



Peace Mark (Holdings) Limited  
宜進利(集團)有限公司  
*(Incorporated in Bermuda with limited liability)*  
(於百慕達註冊成立之有限公司)



10th LISTING ANNIVERSARY

ANNUAL REPORT

年報

2003

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## CORPORATE PROFILE

Founded in 1983 and headquartered in Hong Kong, **PEACE MARK** has been a leading manufacturer and distributor in the timepiece industry. **PEACE MARK'S** business involves OEM, ODM, management and distribution of licensed and own brand names, and after-sales services. The Group designs, manufactures and distributes timepieces for international brandnames with its major markets in the USA, Europe and Asia. The Group has its production facilities located in Shenzhen, China and Bienne, Switzerland employing more than 1,800 staff in total.

**Peace Mark  
(Holdings) Limited**





### BOARD OF DIRECTORS

#### Executive Directors

Mr. Chau Cham Wong, Patrick (*Chairman*)

Mr. Leung Yung (*Managing Director*)

Mr. Tsang Kwong Chiu, Kevin

Mr. Man Kwok Keung

Mr. Cheng Kwan Ling

#### Independent Non-Executive Directors

Sir Oswald Cheung, C.B.E., LL.D., D.Soc.Sc., J.P.

Ms. Susan So

Mr. Kwok Ping Ki, Albert

### COMPANY SECRETARY

Mr. Tsang Kwong Chiu, Kevin, AHKSA, FCCA

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

#### *Hong Kong Office*

Unit 3, 12th Floor

Cheung Fung Industrial Building

23-39 Pak Tin Par Street Tsuen Wan

Hong Kong

### OTHER OFFICES

#### *US Office*

140-58th Street Suite 6C

Brooklyn

New York 11220

#### *Swiss Office*

Route de Reuchenette 19

2502 Bienne

Switzerland

#### *China Office*

107 Shui Ku Lu

Fenghuang Gang

Xi Xiang Baoan

Shenzhen

PRC

#### *Taiwan Office*

3/F., No. 317

Sec 3 Ho-Ping E. Road

Taipei

Taiwan

ROC

#### *Panama Office*

Apartado 2034

Zona Libre de Colon

Republic of Panama

### WEBSITE

<http://www.peacemark.com>

### REGISTERED OFFICE

Clarendon House, Church Street

Hamilton HM 11

Bermuda

### STOCK INFORMATION

Listed on the Stock Exchange of Hong Kong Limited

Trading Code: 304

## INVESTOR RELATIONS

Communications Department – general  
Corporate Finance Department – financial information  
Peace Mark (Holdings) Limited  
Unit 3, 12th Floor Cheung Fung Industrial Building  
23-39 Pak Tin Par Street Tsuen Wan  
Hong Kong  
Tel: (852) 2411 1212  
Fax: (852) 2413 6332

## PRINCIPAL BANK

Bank of China (Hong Kong)  
BNP Paribas  
China Construction Bank  
ING Bank N.V.  
HSH Nordbank AG  
HVB AG  
Natexis Banques Populaires  
WestLB AG

## AUDITORS

Chu and Chu  
*Certified Public Accountants*  
Suite 2302-7, ING Tower  
308 Des Voeux Road Central  
Hong Kong

## LEGAL ADVISORS

Simmons & Simmons  
35th Floor, Cheung Kong Center  
2 Queen's Road Central  
Hong Kong

Gallant Y.T. Ho & Co  
4th Floor, Jarine House  
1 Connaught Place  
Hong Kong

## SHARE REGISTRARS AND TRANSFER OFFICES

*In Hong Kong:*  
Secretaries Limited  
Ground Floor, Bank of East Asia Harbour View Center  
56 Gloucester Road  
Wanchai  
Hong Kong

*In Bermuda:*  
The Bank of Bermuda Limited  
Bank of Bermuda Building  
6 Front Street  
Hamilton HM 11  
Bermuda

## PHOTOGRAPHER

Mr. Jackie Tam



# Major Events



## March • 02

- Purchased Milus brand and established Milus International S.A.

## April • 02

- Participated in Basel Fair 2002



## May • 02

- All staff communication workshop retreat held in Zhuhai, China

## August • 02

- Successfully completed the Rights Issue – major shareholders increased equity stake to 51%



## September • 02

- Participated in Hong Kong Watch and Clock Fair
- Launched the new website: [www.peacemark.com](http://www.peacemark.com)
- Signed manufacturing contract with Fila



## November • 02

- Appointed Mr. Kwok Ping Ki, Albert as Independent Non-Executive Director
- Participated in the Shanghai Watch Fair 2002

## December • 02

- Interim result announcement
- Approved interim dividend of HK1.5 cents per share with an alternative to scrip dividend



## March • 03

- Participated in Hong Kong Jewellery Show
- Held a cocktail for 10th year of listing and 20th year of establishment celebration at Hong Kong Club
- Peace Mark expanded 10,000 sq.ft. of office space to accommodate the Group's expansion plans
- Completed and secured the sales channel in South America

## June • 02

- Obtained Pierre Cardin licence for the China market
- Mr. Leung Yung, the Group Managing Director and Director of Hong Kong Watch Manufacturer's Association Limited ("HKWMA") also became Secretary of HKWMA



## July • 02

- Umbro made its debut in Asia for World Cup 2002
- Added Sergio Valente, Bill Blass, Beverly Hills Polo Club and Aspen into the Group's brand portfolio



## October • 02

- Service center grand opening in Guangzhou, China
- Grand opening of distribution showroom in Guangzhou, China
- Launched Pierre Cardin in China
- Launched Fiorucci watches in China

## January • 03

- Commenced Omni operations in the United States
- Added Cornell and Aerostar to the Group's brand portfolio



## February • 03

- Additional major Japanese watch brand added to our customer portfolio
- Ionized plating division in full operation



## April • 03

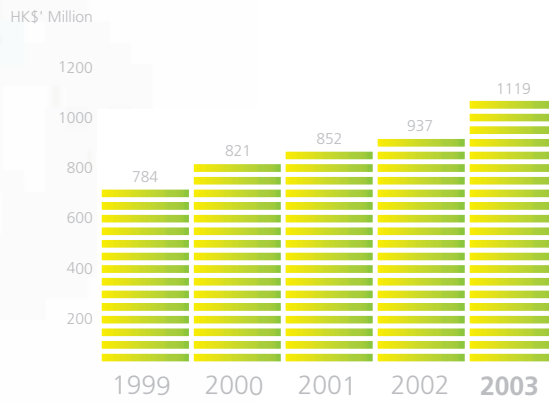
- Participated in Basel and Zurich Fair
- Re-positioned Milus and rolled out public relation events
- Participated in Shanghai investor roadshow 2003

## May • 03

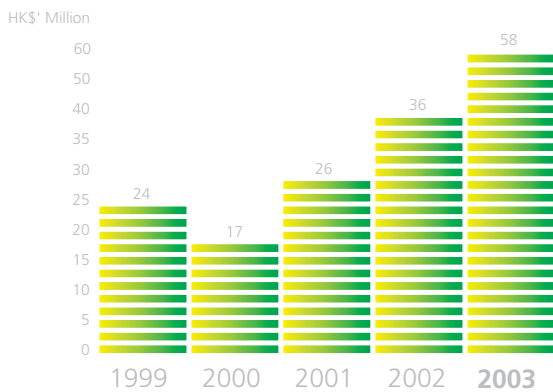
- Obtained distribution rights for Guangzhou, China from a world renowned sports brand



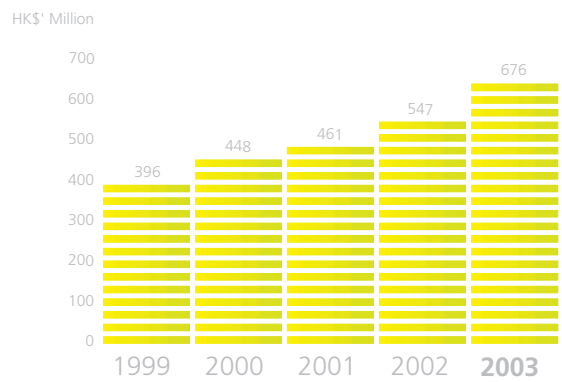
## Turnover



## Profit Attributable to Shareholders

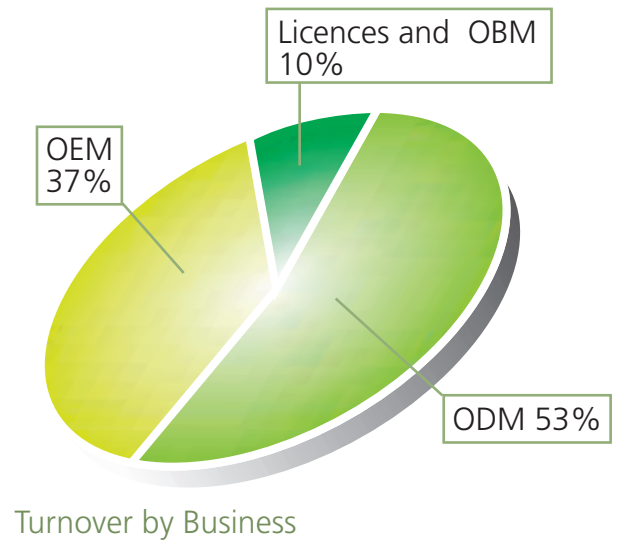
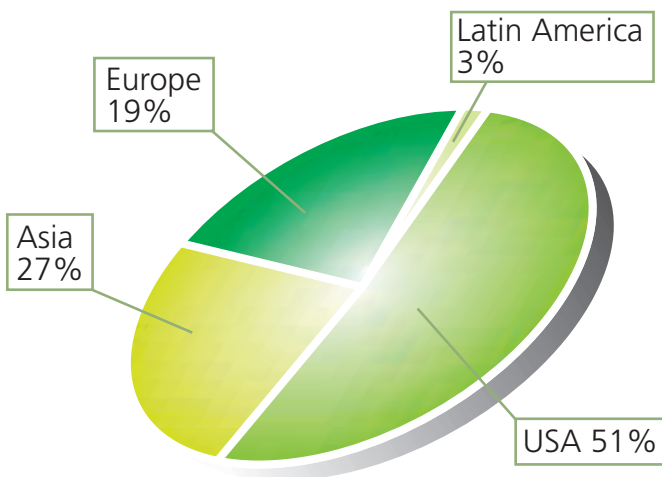


## Shareholders' Funds

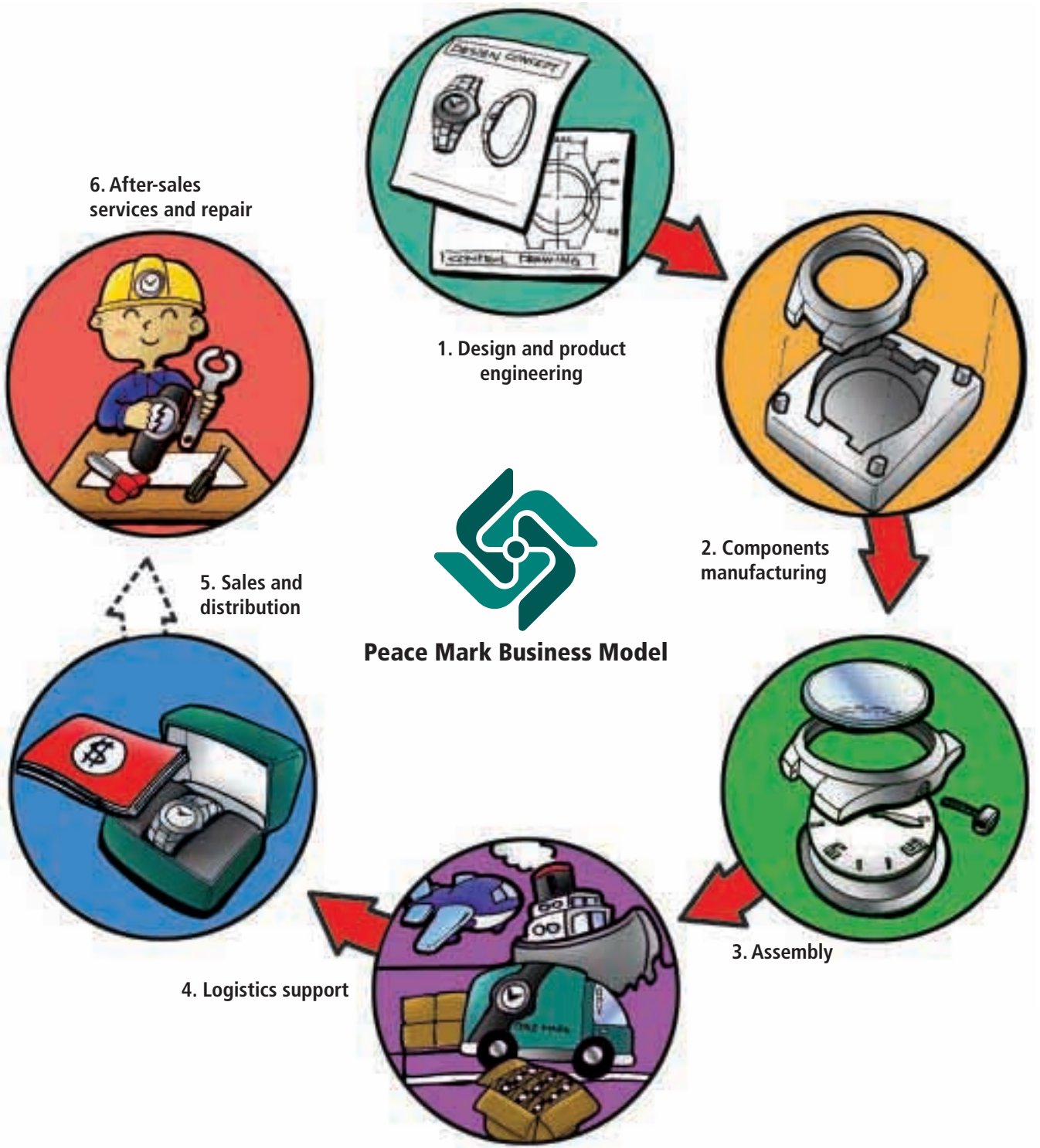


## TURNOVER ANALYSIS

### Turnover by Geographical Market



### Turnover by Business





# Global Presence

-  **Headquarter**
-  **Distribution office**
-  **Production facility**
-  **Sales Agent**



