all rights, title and interest in 80.46% of the entire share capital of IAC and TSL China and all benefits accruing to the pledged equity interest to the Group's bankers and financial creditors as security for, inter alia, all obligations and liabilities, actual or contingent, from time to time owing by the Group to the bankers and financial creditors.

(d) At 28 February 2007, the Group had pledged the entire issued share capital of a subsidiary as an equitable mortgage to secure the loan of US\$ 2,100,000 for acquiring the additional 24% interest in TSL China.

31 資產抵押

(a) 於2007年2月28日，本集團訂立債權證，以本公司及其18間附屬公司之所有業務、物業及資產透過固定及浮動抵押付予銀行及財務債權人作為抵押，以作為（其中包括）本集團不時結欠往來銀行及財務債權人之實際或或有負債及債務之抵押品。本集團的租金收入亦已抵押予本集團的往來銀行。

(b) 於2007年2月28日，本集團把其於一間附屬公司的232,500美元出資額及其於該附屬公司的11.625%已抵押股本權益所累計的一切利益抵押予本集團的往來銀行及財務債權人，以作為（其中包括）本集團不時欠往來銀行及財務債權人的所有實際或或有負債和債務的抵押品。

(c) 於2007年2月28日，本集團把其於IAC和謝瑞麟中國總資本額的80.46%內的一切權利、所有權和權益，及已抵押股本權益所累計的一切利益抵押予本集團的往來銀行及財務債權人，以作為（其中包括）本集團不時欠往來銀行及財務債權人的所有實際或或有負債和債務的抵押品。

(d) 於2007年2月28日，本公司將一間附屬公司之全部股本，以衡平法之形式抵押，為一筆2,100,000美元之貸款作擔保，以收購謝瑞麟中國額外24%之權益。

32 Connected and related party transactions

(a) On 17 July, 2006, the Company, through its two wholly-owned subsidiaries, exercised its pre-emption rights to acquire from The China Retail Fund LDC ("CRF") a maximum of 24% shareholding interest in TSL China which constituted a major and connected transaction under the Listing Rules. The acquisition of the 24% shareholding interest in TSL China for a consideration of US\$2,100,000 (HK\$16,335,000) was completed on 22 September 2006 and after the completion, the Company indirectly holds approximately 80.46% of the shareholding interest in TSL China.

Details of the transaction have been disclosed in the Company's announcements dated 17 July 2006 and 27 July 2006, the circular dated 7 August 2006 and the Company's announcement dated 22 September 2006 in accordance with the Listing Rules.

(b) On 1 November, 2006, the Company, through a wholly-owned subsidiary, entered into a sale and purchase agreement with CRF and conditionally agreed to acquire from CRF 24% shareholding interest in Infinite Assets Corp ("IAC") for a consideration of US\$900,000 (HK\$7,002,000) which constituted a connected transaction under the Listing Rules. After the completion which took place on 20 November 2006, the Company indirectly holds approximately 80.46% of the shareholding interest in IAC.

Details of the transaction have been disclosed in the announcement dated 1 November 2006 in accordance with the Listing Rules.

(c) Partner Logistics Limited, a company controlled by Mr. Tse Tat Fung, Tommy ("Tommy Tse"), a substantial shareholder and a director of the Company, acquired all the rights, title and interests in the indebtedness due to certain of the bank lenders by the Group amounting to HK\$195,731,000 and HK\$14,000,000 on 11 February 2004 and 2 April 2004 respectively. Mr. Tommy Tse is also the spouse of Ms. Yau On Yee, Annie ("Annie Yau"), a director of the Company. The transaction, therefore, constituted a connected transaction under the Listing Rules.