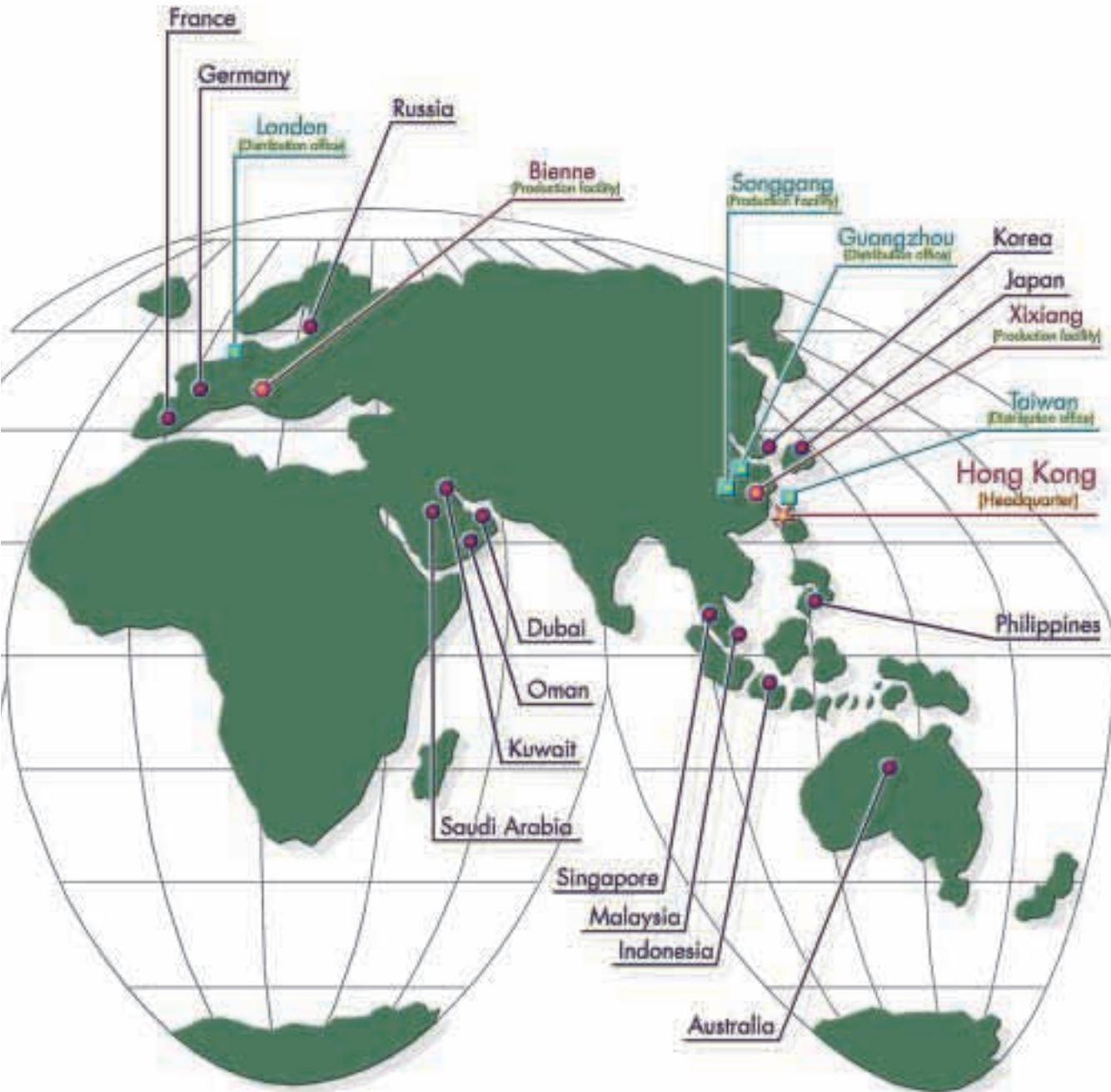
## Sales Agents

### North & Latin Americas

Canada  
 United States  
 Mexico  
 Panama  
 Peru  
 Chile

### Europe

UK  
 France  
 Germany  
 Switzerland  
 Italy  
 Russia  
 Turkey



**Asia & Australia**

China  
 Hong Kong  
 Japan  
 Korea  
 Malaysia  
 Philippines  
 Singapore  
 Taiwan  
 Thailand  
 Indonesia  
 Australia

**Middle East**

Dubai  
 Kunit  
 Oman  
 Saudi Arabia





Mr. Chau Cham Wong, Patrick – Chairman

*“We are proud of a scorecard that marks a legacy of  
**strong accomplishments.***

*Our results were not accidental and we are  
dedicated to achieve **continuous growth**  
and to stretch our business across the globe.”*



We have just completed one of the most important and successful years in Peace Mark's history. In March 2003, we celebrated our 20th year of establishment, and our 10th listing anniversary on the Stock Exchange of Hong Kong. Our turnover for the year also reached the billion-dollar mark and we are ideally positioned to continue this encouraging trend.

Despite the SARS outbreak and the sluggish global economic conditions, we were still able to stand tall to experience steady growth. Peace Mark continued to build on the strong foundation stones established in the past. Having successfully completed our vertical integration, synergies and cost benefits are beginning to materialize and we are consolidating our position as a leading player within the watch industry. Efforts were also concentrated on expanding our position in the global market. Our goal is to ensure our long-term competitiveness and to maximize shareholder value.

Looking back over the past 20 years, when we started as a pure OEM manufacturer, our core competencies and profitability have advanced considerably, and we have successfully built a sound business model to become an established ODM player in the industry. Furthermore, we are now able to provide our customers with one-stop services ranging from design and product engineering to after-sales servicing. Looking ahead, we will continue to implement sound business plans and grow strategically through acquisitions and joint ventures in the years to come. We will also continue to enlarge our brand portfolio and brand management capabilities to become stronger in the areas of OBM and distribution. We at Peace Mark

are proud of our accomplishments and we are dedicated to achieving our mission to become a truly global organization.

On behalf of the Board, I would like to take this opportunity to express my sincere thanks to all our staff, the management team and board members for their hard work and dedication. Their commitment to the Group, along with the support of shareholders, bankers, customers and suppliers, has been crucial to our long-term success.



Chau Cham Wong, Patrick  
*Chairman*

Hong Kong  
26 June, 2003



Mr. Leung Yung, Tommy – *Managing Director*

Throughout the year, Peace Mark Group's management team continued to improve the overall efficiencies of existing and newly acquired operations while working closely with each division to develop long-term goals and strategies. These developments help us prepare for the ever-changing business developments taking place worldwide. The Group's ultimate goal is to enhance our future competitiveness within the global timepiece marketplace and to improve our abilities to meet the demands of our diverse customer groups.

*"Peace Mark is closely monitoring the progress of our Vertical Integration Strategy. Streamlining operating efficiencies between our manufacturing plants and downstream operations have enabled us to provide our existing and potential customers with unmatched one-stop services ranging from product design and engineering to after-sales follow-up and repairs."*

## CHINA

### *Production Facilities*

The Vertical Integration Strategy implemented over the past few years is showing encouraging results. Anticipated benefits such as margin improvements and lower yield losses are beginning to materialize and we are working closely with our production divisions to monitor this progress. Thanks to our well-coordinated and properly managed vertical integration process, we are now in an excellent position to receive additional Japanese orders, as we are able to monitor quality control at every level of our vertically integrated production process. Despite these positive results, we still make every effort to ensure our continuous improvement in our commitment to stay ahead of our peers. For example, Peace Mark was a pioneer in the implementation of ionized plating technology in the timepiece manufacturing industry. This technology is currently being fully exploited in our plating facility and we are producing watches with superior aesthetics and appearance. Additionally, we improved our component and mould-making capabilities even further, to make sure that our design and quality standards will meet the most stringent expectations in the most efficient manner.

### *After-Sales Services Center*

To better position ourselves in the China market, Peace Mark is planning to set up a network of after-sales services centers for watches in China. The network will be positioned and designed to serve the high-end market, and for Swiss-made watches in particular. The PRC after-sales services centers serves as a long-term strategic move to partner world-renowned timepiece companies and the Group has invited selected luxury brands to join forces with Peace Mark to explore this huge potential market. We have been negotiating with various luxury timepiece companies for authorized service agency agreements.

In 2001/02, we sent our employees to Switzerland for service and repair training. As a result, a major watch movement manufacturer has issued certificates to our employees in recognition of their professional timepiece repairing skills. This demonstrates the tremendous progress we have made in obtaining the necessary skills in servicing Swiss luxury watches.

We have been operating two after-sales services centers in Guangzhou since the end of 2002. The third after-sales services center in Shenzhen will begin its operation in July 2003. Fully equipped with Swiss equipment, the after-sales services centers serve as pilot centers for Peace



Mark. The after-sales services centers also help to facilitate and strengthen our negotiations with the world's leading brands, as we are able to demonstrate that we have both the necessary hardware and software capabilities to service high end watches. We expect expansion plans for the after-sales services centers to speed up towards the end of our negotiating processes with the world's luxury brands, as this will limit the business risk for the service centers' expansion plans.

We are also in the completion stages of setting up our training center within our facility grounds in Xixiang, China. This training center will help to support the expansion needs of our after-sales services centers and also our production facilities.

### *Distribution*

With regard to our geographical penetration, we will continue the expansion of our distribution network and sales channels to enable us to sell our products through local distributors to the retail level to capture maximum profit. Having evaluated the market, we will limit the possibilities of establishing our own retail stores in the short term.



In the PRC market, through our partnership with 18 reputable distributors with strong brand portfolios and credit histories, over 100 sales points have been established across the country. These distribution points range from world-leading department stores to specialist timepiece retail stores. Two brands, Pierre Cardin and Montana, are currently available at these distribution outlets and we are preparing to further introduce two other brands, Umbro and Fiorucci, to these distribution points shortly. A wholesale showroom was also established in Guangzhou in October 2002 to display our own brands and licensed brand products.

Looking forward, Peace Mark plans to reach 200 sales points by the end of 2004. To this end, we will continue to closely monitor the financial and operating performances of our PRC distributors as well as apply stringent controls over them to ensure that all activities are in line with the Group's business expansion and brand policies.

### **ASIA PACIFIC REGION**

The Asian market is an important market of the Group where we anticipate tremendous growth in the years to come. Other than China, the Group has made significant progress in the Asia Pacific region as we have strengthened our business relationship with important customers and business associates in key markets such as Japan and Taiwan. Through our subsidiary companies, our network of distributors and agents in Singapore, Korea, Malaysia, Taiwan and Saudi Arabia is also growing and we expect this to further promote our licensed brands such as Umbro, Montana and Fiorucci.



During the final quarter of our 2002/03 financial year, we were appointed as one of the authorized manufacturers of a major Japanese watch brand. This significant achievement further exemplifies the world-class quality standards that we have achieved. We remain committed to continually improving our manufacturing and management standards to ensure that we can maintain an edge over our competitors.

## THE AMERICAS

### *North America*

The United States has always been one of the Group's core markets and this trend is expected to continue in the future. The ongoing market trend is for major customers around the world to buy direct from manufacturers who meet their standards and requirements. As a step forward in developing the Group's downstream business in the North American region, the Group entered into a joint venture with a long-term customer, Omni, to enhance marketing and distribution in the U.S. market. The joint venture operation, which officially began on 2 January, 2003,

aims to integrate Omni's existing customer base, sales force, and other business assets with Peace Mark's resources. Through the joint venture, the Group gained over 17,000 sales points coupled with an experienced sales team. The sales points cover major chain stores, upscale department stores and drug chain stores in the U.S., and serve as a well-established and comprehensive distribution network as well as a nationwide logistics set-up for the Group.

In short, the joint venture serves to complement Peace Mark's downstream expansion plans by facilitating, marketing and distributing the various brands that the Group owns or licenses, to the sales points. The Group will continue to develop the distribution network within upscale department stores to pave the way for our future development plans for upscale brand names like Bill Blass under our brand portfolio. By successfully forming the joint venture, we not only avoid wasting time and resources in developing our own distribution network, but we can also enjoy higher profit margins through joining hands with a business partner, whose proven business model has been successful for the past twenty years and more.

### *Latin America*

Latin America is a lucrative market with immense upward potential owing to its huge population. With a combination of proper management controls and sound strategy execution, the Latin American mass market can become a noteworthy market in the Group's ongoing expansion plans. Despite the recent economic crisis, the consumer market still stands strong, owing to the disparity of wealth within the local population.





Through our associates in Latin America, we are currently selling our own brands: Cornell and Aerostar, together with our licensed brands: Umbro and Montana, directly to major department stores and various chain store outlets throughout the region. Similar to our distribution business in PRC, we are teaming up with reputable distributors with strong credit history and brand management track records. We are also monitoring our Latin America associates from a financial standpoint to ensure that our business risk is minimized.

Looking forward, the Group will continue to expand within the Latin America market by cooperating with our business associates. As a logical extension, the Latin America market may also become a secondary market for our North American joint venture business, as mass-market consumers generally tend to follow previous trends set by the North American fashion and sports brands.

## EUROPE

Europe is the Group's third most important market and our business contacts within that particular region are growing. While the OEM and ODM customer base remains strong, demand for licensed and own brand products are also growing. With the combination of the strong Euro and our well-established fundamentals, Peace Mark is positioned to gain a stronger foothold in the European market.

The acquisition of the Milus brand name and other related business assets was a significant strategic move for Peace Mark to enhance its brand portfolio. Through this strategic move, Peace Mark also capitalized on the design and production expertise of the high-end brand names as well as Milus' sales and marketing channels worldwide.

The re-launch of the new Milus targets the luxury timepiece sector. Milus International S.A. our Swiss subsidiary, participated in the 2003 World Watch and Jewellery Fair in Basel where the new Milus series were exhibited. The re-launched models retain all the familiar brand hallmarks with "*perfect attention to detail*" and "*an exceptional personal commitment in every area*". Paul Junod, head of the design team, represents the



family name now in its third generation in the company and upholds the distinctive Milus style. The new creations incorporate the history of Montres Milus dating back over 80 years with soft, clear forms, and that unique extra touch. These new collections are tailored to the wishes of today's elegant women and men who like to express their individual personalities by wearing unique and sophisticated timepiece.

Based on our presence at the Basel Fair 2003 and the re-launch of the Milus brand, the general impression has been extremely positive, with promising signs for the future prospects of the brand. Additionally, distributors, media and opinion leaders have reaffirmed our positioning concept to place the Milus brand on par with the most valuable male brands with a focus on long-established distribution networks in Europe, Middle East, USA and Asia. The long-term plan to market the Milus brand in the women's luxury segment also received the recognition of important opinion leaders.

Looking forward, the latest trends show that customers are taking a growing interest in luxury products. Taking this into consideration, Milus International S.A. will unite

time and jewellery, and take luxury into a new era. With a marketing plan focusing on a HIGHLY PERSONAL strategy, Milus will aim to target elegant women and men around the world.

### FUTURE DEVELOPMENT AND PROSPECTS

Peace Mark will play an important role in the international timepiece industry. Backed by solid financial support, we are in a position to deliver top quality design, manufacturing, distribution, and after-sales services, unrivalled in the global marketplace. While focusing on expanding our own brand and licensed products, Peace Mark will also broaden our distribution network to better serve our customers around the world. Exploring the emerging PRC market is also crucial to our growth. We are committed to becoming a global player, providing our customers with unmatched products and services in timepiece design, manufacturing, distribution, and after-sales services.





# Peace Mark





# Worldwide





Mr. Tsang Kwong Chiu, Kevin – Finance Director

*“Strong foundations built in the past enabled us to **stand tall** against the competitive market climate. These foundation stones were not laid overnight.”*



## FINANCIAL PERFORMANCE

This year Peace Mark reported a consolidated turnover of HK\$1,119.1 million representing a year-on-year growth of 19.4%. The increase was attributable to a series of successful execution of business plans. Firstly, Omni Watch and Clock Co., LLC, Peace Mark's US marketing and distribution arm, had commenced its operation since January 2003 and facilitated Peace Mark to directly sell its products to various chain retailers. Secondly, Milus International S.A. started to have its full year operation being accounted for despite no contribution was made to the bottom line. Thirdly, orders received from Japanese customers were very encouraging as the upgraded vertical integrated production facilities were well equipped to meet their stringent quality requirements. Finally, new market penetration in China and Latin America was also a contributory factor to the turnover performance.

Regarding margin enhancement, effects of Peace Mark's vertical integration production began to materialize. Gross margin improved from 14.5% in FY2002 to 17.3% this year. Furthermore, higher production efficiency and reduced components outsourcing yielded additional cost saving. The gradual shift in the business mix also contributed to improved margin. The following business segment breakdown provides more information in this respect. Finally, the partial implementation of downstream distribution plans also explains the improved margin. However, the results from distribution business would be more apparent in coming years.

As a sign of strong operating income and cashflow, earnings before interest, tax, depreciation and amortization ("EBITDA") reached HK\$129.9 million. Given the above positive contributory factors, the combined

effect was a profit attributable to shareholders of HK\$58.2 million after minority interest sharing of profit of HK\$7.8 million. In short, the smooth and well-planned business plans execution translated to the surge of bottom line.

## SEGMENT INFORMATION

To facilitate the analysis of its business model, the business had been divided into three main segments, namely, OEM, ODM together with OBM and licenses.

The proportion of OEM, ODM and OBM plus licenses to the Group's turnover were 37%, 53% and 10% respectively for FY2003 and 42%, 53% and 5% respectively for FY2002.

The proportion of OEM dropped by 5% but in fact increased by HK\$22.0 million in value. OEM orders were mainly those orders for other watch brands and mass market merchandizes.

In line with the growing market trend of requiring the manufacturers to provide design for timewear for a wide range fashion and sport brands, Peace Mark continued to capitalize its strength in product design and engineering thereby maintaining a 53% in the ODM segment.

OBM refers to own brand manufacturing and distribution of Sergio Valente, Milus, Aerostar and Cornell. The profit margin is generally higher than OEM and ODM. As a defined strategy, Peace Mark will continue to add more trademarks into its own brand portfolio. With regard to licences, this area of business will also continue to grow. Increasing number of fashion and sports brands are working with manufactures for introducing watches as fashion accessories. For FY2003, Peace Mark's licensed

brands included Umbro, Pierre Cardin, Fiorucci, Aspen, Bill Blass, Beverly Hills Polo Club and Montana blu.

In terms of geographical segment, the US market, representing 51% of the turnover, was the largest market of Peace Mark. For this market, Peace Mark's target segment was mass market merchandize. Its products were being sold in major retail and drug chains stores. Bill Blass was relaunched in June 2003 and would become one of growth drivers in the years to come.

Turnover in Asia included OEM orders from Japanese customers and sales of licenced products through over 10 appointed distributors across the region including but not limited to Korea, Taiwan and Australia. Sales in the China market commenced in October 2002. Though its contribution was insignificant in FY2003, the potential of this market could not be ignored. The management will exercise strict operational and financial controls in order to reap the benefits of selling in this market while monitoring the business risks at its lowest level.

## FINANCIAL POSITION

Fixed Assets increased from HK\$292.9 million in FY2002 to HK\$357.1 million in FY2003. Peace Mark had further improved its production facilities both in Bienne, Switzerland and China. In the US, through acquiring the business undertakings from the US joint venture partner, logistic and display facilities amounted to HK\$25.9 million was added to Fixed Assets.

Intangible Assets with cost of HK\$61.7 million included four own brands: – Sergio Valente, Milus, Aerostar and Cornell.

The Group's inventories stood at HK\$227.7 million as at 31 March, 2003. The inventory turnover increased from 64 days in FY2002 to 76 days in FY2003. The increase was a result of longer production cycle arising from vertical integrated set up and higher level of buffer inventory for distribution.

Trade receivables, net of provisions, were HK\$162.4 million in FY2003, increased by HK\$34.6 million when compared to HK\$127.8 million last year. Despite of increased turnover, the trade receivables turnover remained at 47 days. This improvement in trade receivables was due to a stronger credit control over the customers.

## LIQUIDITY AND FINANCIAL RESOURCES

The cash and bank balances of the Group maintained at approximately HK\$207.6 million (FY2002: HK\$154.4m) while total financial indebtedness was approximately HK\$463.5 million (FY2002: HK\$420.6 million).

The total financial indebtedness of approximately HK\$463.5 million, consists of term loans and a syndicated loan of approximately HK\$348.0 million, trade facilities of approximately HK\$113.3 million and obligations under finance leases of approximately HK\$2.2 million.

Within this financial indebtedness, approximately HK\$286.9 million will mature within one year, HK\$126.8 million after one year but within two years and HK\$49.8 million will mature after two years but within five.

As at 31 March, 2003, the gearing ratio of the Group, calculated by dividing the financial indebtedness net of cash and bank balances over shareholders' equity, was approximately 37.9%, improving from 48.6% in FY2002.

During FY2003, the Group had operating profit before working capital changes of HK\$127.1 million (FY2002: HK\$91.6 million) and cash generated from operations of HK\$118.1 million (FY2002: HK\$32.5 million).

The current ratio of the Group as at 31 March, 2003 was 2.0 (FY2002: 2.8). The drop in the ratio was because a portion of the syndicated loan amounted to HK\$114.3 million had become short-term.

In view of the Group's internally generated funds and available banking facilities, the Directors believe that the Group has adequate cash resources for working capital requirements and its capital expenditure commitments.

## CAPITAL STRUCTURE

During the year, the Company raised net proceeds of approximately HK\$62.1 million by way of a rights issue on the basis of two rights shares for every one existing share held. Upon completion of the rights issue, 367,822,300 shares were issued.

## FUNDING AND TREASURY POLICIES

The Group's treasury policy is to manage the Group's assets and liabilities to reduce its exposure to fluctuation in foreign exchange and interest rates. In the normal course of business, the Company enters into certain derivative contracts to hedge its exposure to fluctuations in interest rates and foreign currencies. These instruments are executed with creditworthy financial institutions. Gains

and losses on these contracts are applied to offset fluctuations that would otherwise impact the Company's financial results. Costs associated with entering into such contracts are not material to the Company's financial results. About 85% of the Group's borrowings were in Hong Kong Dollars with the balance in Renminbi and US Dollars. It is the Group's treasury policy to manage its foreign currency exposure whenever there is material financial impact to the Group.

As at 31 March, 2003, all the Group's borrowings were at floating rates with approximately HK\$150 million of borrowings being hedged by interest rate swaps.

## MATERIAL ACQUISITIONS

An agreement dated 30 July, 2002, pursuant to which Polywell Enterprises Limited, a wholly-owned subsidiary of the Company agreed in a consideration of US\$4.5m to acquire 51% of the issued share capital of Omni International Holdings Limited (which in turn 100% owns Omni Watch and Clock Co., LLC) and to participate in the distribution business in the United States.

In March 2003, three distributors in Latin America, namely, Stefanie S.A., Bulova Del Peru S.A. and Cornell Corporation Mexico S.A. de C.V. became associates of the Group. After the acquisition, the Group extended its distribution network in these markets.

## EMPLOYEES AND THE REMUNERATION POLICY

As at 31 March, 2003, the Group employed a total of approximately 1,800 employees worldwide. The Group remunerates its employees based on their performance, experience and prevailing industry practices. In addition, the Group has established discretionary bonuses and

employee share option schemes, to motivate and reward employees to achieve the Company's business performance targets.