32 關連及關聯人士交易

(a) 於2006年7月17日，本公司已通過兩家全資附屬公司行使優先購買權，向中國商業發展基金（「中國商業發展基金」）收購謝瑞麟中國最多24%股權，根據上市規則構成一項主要及關連交易。以代價2,100,000美元（港幣16,335,000元）股份收購謝瑞麟中國24%股權已於2006年9月22日完成及於完成後，本公司間接持有謝瑞麟中國約80.46%股權。

根據上市規則，交易詳情已於本公司日期為2006年7月17日及2006年7月27日之公佈、日期為2006年8月7日之通函及本公司日期為2006年9月22日之公佈內披露。

(b) 於2006年11月1日，本公司已通過一家全資附屬公司與中國商業發展基金訂立一份買賣協議，並有條件同意以代價900,000美元（港幣7,002,000港元）向中國商業發展基金收購 Infinite Assets Corp（「IAC」）之24%股權，根據上市規則構成一項關連交易。於2006年11月20日完成後，本公司間接持有IAC約80.46%股權。

根據上市規則，交易詳情已於日期為2006年11月1日之公佈內披露。

(c) Partner Logistics Limited（一間由本公司主要股東兼董事謝達峰先生控制的公司）於2004年2月11日及2004年4月2日分別購入本集團應償還某些貸款銀行的港幣195,731,000元及港幣14,000,000元債務的所有權利、所有權和權益。謝達峰先生亦為本公司董事邱安儀女士之配偶。因此該交易根據上市規則構成一項關連交易。

32 Connected and related party transactions (continued)

At 28 February 2007, the outstanding loans due to Partner Logistics Limited amounted to HK\$57,866,000 (2006: HK\$72,367,000) are secured and interest bearing at Hong Kong Interbank Offering Rate plus 2% per annum. During the year ended 28 February 2007, interest expenses paid to Partner Logistics Limited amounted to HK\$4,276,000 (2006: HK\$3,880,000).

(d) TSLJ has entered into a Consultancy Agreement on 11 April 2005 with Mr. Tse Sui Luen ("Mr. Tse") for the provision of consultancy service. Mr. Tse is the father of Tommy Tse, the substantial shareholder and a director of the Company and the father-in-law of Annie Yau, a director of the Company. During the year ended 28 February 2007, consultancy fee of HK\$2,400,000 (2006: HK\$2,080,000) paid to Mr. Tse and HK\$36,000 (2006: HK\$40,000) has been amortised as an expense in the consolidated income statement in respect of Share-based payments granted to Mr. Tse.

(e) During the year ended 28 February 2007, TSLJ, a subsidiary of the Company, purchased raw materials and finished goods from Rosy Blue Hong Kong Limited ("Rosy Blue HK") amounting to HK\$158,105,000 (2006: HK\$144,782,000) and sold raw materials to Rosy Blue HK amounting to HK\$116,000 (2006: HK\$2,020,000). At 28 February 2007, the amount due to Rosy Blue HK was HK\$92,693,000 (2006: HK\$78,987,000).

32 關連及關聯人士交易(續)

於2007年2月28日，尚欠Partner Logistics Limited的貸款港幣57,866,000元(2006年：港幣72,367,000元)為有抵押及每年按香港銀行同業拆息加2厘計息。截至2007年2月28日止年度，已向Partner Logistics Limited支付港幣4,276,000元(2006年：港幣3,880,000元)之利息支出。

(d) 謝瑞麟珠寶於2005年4月11日與謝瑞麟先生(「謝先生」)就提供顧問服務訂立顧問協議。謝先生為本公司主要股東兼董事謝達峰先生之父親及本公司董事邱安儀女士之岳父。截至2007年2月28日止年度，向謝先生支付港幣2,400,000元(2006年：港幣2,080,000元)之顧問費用及向謝先生以股份償付港幣36,000元(2006年：港幣40,000元)已於綜合收益表內攤銷為開支。

(e) 本公司一間附屬公司謝瑞麟珠寶於截至2007年2月28日止年度，從Rosy Blue Hong Kong Limited(「Rosy Blue HK」)購入為數港幣158,105,000元(2006年：港幣144,782,000元)的原材料及製成品，並向Rosy Blue HK出售為數港幣116,000元(2006年：港幣2,020,000元)的原材料。於2007年2月28日，應付Rosy Blue HK的款項為港幣92,693,000元(2006年：港幣78,987,000元)。

32 Connected and related party transactions (continued)

During the year ended 28 February 2007, TSLJ sold raw materials to Rosy Blue Japan Limited ("Rosy Blue Japan") amounting to HK\$12,000 (2006: HK\$184,000), sold raw materials to Rosy Blue Inc. amounting to HK\$ Nil (2006: HK\$100,000) and sold raw materials to Rosy Blue Fine Inc. amounting to HK\$560,000 (2006: 375,000). As at 28 February 2007, the amount due from Rosy Blue Fine Inc. was HK\$ Nil (2006: HK\$134,000).