### CONTINGENT LIABILITIES

As at 31 March, 2003, the Group had contingent liabilities in respect of bills discounted with recourse amounting to approximately HK\$68.0 million.

The Company has given corporate guarantees to banks in respect of general banking facilities granted to subsidiaries amounting to HK\$929.2 million. The extent

of these facilities utilised by the subsidiaries at 31 March, 2003 amounted to approximately HK\$261.2 million.

### FINANCIAL INSTRUMENTS

The Company has entered into interest rate swaps to manage its interest rate risk. At 31 March, 2003, the total notional amount of such instruments was HK\$201.0 million. The notional amounts of the outstanding interest rate swaps indicate the contract size outstanding at the balance sheet date and do not represent the amount at risk.



# Directors



## 1. Chau Cham Wong, Patrick

Mr. Chau Cham Wong, Patrick – aged 54, is the Chairman and is responsible for overall strategic planning and business development. Mr. Chau has over 29 years experience in the timepiece industry. He served as the director of the Hong Kong Watch and Clock Manufacturing Association from 1984 to 1993 and as the co-chairman of the Hong Kong Watch and Clock Fair. He was also the former advisor and the committee member of the Hong Kong Watch and Clock Trade Advisory Council to the Hong Kong Trade Development Council. He has been with the Group for over 12 years.

## 2. Leung Yung

Mr. Leung Yung – aged 55, is the Managing Director and is responsible for strategic planning, business development, marketing and product research and development. He is the Vice President of the Hong Kong Watch Manufacturers Association Limited. He joined the Group since it was founded and has over 36 years experience in the timepiece industry.



## 3. Tsang Kwong Chiu, Kevin

Mr. Tsang Kwong Chiu, Kevin – aged 36, is the Finance Director and also the Company Secretary and is responsible for the accounting, financial and company secretarial matters of the Group. Mr. Tsang holds a Master Degree from the University of Hull. He is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Society of Accountants. Mr. Tsang has more than 14 years experience in accounting and finance.

## 4. Man Kwok Keung

Mr. Man Kwok Keung – aged 56, is the Group's Technical Director and is responsible for product engineering. Mr. Man holds a Bachelor Degree in Civil Engineering from the University of Calgary, Canada and has more than 20 years experience in production management in the timepiece industry. He has been with the Group since it was founded.

## 5. Cheng Kwan Ling

Mr. Cheng Kwan Ling – aged 52, is a Director and is responsible for the general management and finance of the Group's operations in the PRC. Mr. Cheng holds a diploma in management studies from the Hong Kong Polytechnic University and the Hong Kong Management Association and is a member of the British Institute of Management. He has over 29 years experience in accountancy and general management and has been with the Group for over 14 years.



## Independent Non-Executive Directors

### Oswald Cheung

Sir Oswald Cheung, C.B.E., LL.D., D.Soc.Sc., J.P. – aged 81, has been an honorary steward of The Hong Kong Jockey Club for 10 years and is a former member of the Hong Kong Legislative and Executive Councils. He has been a non executive Director of the Company since 1993.

### Susan So

Ms. Susan So – aged 50, is the managing director of Guo Ye Holdings Co., Limited and Guo Ye Enterprises Ltd., the principal activities of which are investment holding and the provision of investment consultancy services covering, among others, telecommunication, media, energy supply in the PRC. Ms. So has extensive management experience in relation to trade and investment projects (including information technology, sales and marketing) in the PRC. She has been a director of a number of listed companies in Hong Kong and a consultant of various companies in USA and PRC.

### Kwok Ping Ki, Albert

Mr. Kwok Ping Ki, Albert – aged 69, is a former Director of the Electrical and Mechanical Services of the HKSAR Government and retired in 1993. Mr. Kwok served as the Secretary and Director General of Hong Kong Institution of Engineers until February in 2002. He holds a master's degree in business administration. He has extensive experience in business administration and in engineering professional practice.

## Senior Management



### Leung Chi Shing, Winson

Mr. Leung Chi Shing, Winson, Chief Factory Manager – aged 46, is responsible for managing the watch production and the development of our watch repair school in Shenzhen, the PRC. Mr. Leung holds a certificate in watch repairing from Lee Wai Lee Technical Institute in Hong Kong. He has over 25 years experience in product management in the timepiece industry. He has been with the group for over 17 years.

### Takehiko, Emi

Mr. Takehiko, Emi, Production Engineer – aged 59, is in charge of managing quality control issues and operational issues for the assembly plant in China. He is also responsible for technical support and staff training. Mr. Takehiko is a certified 2nd class radio operator and also holds an electrical and mechanical engineering degree from Kagoshima University. He has over 35 years of experience in production management and over 15 years related experience in the timepiece industry. He has been with the group for over 5 years.





**Yip Chi Hung, Samuel**

Mr. Yip Chi Hung, Samuel, Operation Manager – aged 49, is responsible for managing the timepiece operation of the Group. Mr. Yip is also the management representative of ISO 9001 ensuring the Group's continuing compliance of the ISO 9001 standard. He has over 19 years experience in the timepiece industry and has been with the Group since 1994.

**Linard, Elisabeth**

Ms. Linard, Elisabeth, Marketing Engineer – aged 29, is responsible for the business development of Peace Mark in Europe. She also represents Peace Mark towards its European customers and subsidiaries and ensures the interface between Peace Mark and its contacts in Europe. Prior to joining the Group, she was the New Products Project Manager for Concord, the luxury watch brand of the Movado Group in Bienne, Switzerland. She holds a French postgraduate engineering degree.



**Tai Kwan Kong, Terry**

Mr. Tai Kwan Kong, Terry, Head of Brandname Division – aged 52, is responsible for the business development of the brandname division of the Group. He is a former Director (1992-1995) of the Federation of Hong Kong Watch Traders and Industries Ltd. And is also an organizing committee member of HK Watch Q Mark. He has over 32 years experience in the timepiece industry.

**Yim Yugn, Jenny**

Ms. Yim Yugn, Jenny, Sales Manger of Retail Operation – aged 51, is responsible for the Group's China sales and distribution development. She has over 25 years expertise in timepiece production management and retail development. Prior to joining the Group, Ms. Yim was the Chief factory manager of a state owned enterprise namely 上海手錶二廠.



## Senior Management

**Chan Wai Pong, Gary**

Mr. Chan Wai Pong, Gary, Head of Marketing – aged 34, is responsible for the timepiece marketing function, in particular the US market, of the Group. He has over 12 years experience in the timepiece industry. He has been with the Group for over 8 years.

**Fung Ka Hoi, Charles**

Mr. Fung Ka Hoi, Charles, Vice President of Marketing – aged 38, is responsible for the timepiece marketing function, in particular the Japanese and European market, of the Group. He has over 21 years experience in the timepiece industry and 10 years experience in the field of timepiece production engineering.

**Leung King Chak, King**

Mr. Leung King Chak, King, Financial Controller – aged 35, is responsible for the accounting and banking relationship functions of the Group. His credentials include a degree of Master of Accountancy from the Chinese University of Hong Kong and fellow membership of the Association of Chartered Certified Accountants; and over 12 years experience in the accounting profession in Hong Kong and Europe.

**Fong Ho Yans, Sams**

Ms. Fong Ho Yan, Sams, Corporate Finance Manager – aged 28, is responsible for the Group's corporate finance functions. Prior to joining the Company, Ms. Fong worked for an international accounting firm. She graduated from the Hong Kong Polytechnic University with a Bachelor's degree in Accounting. Ms. Fong is a member of both the Hong Kong Society of Accountants and the Association of Chartered Certified Accountants.





**Leung Chi Wai, Joseph**

Mr. Leung Chi Wai, Joseph, Project Manager – aged 59, is responsible for the Group's production plant and project developments. Mr. Leung holds an Architectural degree from the University of New South Wales. Prior to joining the Group, he worked as a project consultant in Australia and Indonesia. He has been with the Group since 1993.

**de Jaillon, Hugues**

Mr. de Jaillon, Hugues – aged 47, is the regional Chief Executive Officer in the PRC. He is the person-in-charge of the after-sales services centers chain stores for the Group. He has over 23 years experience in China trade, headed numerous operations of manufacturing and trading organizations. Prior to joining the Group, he was in charge of reshaping the PRC retail activities in another Hong Kong listed company.



**Chong Ko Fong, Jonathan**

Mr. Chong Ko Fong, Jonathan – aged 36, is the regional Assistant General Manager responsible for developing the after-sales services centers in the PRC. He started his career as financial analyst with Revlon, then joined Esprit Group to develop Red Earth brand in Hong Kong. Previously, he was with Le Saunda Group to develop a new cosmetic brand in China, and was responsible for image building and product sourcing to the sales operation.

**Hsieh, Stephen**

Mr. Hsieh, Stephen, aged 45, is the Chief Executive Officer of the Group's Taiwanese subsidiary. He is responsible for the brand name and retail outlets development of the Taiwanese subsidiary. He has 20 years experience in brand development and wholesale distribution. He also has over 5 years experience in developing retail outlets.



## Senior Management

**Huang, Bernard**

Mr. Huang, Bernard – aged 41, is the Chief Financial Officer of the Taiwanese subsidiary company. He is responsible for accounting matters and developing retail operation. He has 15 years experience in retail operation in Los Angeles and Mexico and has 6 years experience in timepiece retail operations in Taiwan.

**Schneck, Robert**

Mr. Schneck, Robert – aged 55, is the President and Chief Executive Officer of Omni Watch & Clock Co., LLC. He is responsible for the overall business development for the U.S. subsidiary. Mr. Schneck has over 35 years experience in the timepiece importing and distribution industry and was the recipient of several "Vendor of the Year" Awards. He also serves as the Chairman of the United States Watch Council Membership Committee.

**Rosenbaum, Louis**

Mr. Rosenbaum, Louis – aged 52, is the Executive Vice President of Omni Watch & Clock Co., LLC. His field of expertise includes marketing, product development and finance. For the past 25 years he has been a top executive in both the fashion and timepiece industries. Mr. Rosenbaum is a Chartered Accountant and is a member of the United States Watch Council.

**Dix, Douglas L.**

Mr. Dix, Douglas L. – aged 54, is the Vice President of Sales of Omni Watch & Clock Co., LLC. He is in charge of sales and marketing operation for the retail chain outlets in the North America region. Mr. Dix served 17 years with a major mass-market retailer both in store management and merchandising management and has over 16 years industry experience. Prior to joining the Group, he was a Division President of Advance Watch Company.







**Edocs, Jan**

Mr. Edocs, Jan – aged 32, is the Chief Executive Officer of Milus International S.A. and is responsible for the business development and marketing of the Milus brand. Prior to joining the Group, he was the Sales-Marketing Director (Switzerland) and International Sales Manager of VERSACE S.A..

**Sieber, Barbara**

Ms. Sieber, Barbara – aged 36, is the Marketing Director of Milus International S.A. and is responsible for developing brand positioning and marketing strategies for the brand. Prior to joining the Group, she was the Marketing Director of Flik Flak – Swatch Group and Visual Marketing Manager of Swarovski.



**Triebold, Oliver**

Mr. Triebold, Oliver – aged 37, is the Director of Milus International S.A. and is responsible for the legal and compliance matters of the Group's Swiss operation. He holds a Doctor's degree in law, M.C.J. from New York University. He is also the Attorney at law admitted to the Bar of Zurich.



## Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT an Annual General Meeting ("AGM") of Peace Mark (Holdings) Limited (the "Company") will be held at Boardroom, World Trade Centre Club, 38th Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on 1 August, 2003 at 4:00 p.m. for the following purposes:

1. To receive and consider the audited financial statements of the Company, the reports of the directors (the "Directors") and auditors (the "Auditors") of the Company for the year ended 31 March, 2003;
2. To declare a final dividend for the year ended 31 March, 2003;
3. To re-elect the Directors and to authorize the Board of Directors to fix their remuneration; and
4. To re-appoint the Auditors of the Company for the ensuing year and to authorize the Board of Directors to fix their remuneration.

By Order of the Board  
Tsang Kwong Chiu, Kevin  
*Company Secretary*

Hong Kong  
26 June, 2003

Registered Office:

Clarendon House  
Church Street  
Hamilton HM11  
Bermuda

*Notes:*

1. A member entitled to attend and vote at the AGM may appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A member who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each proxy is so appointed.
2. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's head office and principal place of business in Hong Kong at Unit 3, 12th Floor, Cheung Fung Industrial Building, 23-39 Pak Tin Par Street, Tsuen Wan, Hong Kong for registration not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you wish.
3. The register of members of the Company will be closed from Wednesday, 30 July, 2003 to Friday, 1 August, 2003, both days inclusive, during which period no transfer of shares will be registered.
4. To be qualified for the above-mentioned final dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Secretaries Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on Tuesday, 29 July, 2003.



10th LISTING ANNIVERSARY





## 公司簡介

宜進利於一九八三年成立，總部設於香港，是香港鐘錶行業內具領導地位之製造商及分銷商。宜進利之業務涉及原廠設備製造、原廠設計製造、管理及分銷特許權及自有品牌，以及售後服務。本集團為行銷國際之品牌作設計、製造及分銷時計，主要市場是美國、歐洲及亞洲。本集團分別在中國深圳及瑞士貝寧設有生產設備，員工人數逾1,800名。

宜進利（集團）有限公司







### 董事會成員

#### 執行董事

周湛煌先生 (主席)

梁 榕先生 (董事總經理)

曾廣釗先生

文國強先生

鄭坤寧先生

中國辦事處

中國

深圳市

寶安區

西鄉鎮

鳳凰崗

水庫路107號

#### 獨立非執行董事

張奧偉爵士 C.B.E., LL.D., D.Soc.Sc., J.P.

葉蘇丹丹女士

郭炳基先生

台灣辦事處

台北市

和平東路三段

317號 3樓

#### 公司秘書

曾廣釗先生 AHKSA, FCCA

巴拿馬辦事處

Apartado 2034

Zona Libre de Colon

Republic of Panama

#### 總部及主要營業地點

香港辦事處

香港

新界荃灣白田壩街23-39 號

長豐工業大廈

12 樓3 號單位

#### 網址

<http://www.peacemark.com>

#### 其他辦事處

美國辦事處

140-58th Street Suite 6C

Brooklyn

New York 11220

#### 註冊辦事處

Clarendon House, Church Street

Hamilton HM 11

Bermuda

瑞士辦事處

Route de Reuchenette 19

2502 Bienne

Switzerland

#### 股票資料

於香港聯合交易所有限公司上市

買賣編號：304

## 投資者關係

企業傳訊部—一般查詢  
企業財務部—財務資料  
宜進利(集團)有限公司  
香港荃灣白田壩街23-39號  
長豐工業大廈  
12樓3號單位

## 主要往來銀行

中國銀行(香港)  
法國巴黎銀行  
中國建設銀行  
荷蘭商業銀行  
德國北方銀行  
德國裕寶聯合銀行  
法國外貿銀行  
西德銀行

## 核數師

朱永昌、朱國正會計師事務所  
執業會計師  
香港  
德輔道中308號  
安泰金融中心2302-7室

## 法律顧問

西盟斯律師行  
香港  
中環皇后大道中2號  
長江集團中心35字樓

何耀棣律師事務所  
香港  
康樂廣場一號  
怡和大廈四樓

## 股份過戶登記處

香港：  
秘書商業服務有限公司  
香港  
灣仔告士打道56號  
東亞銀行港灣中心地下

百慕達：  
The Bank of Bermuda Limited  
Bank of Bermuda Building  
6 Front Street  
Hamilton HM 11  
Bermuda

## 攝影師

譚增烈先生

# 大事回顧



3月・02

- 收購 Milus 品牌並成立 Milus International S.A.

4月・02

- 參加巴塞爾鐘錶展2003



5月・02

- 全團員工參與中國珠海舉行的交流大會

8月・02

- 供股行動完滿結束－集團主要股東之股權上升至51%



9月・02

- 參加香港鐘錶展
- 重整後的網頁[www.peacemark.com](http://www.peacemark.com)正式面世
- 與 Fila 品牌簽訂生產協議



11月・02

- 委任郭炳基先生為集團之獨立非執行董事一職
- 參加2002年上海手錶展

12月・02

- 公布中期業績
- 批准中期股息為每股1.5港仙，及可選擇以股代息



3月・03

- 參加香港珠寶展
- 在香港會所舉行集團成立20周年及10周年上市之慶祝酒會
- 為配合集團業務之擴充，增加1萬呎辦公室面積
- 獲得及完成南美之銷售渠道

6月 • 02

- 獲得皮爾•卡丹中國市場之特許權
- 集團董事總經理梁榕先生身兼香港錶廠商會董事及成為該會秘書長。



7月 • 02

- Umbro 為亞洲舉行的2002年世界盃初次登場
- Sergio Valente, Bill Blass, Beverly Hills Polo Club及 Aspen 等品牌加入集團旗下



10月 • 02

- 售後服務中心在中國廣州隆重開幕
- 位於中國廣州之分銷陳列室隆重開幕
- 皮爾•卡丹品牌打入中國市場
- Fiorucci 品牌打入中國市場

1月 • 03

- Omni 在美國的營運業務正式開展
- Cornell 及 Aerostar 加入為集團旗下之品牌



2月 • 03

- 日本一主要手錶品牌加入集團客戶名單內
- 離子電鍍部門全面投產



4月 • 03

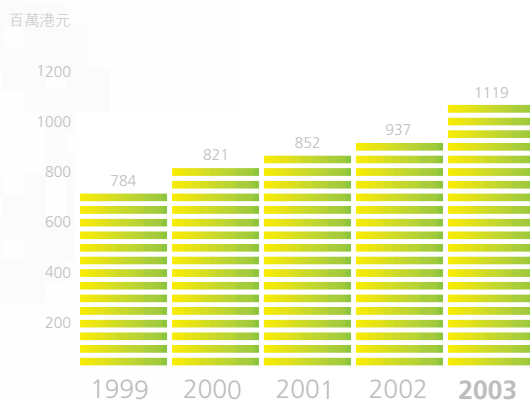
- 參加巴塞爾及蘇黎世鐘錶展
- 為 Milus 品牌重新定位，並作一連串推廣活動
- 參加2003上海投資者路演

5月 • 03

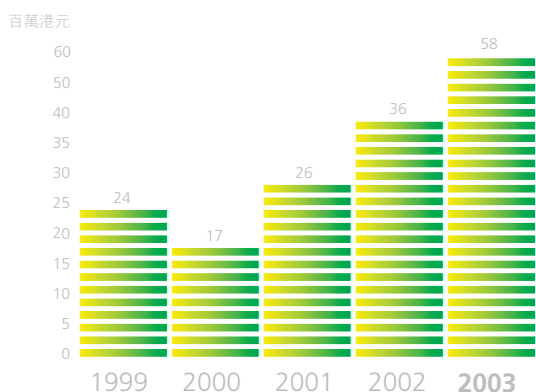
- 獲得世界知名運動品牌在中國廣州之分銷權



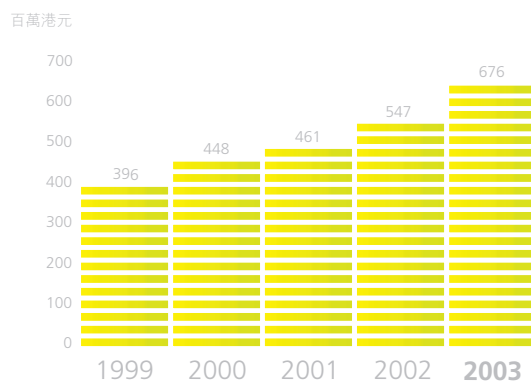
## 營業額



## 股東應佔溢利

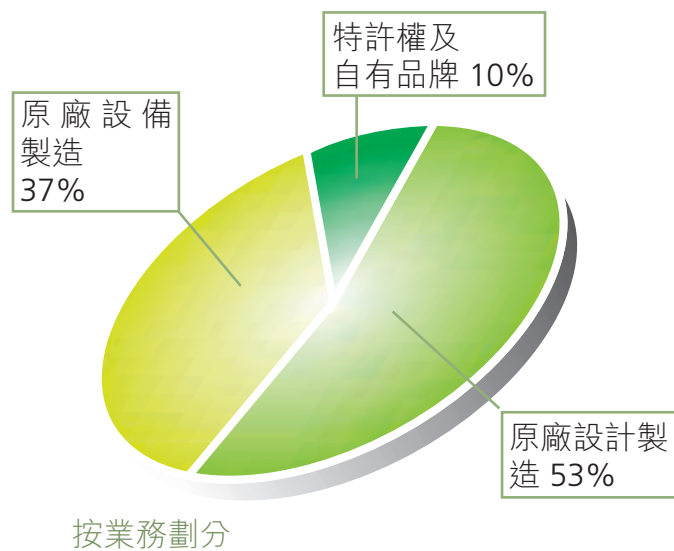
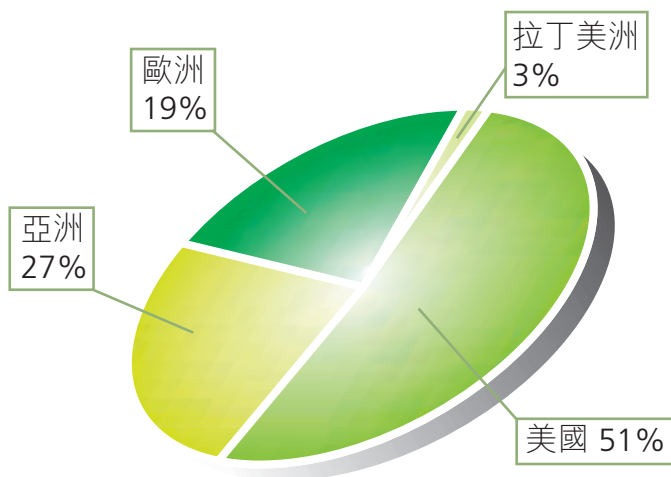