During the year ended 28 February 2007, EF sold raw materials to BSL through Rosy Blue (Shanghai) Diamond Company Limited ("Rosy Blue SH"), an authorised diamond trading company in the PRC, amounting to HK\$82,204,000 (2006: HK\$48,433,000). As at 28 February 2007, the amount due from Rosy Blue SH was HK\$ Nil (2006: HK\$665,000).

As set out in note 20(a), the Company borrowed US\$2,100,000 (HK\$16,335,000) from Rosy Blue HK during the year for acquiring the additional 24% interest in TSL China. The loan is secured by the shares in the subsidiary acquiring the 24% interest in TSL China and bears interest at London Interbank Offering Rate plus 3% per annum. As at 28 February 2007, the outstanding balance was HK\$ 16,335,000 and the interest expenses paid to Rosy Blue HK amounted to HK\$792,000 for the year ended 28 February 2007. The loan was repaid on 4 May 2007 subsequent to the balance sheet date by a refinancing from a bank loan.

32 關連及關聯人士交易(續)

截至2007年2月28日止年度，謝瑞麟珠寶向Rosy Blue Japan Limited(「Rosy Blue Japan」)出售為數港幣12,000元(2006年：港幣184,000元)的原材料；向Rosy Blue Inc.出售為數港幣零元(2006年：港幣100,000元)的原材料；及向Rosy Blue Fine Inc.出售為數港幣560,000元(2006年：港幣375,000元)的原材料。於2007年2月28日，應收Rosy Blue Fine Inc.的款項為港幣零元(2006年：港幣134,000元)。

福銳發展於截至2007年2月28日止年度透過一間中國認可鑽石貿易公司藍玫瑰(上海)鑽石有限公司(「藍玫瑰上海」)向北京謝瑞麟出售原材料，為數港幣82,204,000元(2006年：港幣48,433,000元)。於2007年2月28日，應收藍玫瑰上海的款項為港幣零元(2006年：港幣665,000元)。

如附註20(a)所載，本公司於年內向Rosy Blue HK借貸2,100,000美元(港幣16,335,000元)，以收購謝瑞麟中國之24%額外權益。該貸款由一間收購謝瑞麟中國之24%額外權益之附屬公司全部已發行股本的衡平法按揭，並每年按倫敦銀行同業拆息加3厘計息。於2007年2月28日，尚未償還的結餘為港幣16,335,000元及截至2007年2月28日止年度已向Rosy Blue HK支付港幣792,000元之利息開支。該貸款已於結算日後2007年5月4日透過銀行貸款再融資償還。

32 Connected and related party transactions (continued)

Rosy Blue HK, Rosy Blue Japan, Rosy Blue Fine Inc., and Rosy Blue SH are subsidiaries of Rosy Blue Investments S.à.R.L., a preference shareholder of Partner Logistics Limited. In the opinion of the directors of the Company, the transactions were carried out on normal commercial terms and in the ordinary course of business.

- (f) During the year ended 28 February 2007, four subsidiaries of the Company, Beijing Tse Sui Luen Jewellery Co Ltd ("BTSL"), Excellent Ford Development Ltd ("EF"), Guangzhou Xiang Yun Jewellery Company Limited ("GZ Xiang Yun") and Tse Sui Luen Jewellery Trading & Distribution Co., Ltd. ("TSL Trading") sold and consigned finished goods to Beijing Hua Long Rui Lin Economic And Trading Company Limited ("Hua Long") amounting to HK\$408,000 (2006: HK\$9,480,000) and Beijing Rui Feng Da Lin Jewellery Co., Ltd. ("Rui Feng") amounting to HK\$ Nil (2006: HK\$684,000) and Mr. Oi Jian Hong ("Mr. Oi") amounting to HK\$ Nil (2006: HK\$2,888,000). The transactions were carried out by way of cost-plus pricing arrangements in the normal course of business of the subsidiaries.

During the year ended 28 February 2006, TSL Trading received commission, at rates depending on the nature of the products, amounting to HK\$372,000 from Hua Long and HK\$82,000 from Rui Feng for their respective confirmed purchases from BTSL. No commission has been charged to Hua Long and Rui Feng during the year.