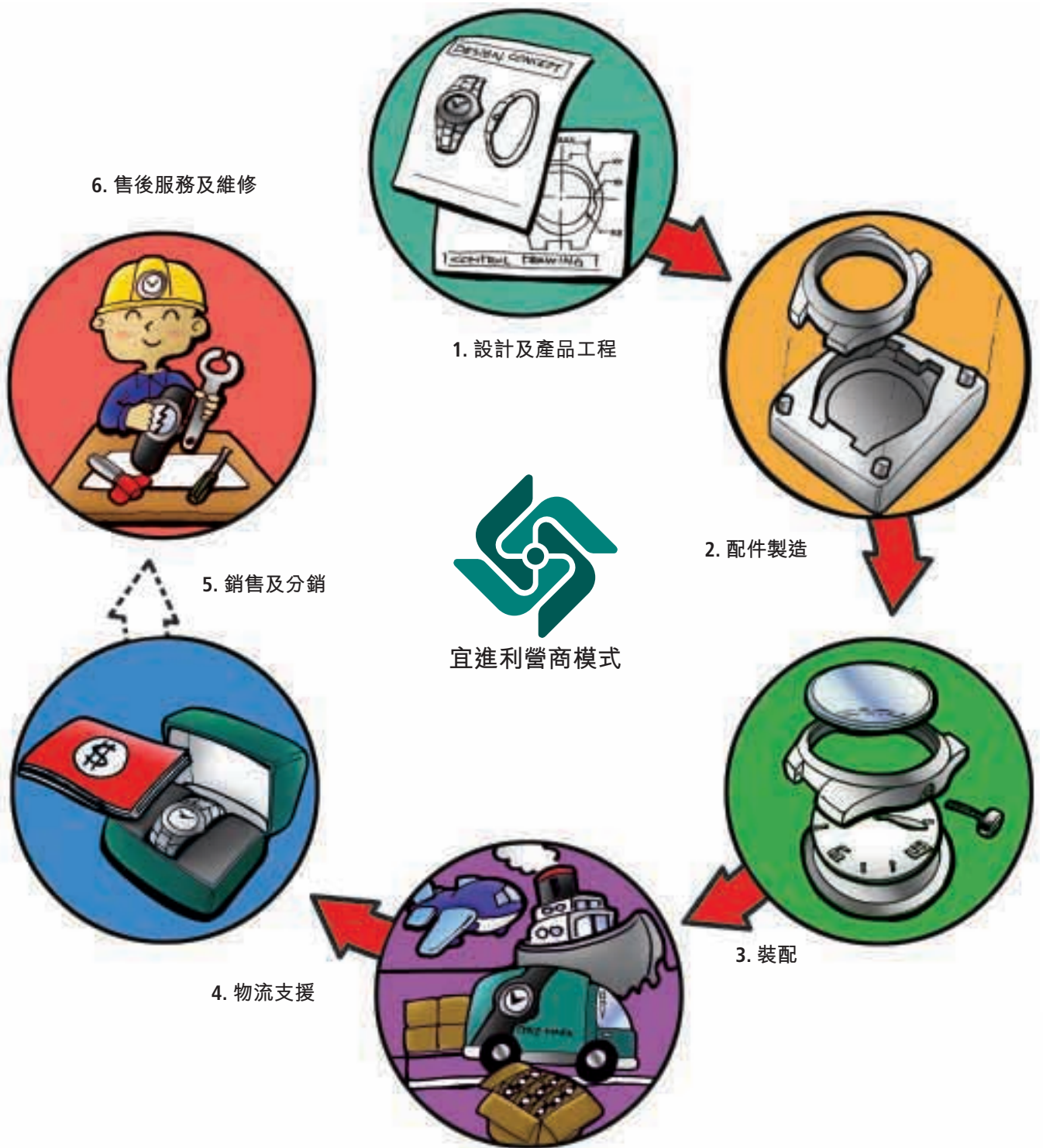
## 股東資金



## 營業額分析

### 按地域市場劃分

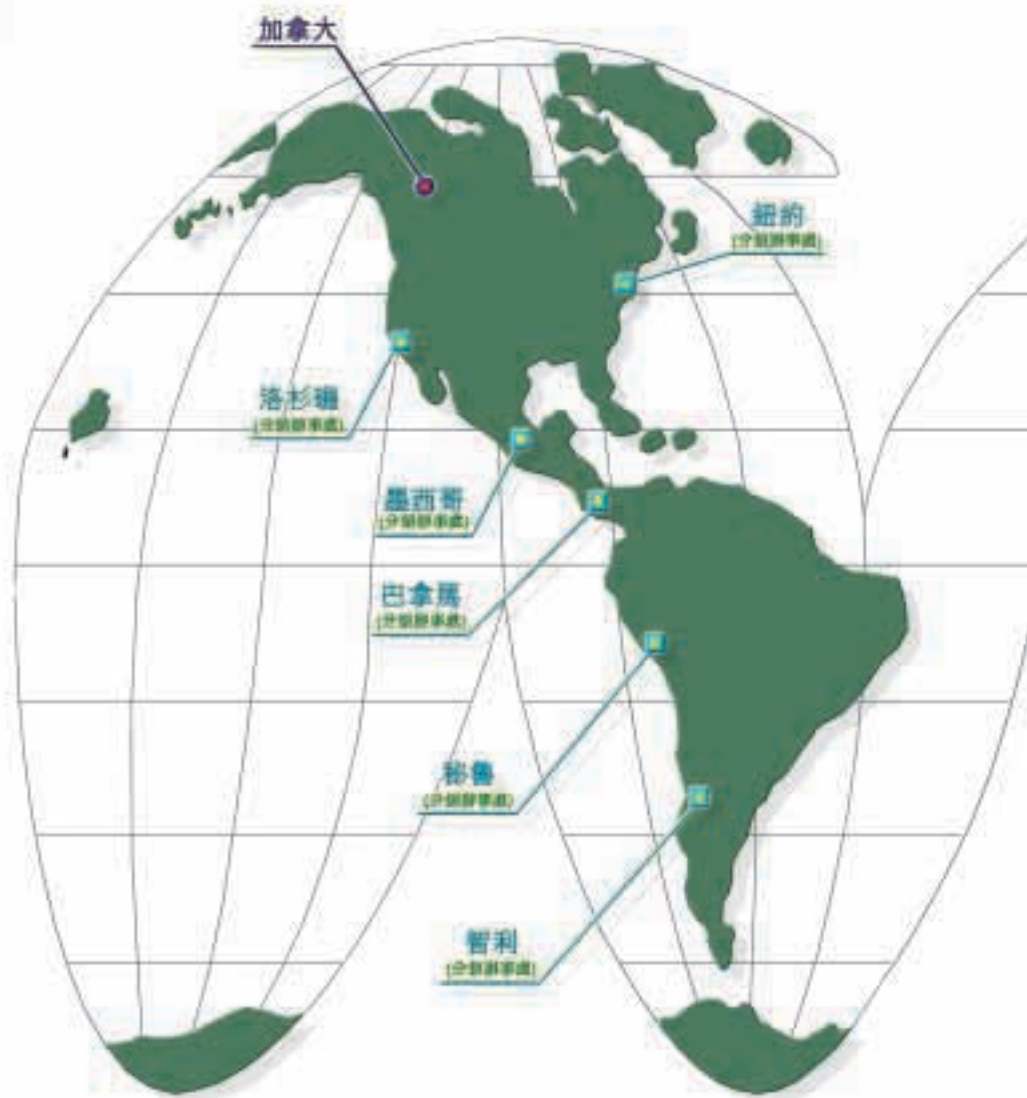






# 全球 業務

-  總部
-  分銷辦事處
-  生產基地
-  銷售代理



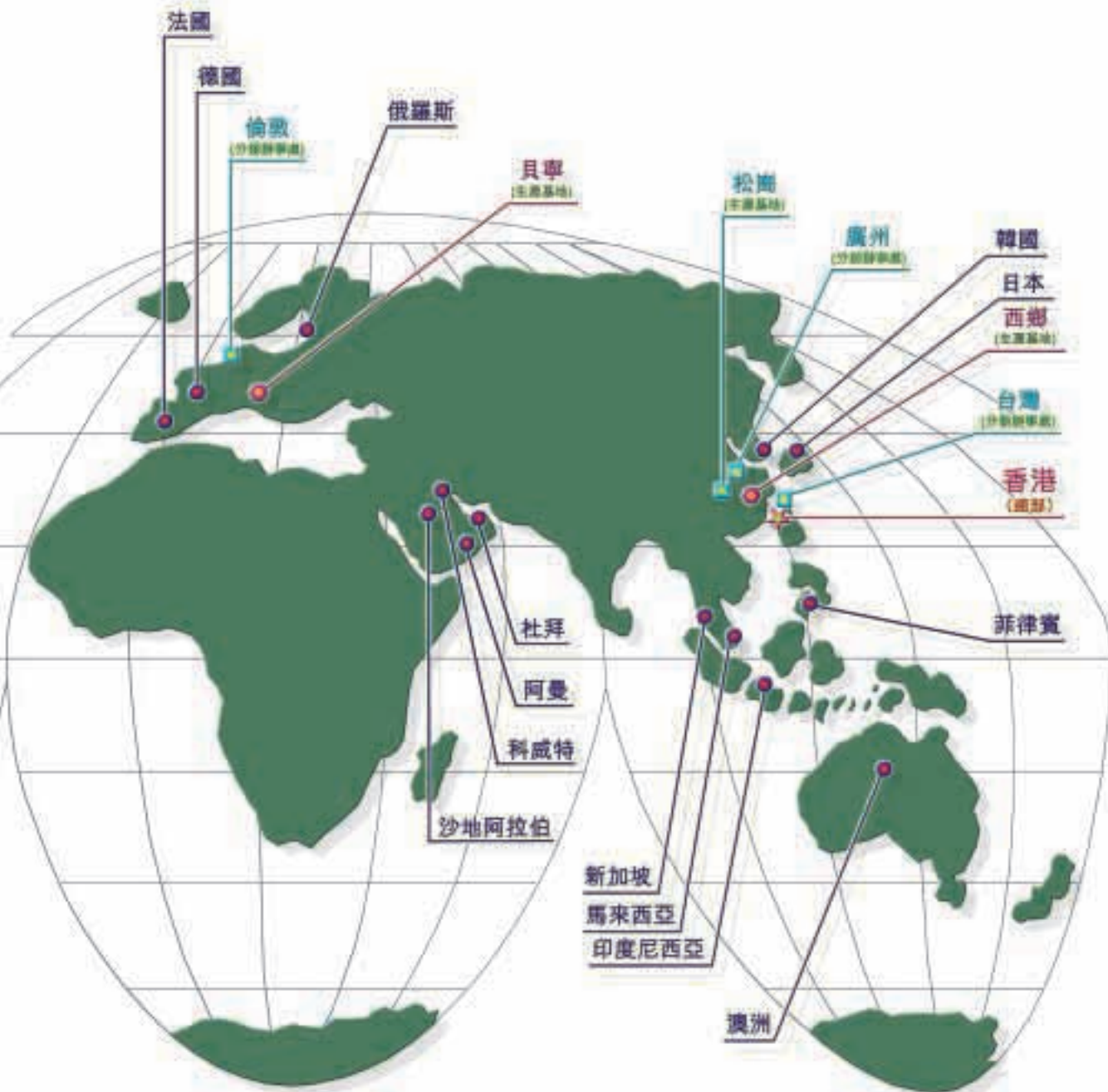
## 分銷辦事處及銷售代理

### 北美洲 / 拉丁美洲

加拿大  
美國  
墨西哥  
巴拿馬  
秘魯  
智利

### 歐洲

英國  
法國  
德國  
瑞士  
意大利  
俄羅斯  
土耳其



### 亞洲及澳洲

中國  
香港  
日本  
韓國  
馬來西亞  
菲律賓  
新加坡  
台灣  
泰國  
印尼  
澳洲

### 中東

杜拜  
科威特  
阿曼  
沙地阿拉伯





周湛煌先生－主席

“集團大放異彩，再譜  
**卓越成就**，實在值得驕傲。  
如此佳績實非僥倖得來，  
而是全賴集團一向立志締造 **持續增長**，  
昂然朝著業務全球化邁步向前。”

宜進利(集團)有限公司剛剛渡過了其歷史以來最重要及最成功的一年。在二零零三年三月，集團慶祝成立二十周年及在香港交易所上市十周年的慶典。今年集團的營業額也突破十億港元的大關，為我們未來的發展，奠下穩固的基礎。

儘管在非典型肺炎疫情爆發和全球經濟疲弱的環境下，我們仍然維持強勁而穩定的增長。宜進利在過去已建立的穩固基礎上不斷發展。我們成功實施垂直整合管理模式，達致協同效益，加上集團的經營成本已開始大幅下降，進一步鞏固了宜進利在鐘錶行業中的領導地位；同時，致力擴展在國際市場上的地位。我們的目標是確保集團的長期競爭力，為股東帶來最大的利潤回報。

回顧過去二十年，與當初純原廠設備製造商開始，宜進利已經在核心業務和盈利能力上，取得了巨大的飛躍。我們成功建立了一套完善的經營模式，使集團在行業中成為有影響力的原廠設計製造商。此外，我們還能為客戶提供由設計、產品製造到售後服務的一站式優質服務。展望未

來，宜進利將落實既定之業務計劃，並在今後數年透過收購及成立合資公司進行策劃性的發展。我們還會不斷地加強自己的品牌組合、品牌管理，並強化自有品牌和分銷業務。作為宜進利的一份子，我們為集團所取得的成就感到驕傲。同時，我們亦致力將宜進利發展成為一個名符其實的跨國集團。

我謹代表董事會向宜進利所有同事、管理層及董事會各成員，對他們的努力與貢獻，致以最衷心的感謝。他們為集團所作出的承諾，連同股東、銀行家、顧客及供應商的鼎力支持，為宜進利邁向長遠成功起着關鍵的作用。



主席  
周湛煌

香港

二零零三年六月二十六日



梁 榕先生－董事總經理

過去一年，宜進利集團的管理層不斷改善現有及新收購項目之整體效益，同時，協助各部門制定長期發展目標及策略。這些發展為集團應付瞬息萬變的環球商業發展作好準備。集團的最終目標是致力加強在國際鐘錶行業中的競爭力，以及提升能力以滿足各種客戶的不同需求。

“宜進利緊密地監察着垂直整合經營模式的進行。加強產品製造與銷售業務的經營效益，使集團可以為現有及潛在的客戶，提供從產品設計、生產製造到售後服務獨一無二的一站式優質服務。”

## 中國

### 生產基地

於過往數年採用垂直整合生產策略，取得令人鼓舞的成績。在提高邊際利潤及降低生產成本等方面的預期收益已始見成效，我們與生產部正緊密地監察着此過程。在垂直整合的生產過程中，有賴各同事的通力合作及完善管理，使我們在垂直整合生產的每個環節也進行品質檢查，從而贏取來自日本的額外訂單。儘管已取得此優越成績，我們不斷的尋求改進，以確保我們的領先地位。例如，宜進利在鐘錶製造行業中率先採用離子電鍍系統；現時，我們的電鍍廠已全面使用這套系統，為我們生產出高度美觀耐用的產品。我們還致力提高配件及模具的生產能力，使集團在設計及產品質量上，都能達到最高水平及效益。

### 售後服務中心

為開拓中國市場，宜進利正計劃籌建一個鐘錶售後服務中心的網絡，此網絡將以高檔及瑞士製造之手錶為經營目標。設於中國的售後服務中心將成為集團一個策略性發展，為促進與世界知名鐘錶公司合作作好準備，集團已邀請特選的尊貴瑞士品牌與宜進利一起開拓中國這個龐大發展潛力的市場。最近，集團更與多間尊貴品牌公司洽談作為其品牌產品的授權售後服務代理。

於二零零一／零二年間，宜進利派出數名技術人員到瑞士參加維修服務的培訓，並獲得一家主要手錶機芯製造商頒發鐘錶維修專業技術證書。這足以證明宜進利在擁有維修瑞士手錶所需的專業技術方面取得了巨大進展。

自二零零二年底開始，我們在廣州已開始經營兩家售後服務中心，第三家將於二零零三年七月於深圳啟業。它們配備了全套瑞士機器設備，並作為集團經營售後服務中心的





試點。售後服務中心將協助及增強世界知名品牌對集團的信心，證明我們在軟硬體方面，已達到維修高檔手錶的要求。預計當與國際級尊貴品牌公司的洽談接近完成時，售後服務中心的擴展計劃將會展開，藉此降低集團在實施擴展計劃的商業風險。

集團位於西鄉廠房內的鐘錶維修技術學院興建工程已接近竣工。這學院將會支援集團售後服務中心網絡的擴展及生產設施的需要。

## 分銷

在地區滲透方面，我們將繼續擴展分銷網絡及銷售渠道，使集團可以通過當地的分銷商推銷產品，從零售層面中獲

取最大利潤。在進行市場評估後，我們在短期內將審慎考慮開辦自己的零售點。

在中國市場，我們透過與18家具有強大品牌及信譽良好的分銷商合作，並在全國建立超過100個銷售點。這些分銷網絡遍佈了世界級的百貨公司及專業鐘錶零售店。其中兩個品牌：皮爾·卡丹及 Montana 的手錶已遍佈各分銷點；集團亦快將引入另外兩個品牌：Umbro 及 Fiorucci。集團的鐘錶產品批發陳列室已於二零零二年十月於廣州開設，推介集團的特許權及自有品牌產品。

集團正計劃於二零零四年年底，將銷售點增加至200間。我們會密切監控國內分銷商在財務及銷售方面的經營情況，實施嚴格管理，確保中國分銷業務與集團之發展計劃及品牌政策互相配合。

## 亞太地區

亞洲是集團的一個重要市場。我們預計這市場於未來數年將會顯著增長。除中國市場外，集團已加強亞太地區之間，尤其日本及台灣等地區主要客戶的商業聯系。透過子公司，在新加坡、南韓、馬來西亞、台灣及沙地亞拉伯等分銷商及代理商網絡不斷擴大，預期能進一步提高特許權品牌產品，如：Umbro、Montana 及 Fiorucci 等的銷售。



在二零零二至零三財政年度的最後一個季度中，我們被一家日本主要手錶品牌委任為其中一家指定的生產製造商。此項重大成就更充分證明宜進利在世界級優質產品的生產方面，具有無可爭議的地位。但我們仍致力繼續改善生產及管理水平，以確保我們的競爭優勢。

## 美國市場

### 北美洲

一直以來，美國是集團其中一個主要市場，並預期情況將會持續。目前，世界發展的主流傾向客戶與符合標準之製造商直接購貨。為了加強北美地區的分銷業務，集團與長期合作的顧客 Omni 設立了一家合資公司，並於二零零三年一月二日正式開始營運；目的是把宜進利的資源與 Omni

現有的顧客基礎、銷售隊伍及其他商業資源結合。通過這家合資公司，增加了17,000個銷售點，並吸納具有豐富經驗的銷售人員，銷售點覆蓋整個美國各大主要連鎖店、高檔百貨公司及藥房式連鎖店，為集團提供一個完善的銷售網絡及遍佈全國的物流系統。

總括而言，合資公司利用集團現有設施、市場營銷及分銷手法，將集團的自有品牌及特許權產品銷售到零售點。集團將致力發展高檔百貨公司的銷售渠道，為未來推廣自有高檔品牌如：Bill Blass 產品奠定基礎。透過成功設立合資公司，我們不僅節省了建立分銷網絡所需的時間及精力，更為集團併入一個有二十多年歷史的成功商業模式，同時分享更高的邊際利潤。

### 拉丁美洲

隨著拉丁美洲人口不斷增長及蘊藏豐厚盈利潛力，配合適的管理及正確的策略，龐大的拉丁美洲市場將成為集團進一步發展計劃中的一個重要市場。儘管目前經濟疲弱，當地的貧富懸殊，使拉丁美洲的消費市場仍然強勁。



通過拉丁美洲的合作伙伴，我們直接向當地的主要百貨公司及不同的連鎖店分銷集團的自有品牌：Cornell 及 Aerostar，以及特許權品牌如：Umbro 及 Montana。與我們在中國市場的分銷業務相同，宜進利與信用良好及擁有經驗豐富的品牌管理分銷商合作。集團會監察拉丁美洲伙伴的財務收支，以確保其風險成本減至最低。

集團與拉丁美洲伙伴共同努力，並繼續擴展當地市場的業務。鑒於普遍消費者樂於追隨北美時尚及運動品牌的發展潮流，我們深信拉丁美洲也會成為集團合資公司在北美洲業務的第二大市場。

## 歐洲

歐洲是集團第三大重要市場，並不斷加強某些地區的商業聯系。當原廠設備製造及原廠設計製造的顧客基礎仍然強大，對特許權及自有品牌產品的需求也持續增長。由於歐元高企，加上集團已建立穩固的商業基礎，集團在擴大歐洲市場佔有率方面已準備就緒。

收購 Milus 品牌及其相關商業資產是宜進利強化品牌組合的重要策略。透過這個策略，集團充份利用它的設計、高檔品牌的專業生產經驗，以及 Milus 在全球的市場及分銷渠道。

新款 Milus 重新包裝及定位為尊貴的手錶。集團子公司 Milus International S.A. 參加了瑞士巴塞爾舉辦的二零零三年世界鐘錶珠寶展，並展出新系列 Milus。新系列秉承了 Milus 傳統的思想：「注意細節」及「對每一部份作個性化」的承諾。Milus 的設計組主管 Paul Junod，是 Milus 家族



第三代品牌代理人，貫徹 Milus 獨特的設計風格。新系列結合了80年前 Montres Milusc 柔和、清晰及極度親近感的傳統設計。這些新產品力求滿足現今品味高雅的男女顧客，喜歡追求配帶獨特而精緻的手錶以盡顯其個性。

Milus 在二零零三年世界鐘錶珠寶展的初次亮相，以及品牌的重新定位均獲得市場普遍的贊同。這確定了 Milus 品牌光明的前景。此外，分銷商、傳媒及評論人亦贊同我們定位的概念。

目前最新的潮流顯示，消費者趨向購買豪華高檔型產品。基於這因素，Milus International S.A. 把時計及珠寶首飾結合起來，將高尚產品帶入到一個嶄新的時代。市場計劃集中在高度個人策略，Milus 將以全球高貴的男女視為目標顧客。

集團致力將 Milus 打入高檔男裝錶品牌，並集中在歐洲、中東、美國及亞洲等長期建立的分銷網絡。長遠計劃是將 Milus 品牌定位為女裝專貴型手錶及得到主要評論人的認同。

### 未來發展及前瞻

宜進利將在世界鐘錶行業中佔有重要的地位。在雄厚的財政基礎上，我們將提供優質的產品設計、製造、分銷及售後服務，使我們在國際市場，具有獨特的競爭優勢。在重點發展自有品牌及特許權品牌的同時，宜進利將進一步擴展分銷網絡，為全球客戶提供優質的服務。開發中國市場乃集團的重點發展。我們致力將宜進利發展成為一間跨國鐘錶集團，為客戶提供無與倫比的鐘錶設計、製造、分銷及售後的優質服務。







# 宜進利





# 全球業務





曾廣釗先生－財務董事

“集團全憑過去打下**穩固基礎**，  
得以在現今競爭異常熾烈的市場**屹立不倒**。  
如此堅固基石，  
並非一朝一夕所能奠定。”

## 財務表現

於本年度，宜進利的綜合營業額為11.191億港幣，較去年同期增長19.4%。營業額上升，實有賴集團成功推行一系列業務計劃。其一，宜進利旗下負責美國市場推廣及分銷的公司Omni Watch and Clock Co., LLC 已自二零零三年一月起開始經營業務，此舉有助宜進利向各連鎖店零售商直接銷售產品。其二，儘管Milus International S.A. 尚未帶來任何利潤貢獻，但其營運已以財政年度基準列賬。其三，繼集團提升並垂直整合其生產設施後，該等設施已能夠達到日本客戶的嚴謹要求，因而從日本客戶取得了令人雀躍的訂單量。最後，集團拓展中國及拉丁美洲市場，亦是推動營業額上升的因素之一。

至於提高邊際利潤方面，宜進利藉著垂直整合本身生產的策略開始奏效。宜進利的毛利率由二零零二財政年度的14.5%改進至本年度的17.3%。此外，集團減省了額外成本，全賴銳意提高生產效率，並減低元件外判。集團逐步轉向業務多元化，亦令邊際利潤得以改善。以下業務分部分析載述有關此方面的更多資料。最後，邊際利潤上揚亦歸功於集團局部實行下流分劃。然而，分銷業務的業績將於來年錄得更為顯著的增幅。

扣除利息、稅項、折舊及攤銷前的收益達1.299億港幣，足顯集團的經營收入及流動現金豐裕。在上述種種利好因素的配合下，扣除少數股東所佔權益780萬港幣後，股東應佔溢利達5,820萬港幣。簡而言之，集團按照周詳的計劃順

利推行業務計劃，令集團再上層樓。

## 分部資料

為方便分析集團的業務模式，集團業務分為原廠設備製造、原廠設計製造和原廠品牌製造等三個主要環節以及特許權經營業務。

原廠設備製造、原廠設計製造和原廠品牌製造以及特許權經營業務的比例分佔集團於二零零三財政年度的營業額37%、53%及10%，而於二零零二財政年度則分別佔42%、53%及5%。

原廠設備製造的比例下降5%，但實質上則增值2,200萬港幣。原廠設備製造訂單主要為其他鐘錶品牌及大型市場商品的訂單。

為緊貼市場愈趨要求製造商為多種時裝及運動品牌提供鐘錶設計的趨勢，宜進利不斷發揮本身在產品設計及工程方面的實力，藉此令原廠設計製造的分部比例維持於53%。

原廠品牌製造是指以Sergio Valente、Milus、Aerostar及Cornell本身的品牌進行製造及分銷。原廠品牌製造的邊際利潤一般高於原廠設備製造及原廠設計製造。為秉承既定策略，宜進利不斷為本身的品牌組合增闢更多商標。至於特許權經營業務，此業務範疇將持續增長。愈來愈多時裝及運動品牌與製造商聯手合作，協力推出作為時裝配飾

的鐘錶。於二零零三財政年度，宜進利的特許品牌包括 Umbro、Pierre Cardin、Fiorucci、Aspen、Bill Blass、Beverly Hills Polo Club 及 Montana blu。

就地區分部而言，美國市場為宜進利的最大市場，其營業額佔51%。宜進利在這個市場的目標鎖定為大型市場商品，其產品於主要零售店及藥房連鎖店銷售。Bill Blass 於二零零三年六月重新推出，並將成為帶動來年增長的力量之一。

亞洲方面的營業額包括日本客戶的原廠設備製造訂單及特許產品的銷售額，而該等特許產品是透過集團於各地區(包括但不限於韓國、台灣及澳洲)延聘的逾10名分銷商銷售。集團於二零零二年十月開始在中國市場進行銷售。中國市場於二零零三財政年度的貢獻甚微，但這個市場的潛力實在不容忽視。管理層將實施嚴謹的營運及財務監控，務求藉著於這個市場進行銷售而獲益，同時亦會監察業務風險並將風險減至最低水平。

## 財政狀況

固定資產由二零零二財政年度的2.929億港幣增加至二零零三財政年度的3.571億港幣。宜進利已進一步提升了其於瑞士貝爾及中國的生產設施。在美國方面，集團收購了美國合營夥伴旗下的業務，為固定資產增添了2,590萬港幣的物流及陳列設施。

無形資產的成本共為6,170萬港幣，包括四個本身品牌：Sergio Valente、Milus、Aerostar 及 Cornell。

截至二零零三年三月三十一日，集團的存貨維持於2.277億港幣。存貨周轉天數由二零零二財政年度的64天增加至二零零三財政年度的76天。存貨周轉天數增加，原因是生產周期因集團實行垂直整合的經營模式而延長，加上為分銷而提高後備存貨水平。