32 關連及關聯人士交易(續)

Rosy Blue HK、Rosy Blue Japan、Rosy Blue Fine Inc. 和藍玫瑰上海為Partner Logistics Limited的優先股東Rosy Blue Investments S.à.R.L.之附屬公司。本公司董事認為，交易在日常業務過程中按正常商業條款進行。

- (f) 於截至2007年2月28日止年度內，本公司四間附屬公司北京謝瑞麟珠寶有限公司(「北京謝瑞麟」)、福銳發展有限公司(「福銳」)、廣州祥雲珠寶有限公司(「廣州祥雲」)和謝瑞麟珠寶商貿及分銷有限公司(「謝瑞麟商貿」)分別售賣及寄售製成品予北京華龍瑞麟商貿有限公司(「華龍」)港幣408,000元(2006年：港幣9,480,000元)；北京瑞峰達麟珠寶有限公司(「瑞峰」)港幣零元(2006年：港幣684,000元)和綦建虹先生(「綦先生」)港幣零元(2006年：港幣2,888,000元)。這些交易是各附屬公司在正常業務過程中以成本加成定價法進行。

於截至2006年2月28日止年度內，謝瑞麟商貿就華龍和瑞峰確認向北京謝瑞麟購買的貨品，分別按產品性質向華龍收取港幣372,000元和向瑞峰收取港幣82,000元。於年內概無向華龍及瑞峰收取佣金。

32 Connected and related party transactions (continued)

During the year ended 28 February 2007, Tse Sui Luen Jewellery Consultancy Service Limited ("TSLJCS") paid Hua Long consultation fees amounting to HK\$47,000 (2006: HK\$605,000) to Hua Long for advice on public relations matters to TSLJCS.

At 28 February 2007, the amount due to Hua Long was HK\$ Nil (2006: due to Hua Long of HK\$2,461,000) and the amount due from Mr. Qi was HK\$ Nil (2006: HK\$2,888,000).

Hua Long and Rui Feng are companies controlled by Mr. Qi who is a substantial shareholder and a director of two subsidiaries of the Company, IAC and TSLChina, and he is also a director of a subsidiary of TSL China, BTSL. The licensing, sales, consignment, commission and consultancy service arrangements therefore constituted connected transactions under the Listing Rules.

(g) The Group paid key management personnel compensation as follows:—

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Short-term employee benefits	短期僱員福利	17,210	12,980
Post-employment benefits	僱用後福利	48	37
Equity compensation benefits	股東補償福利	1,069	1,165
		18,327	14,182

32 關連及關聯人士交易(續)

截至2007年2月28日止年度內，謝瑞麟珠寶顧問服務有限公司(「謝瑞麟顧問服務」)就華龍向該公司所提供的公共關係事務諮詢，向華龍支付諮詢費用港幣47,000元(2006年：港幣605,000元)。

於2007年2月28日，應付華龍之金額為港幣零元(2006年：應付華龍港幣2,461,000元)，應收蔡先生之金額則為港幣零元(2006年：港幣2,888,000元)。

華龍和瑞峰均由蔡先生控制，而蔡先生也是本公司兩間附屬公司—IAC和謝瑞麟中國的主要股東和董事，並為謝瑞麟中國一間附屬公司北京謝瑞麟的董事。因此，認可商標的使用、售賣、寄售、佣金和顧問服務的安排構成上市規則定義的關連交易。

(g) 本集團向主要管理人員所支付補償如下：—

33 Financial risk management and estimation of fair values

(a) Financial risk management

The Group is exposed to a variety of risks including foreign currency risk, credit risk, liquidity risk and cash flow interest rate risk arising in the normal course of the Group's business activities.

The Group does not have any written risk management policies and guidelines. The directors monitor the financial risk management of the Group and take such measures as considered necessary from time to time to minimise such financial risks.

(i) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group is exposed to foreign currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States dollars, Malaysian Ringgits and Chinese Renminbi. The Group does not hold or issue any derivative financial instruments for trading purposes or to hedge against fluctuations in foreign exchange rates. The Group mitigates this risk by conducting the sales and purchases transactions in the same currency, whenever possible.

33 財務風險管理及公允價值估計

(a) 財務風險管理

本集團面對各種風險，包括於其業務活動之一般過程中產生之外幣風險、信貸風險、流動資金風險及現金流量利率風險。

本集團並無訂立任何書面風險管理政策及指引。董事監察本集團之財務風險管理，並不時採納認為必需之措施，以減低該等財務風險。

(i) 外幣風險

外幣風險乃指金融工具價值因匯率變動而波動之風險。

本集團主要面對之外幣風險，是來自經營相關之功能貨幣以外之貨幣列值之買賣。導致此風險之貨幣主要為美元、馬來西亞元及人民幣。本集團並無持有或發行任何衍生金融工具，以作買賣用途或對沖匯率波動用途。本集團透過在可能情況下以同一貨幣進行買賣交易減低此風險。

33 Financial risk management and estimation of fair values (continued)

(a) Financial risk management (continued)

(ii) Credit risk

Credit risk arises from the possibility that customers may not be able to settle obligations within the normal terms of transactions. The Group performs ongoing credit evaluation of the debtors' financial condition and maintains an account for impairment losses for doubtful trade and other accounts receivable based upon the expected collectibles of all trade and other accounts receivable.

At the balance sheet date, there were no major concentrations of credit risk.

The maximum exposure to credit risk is therefore represented by the carrying amount of each financial asset as stated in the balance sheet.

Cash is held with financial institutions of good standing.

(iii) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Prudent liquidity risk management implies maintaining sufficient cash. The Group monitors and maintains a level of bank balances deemed adequate to finance the Group's operations.

33 財務風險管理及公允價值估計(續)

(a) 財務風險管理(續)

(ii) 信貸風險

信貸風險乃因客戶可能無法於一般交易期內清還債務而產生。本集團按照所有貿易及其他應收賬款之預期可收回程度，對債務人之財政狀況作出持續信貸評估，及就貿易及其他應收賬款之呆賬提撥減值虧損。

於結算日，信貸風險並無過度集中。

因此，最大之信貸風險為資產負債表所載各財務資產之賬面值。

現金乃存放於具有良好聲譽之金融機構。

(iii) 流動資金風險

流動資金風險乃指企業在集資以應付與金融工具相關承擔時遇上困難之風險。流動資金風險或會因無法迅速按接近其公允價值之價格出售金融資產而產生。

審慎之流動資金風險管理指維持充足現金。本集團會監察及維持視為足夠撥付本集團營運所需之銀行結餘水平。

33 Financial risk management and estimation of fair values (continued)

(a) Financial risk management (continued)

(iv) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

(b) Estimation of fair values

The notional amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash at bank, trade and other payables) are assumed to approximate their fair values. The fair value of finance lease liabilities is estimated as the present value of future cash flows, discounted at current market interest rates for similar financial instruments.

The fair value of non-trade balances due from/to group and related companies has not been determined as the timing of the expected cash flows of these balances cannot be reasonably determined because of the relationship.

33 財務風險管理及公允價值估計(續)

(a) 財務風險管理(續)

(iv) 現金流量及公允價值利率風險

現金流量利率風險乃指因市場利率變動導致金融工具之未來現金流量波動之風險。公允價值利率風險乃指因市場利率變動導致金融工具之價值波動之風險。

由於本集團並無重大計息資產，因此，本集團之收入及經營現金流量大部分獨立於市場利率變動。

(b) 公允價值之估計

於一年內到期之財務資產及負債(包括應收賬款及其他應收款、銀行存款、應付賬款及其他應付款)之名義金額假定為與其公允價值相若。融資租賃負債之公允價值估計為未來現金流量之現值，並按相關金融工具之現行市場利率貼現。

由於預期現金流量時間無法合理釐定，故並無釐定應收/應付本集團及關連公司之非貿易結餘之公允價值。

34 Recent accounting and financial reporting pronouncements

The HKICPA has issued the following amendments, new standards and interpretations which may be/are relevant to the preparation of the Group's financial statements for the accounting period after 28 February 2007:—

HKFRS 7 香港財務報告準則第7號
HKFRS 8 香港財務報告準則第8號
HKAS 1 (Amendment) 香港會計準則第1號(修訂)
HK(IFRIC)-Int 8 香港(國際財務報告詮釋委員會)—詮釋第8號
HK(IFRIC)-Int 9 香港(國際財務報告詮釋委員會)—詮釋第9號
HK(IFRIC)-Int 10 香港(國際財務報告詮釋委員會)—詮釋第10號
HK(IFRIC)-Int 11 香港(國際財務報告詮釋委員會)—詮釋第11號
HK(IFRIC)-Int 12 香港(國際財務報告詮釋委員會)—詮釋第12號

34 最近頒佈的會計及財務報告準則

香港會計師公會已頒佈下列可能與本集團截至2007年2月28日後之財務報表編製相關之修訂、新準則及詮釋：—

	Effective for accounting periods beginning on or after 於以下日期或之後開始之 會計期間生效
Financial Instruments: Disclosures 金融工具：披露事項	1 January 2007 2007年1月1日
Operating Segments 經營分部	1 January 2009 2009年1月1日
Presentation of Financial Statements: Capital Disclosures 財務報表之呈報：資本披露	1 January 2007 2007年1月1日
Scope of HKFRS 2 香港財務報告準則第2號的範圍	1 May 2006 2006年5月1日
Reassessment of Embedded Derivatives 重估嵌入衍生工具	1 June 2006 2006年6月1日
Interim Financial Reporting and Impairment 中期財務申報及減值	1 November 2006 2006年11月1日
HKFRS 2-Group and Treasury Share Transactions 香港財務報告準則第2號—集團及庫存股份交易	1 March 2007 2007年3月1日
Service Concession Arrangements 服務經營權安排	1 January 2008 2008年1月1日

34 Recent accounting and financial reporting pronouncements (continued)

HKFRS 7 applies for annual periods beginning on or after 1 January 2007. The standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments and also incorporates many of the disclosure requirements of HKAS 32.

The HKAS 1 (Amendment) applies for annual periods beginning on or after 1 January 2007. The revised standard will affect the disclosures on qualitative information about the Group's objective, policies and processes for managing capital; quantitative data about what the Group regards as capital; and compliance with any capital requirements and the consequences of any non-compliance.

HKFRS 8 applies for annual periods beginning on or after 1 January 2009. The standard supersedes HKAS 14 "Segment Reporting" under which segments were identified and reported on risk and return analysis. HKFRS 8 sets out requirements for disclosure of information about the Group's operating segments, the products and services provided by its segments, the geographical areas in which it operates, and its major customers.

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that while the adoption of HKAS 1 (Amendment), HKFRS 7 and HKFRS 8 may result in new and amended disclosures, the other new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

35 Ultimate controlling party

At 28 February 2007, the directors consider the ultimate holding company to be Blink Technology Limited, which is incorporated in the British Virgin Islands, and the ultimate controlling party to be Mr. Tse Tat Fung, Tommy.

34 最近頒佈的會計及財務報告準則 (續)

香港財務報告準則第7號適用於2007年1月1日或之後開始之年度期間。該準則規定須作出披露，以讓財務報表之使用者評估本集團財務工具之重大性及該等財務工具所產生之風險程度，並包含香港會計準則第32號之多項披露規定。

香港會計準則第1號(修訂)適用於自2007年1月1日或之後開始之年度期間。經修訂之準則將對本集團之資本管理目標、政策及程序之定性信息、本公司資本之定量數據及對任何資本要求之遵守及不遵守所引致後果之披露構成影響。

香港財務報告準則第8號適用於2009年1月1日或之後開始之年度期間，該準則取代香港會計準則第14號「分部報告」有關識別及申報風險及回報分析。香港財務報告準則第8號規定須披露有關本集團之經營分部、其分部所提供之產品及服務、其經營之地區及其主要客戶之資料。

本集團現正評估該等新訂及經修訂香港財務報告準則對首次採納造成之影響。目前結論為採納香港會計準則第1號(修訂)、香港財務報告準則第7號及香港財務報告準則第8號可能導致新訂及經修訂披露，而其他新訂及經修訂香港財務報告準則不大可能會對本集團之經營業績及財政狀況造成重大影響。

35 最終控股方

於2007年2月28日，董事認為，最終控股公司為於英屬處女群島註冊成立的Blink Technology Limited，而最終控股人士為謝達峰先生。