二零零三財政年度的扣除撥備後貿易應收賬款為1.624億港幣，較去年的1.278億港幣上升3,460萬港幣。儘管營業額有所增長，惟貿易應收賬款週轉天數仍然維持於47天。貿易應收賬款得到改進，原因是集團加強對客戶的信用管制。

## 流動資金及財務資源

集團的現金及銀行結餘維持在2.076億港幣(二零零二財政年度：1.544億港幣)，財務負債總額約為4.635億港幣(二零零二財政年度：4.206億港幣)。

在約4.635億港幣的財務負債中，有期貨款及銀團貸款約佔3.480億港幣，貿易融資約佔1.133億港幣，而財務租約承擔則約佔220萬港幣。

此等財務負債其中約2.869億港幣將於一年內到期償還，1.268億港幣將於一年後但兩年內償還，而4,980萬港幣則於兩年後但五年內償還。



截至二零零三年三月三十一日，以扣除現金及銀行結餘後的財務負債除以股東資本計算的集團負債比率約為37.9%，較二零零二財政年度的48.6%有所改進。

於二零零三財政年度內，集團未計營運資金變動前之經營溢利為1.271億港幣（二零零二財政年度：9,160萬港幣），而經營業務所得之現金則為1.181億港幣（二零零二財政年度：3,250萬港幣）。

截至二零零三年三月三十一日，集團的流動比率為2.0倍（二零零二財政年度：2.8倍）。比率下降，原因是1.143億港幣的部份銀團貸款已計作短期貸款。

董事相信，集團內部產生的資金及可動用銀行信貸，令集團具備充足現金資源以供營運資金需要及資本開支承擔之用。

## 股本結構

本年度內，本公司按每持有一股現有股份獲發兩股供股股份的基準進行供股，籌得款項淨額約為6,210萬港幣。於供股完成後，本公司的已發行股份為367,822,300股。

## 資金及財務政策

集團的財務政策為管理集團的資產與負債以減低其外匯及利率波動風險。在日常業務中，本公司訂立若干衍生合約，以對沖其利率及外幣波動風險。此等文據乃與信譽可

靠的財務機構簽訂。該等合約的盈虧乃用以抵銷應會對本公司的財務業績構成影響的波幅。與訂立上述合約相關的成本對集團的財務業績並不重大。集團約85%借款為港幣，其餘則為人民幣和美元。集團訂立的財政策略為管理可對集團構成重大財務影響的外幣風險。

截至二零零三年三月三十一日，集團所有借款均按浮動利率計息，其中約1.50億港幣乃以利率掉期方式對沖。

## 重大收購事項

根據日期為二零零二年七月三十日的協議，本公司的全資附屬公司Polywell Enterprises Limited 同意以450萬美元收購安進利國際集團有限公司（其擁有 Omni Watch and Clock Co., LLC 的100%權益）的51%已發行股本，並參與美國的分銷業務。

於二零零三年三月，三名於拉丁美洲的分銷商 Stefanie S.A.、Bulova Del Peru S.A. 及 Cornell Corporation Mexico S.A. de C.V. 成為集團的聯營公司。於收購事項後，集團擴大其於該等市場的分銷網絡。

## 僱員及薪酬政策

截至二零零三年三月三十一日，集團全球共聘用約1,800名僱員。集團按僱員的表現、經驗及其時的行業慣例釐定僱員薪酬。此外，集團已設立酌情花紅及僱員購股權計劃，



以鼓勵及嘉獎僱員達成集團的業務表現目標。

### 或然負債

截至二零零三年三月三十一日，集團在有關於有追索權的貼現票據方面有或然負債約6,800萬港幣。

本公司就附屬公司獲批的一般銀行融資向多間銀行作出9.292億港幣的公司擔保。附屬公司截至二零零三年三月三

十一日共動用約2.612億港幣的融資。

### 金融工具

本公司已訂立利率掉期以管理其利率風險。截至二零零三年三月三十一日，該等工具的名義總值為2.010億港幣。尚未結算的利率掉期名義價值指於結算日尚未結算的合約規模，而並非指涉及風險的數額。



# 董事



## 1. 周湛煌

周湛煌先生 — 主席，現年五十四歲，負責整體策略計劃及業務發展。周先生擁有逾二十九年鐘錶業經驗。彼於一九八四年至一九九三年間出任香港鐘錶製造商協會理事，及香港鐘錶展之聯席主席。此外，亦曾為香港貿易發展局之香港鐘錶貿易諮詢委員會成員及顧問。彼已服務本集團超過十二年。

## 2. 梁 榕

梁 榕先生 — 董事總經理，現年五十五歲，負責策略規劃，業務發展、市場推廣及產品研究及發展等事務。梁先生為香港鐘錶製造商協會之副主席。彼自本集團成立起加入，擁有逾三十六年鐘錶業之經驗。



## 3. 曾廣釗

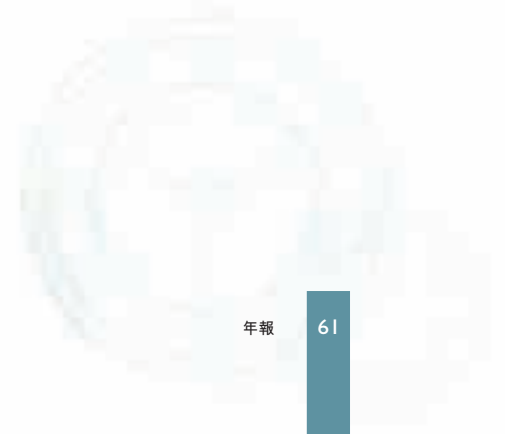
曾廣釗先生 — 財務董事兼公司秘書，現年三十六歲，負責本集團會計、財務及公司秘書事務。曾先生持有赫爾大學頒發之碩士學位，亦為特許公認會計師公會資深會員及香港會計師公會會員。曾先生擁有逾十四年會計及財務經驗。

## 4. 文國強

文國強先生 — 集團技術總監，現年五十六歲，主管產品工程。文先生持有加拿大卡加利大學土木工程學士學位，擁有超過二十年鐘錶業的生產管理經驗。自本集團成立時彼已為其服務。

## 5. 鄭坤寧

鄭坤寧先生 — 董事，現年五十二歲，負責集團中國業務之一般管理及財務事宜。鄭先生持有香港理工大學及香港管理學會管理學文憑，亦為英國管理學會會員，擁有逾二十九年會計及一般管理經驗，加入本集團超過十四年。



### 獨立非執行董事

#### 張奧偉

張奧偉爵士 C.B.E., LL.D., D.Soc.Sc. J.P. — 現年八十一歲。張爵士過去十年為香港賽馬會之榮譽幹事，亦曾任香港立法局及行政局議員。自一九九三年起出任本公司非執行董事一職。

#### 葉蘇丹丹

葉蘇丹丹女士 — 現年五十歲，國葉控股有限公司及 Guo Ye Enterprises Ltd. 之董事總經理。該等公司主要業務為從事投資控股以及提供有關中國國內之電訊、傳媒、能源供應等之投資顧問服務。蘇女士對於有關中國貿易及投資項目(包括資訊科技、銷售及市場推廣)方面，具有豐富管理經驗。彼亦為多間在香港上市之公司之董事以及多間美國及中國公司之顧問。

#### 郭炳基

郭炳基先生—現年六十九歲，香港特別行政區政府機電工程署之前任署長，已於一九九三年退休。郭先生曾擔任香港工程師學會之秘書兼總幹事直至二零零二年二月。彼持有工商管理碩士學位，於商業管理及工程專業執業方面擁有豐富經驗。

### 高層管理人員



#### 梁志盛

梁志盛先生，廠長 — 現年四十六歲，負責管理位於中國深圳鐘錶廠之生產業務及鐘錶維修學院之發展。梁先生持有香港李惠利工業學院頒發之手錶修理證書，並擁有逾二十五年鐘錶業生產管理經驗，服務本集團逾十七年。

#### Takehiko, Emi

Takehiko, Emi 先生—生產工程師，現年五十九歲，負責中國裝配廠房管理品質監控事宜及營運事宜。彼亦負責技術支援及員工培訓。Takehiko 先生為認可二級無線電操控員，並持有 Kagoshima University 之機電工程學位。彼於生產管理方面累積逾三十五年經驗，並於鐘錶業方面累積逾十五年經驗。彼已於本集團任職逾五年。





**葉志雄**

葉志雄先生，營運經理 — 現年四十九歲，負責管理集團之鐘錶業務。葉先生並為 ISO 9001 之管理層代表，負責確保本集團一直符合 ISO 9001 標準之規定。彼在鐘錶業擁有十九年以上經驗，自一九九四年起任職於本集團。

**Linard, Elisabeth**

Linard, Elisabeth 小姐 — 市場推廣工程師，現年二十九歲，負責宜進利於歐洲方面之業務發展。彼亦代表宜進利處理歐洲客戶及附屬公司，並確保宜進利與歐洲連繫之介面。於加盟本集團前，彼曾擔任 Movado Group 於瑞士貝拿之豪華鐘錶品牌 Concord 之新產品項目經理。彼持有法國研究生工程學位。



**戴君剛**

戴君剛先生，品牌部主管 — 現年五十二歲，負責本集團品牌部之業務發展工作。戴先生曾於一九九二年至一九九五年間出任香港鐘錶業總會董事，亦為香港鐘錶Q嘜籌組委員。彼在鐘錶業具三十二年以上經驗。

**嚴 緣**

嚴 緣女士 — 零售業務之銷售經理，現年五十一歲，負責本集團於中國之銷售及分銷發展。彼於鐘錶生產管理及零售發展方面累積逾二十五年經驗。於加盟本集團前，嚴女士為一家國有企業上海手錶二廠之廠房總經理。



### 高層管理人員



**陳偉邦**

陳偉邦先生，市場推廣經理 — 現年三十四歲，負責集團之鐘錶市場推廣事務，其中尤以美國為然。彼在鐘錶業具十二年以上經驗，服務本集團逾八年。

**馮家海**

馮家海先生 — 市場推廣副總裁，現年三十八歲，負責集團之鐘錶市場推廣工作，尤以日本及歐洲市場為然。彼於鐘錶業累積逾二十一年經驗，並於鐘錶生產工程方面有逾十年經驗。



**梁經策**

梁經策先生，財務總監 — 現年三十五歲，負責集團之會計及銀行關係事務。梁先生擁有香港中文大學會計學碩士學位及為特許公認會計師公會資深會員，並在香港及歐洲之會計專業方面擁有逾十二年經驗。

**方可恩**

方可恩小姐 — 企業財務經理，現年二十八歲，負責集團之財務事宜。於加盟本公司前，方小姐曾於國際會計師行任職。彼畢業於香港理工大學，持有會計學士學位。方小姐為香港會計師公會及特許公認會計師公會之成員。







### 梁志偉

梁志偉先生－項目經理，現年五十九歲，負責集團之生產廠房及項目發展。梁先生持有新南威爾斯大學之建築學位。於加盟本集團前，他曾於澳洲及印尼擔任項目顧問。彼自一九九三年加入本集團。

### de Jaillon, Hugues

de Jaillon, Hugues 先生－現年四十七歲，現為中國業務之地區行政總裁，乃本集團連鎖式售後服務中心之負責人。彼於中國貿易方面擁有逾二十三年經驗，負責主管製造及貿易機構之多項業務。於加盟本集團前，他曾負責整頓另一家香港上市公司於中國方面之零售業務。



### 臧珂方

臧珂方先生－現年三十六歲，現為地區副總經理，負責發展中國之售後服務中心。彼最初擔任露華濃香港有限公司之財務分析員，其後加盟環球思捷，負責於香港推廣 Red Earth 品牌。早前，彼曾任職於利信達集團，負責於中國發展一個新客戶品牌，並負責建立形象及銷售業務之產品採購。

### 謝原騰

謝原騰先生－現年四十五歲，現為本集團旗下台灣附屬公司之行政總裁。彼負責為該台灣附屬公司發展品牌及零售門市，於品牌發展及批發分銷方面擁有逾二十年經驗。彼亦於發展零售門市方面累積逾五年經驗。



### 高層管理人員 Management



#### 黃家上

黃家上先生一現年四十一歲，現為台灣附屬公司之財務總監。彼負責會計事宜及發展零售業務，於洛杉磯及墨西哥之零售業務方面累積十五年經驗，並於台灣之鐘錶零售業務方面擁有六年經驗。

#### Schneck, Robert

Schneck, Robert 先生一現年五十五歲，現為 Omni Watch & Clock Co., LLC 之主席兼行政總裁。彼負責美國附屬公司之整體業務發展。Schneck 先生於鐘錶出口及分銷行業方面擁有逾三十五年經驗，且曾奪得多個「本年度供應商」殊榮。彼亦擔任 United States Watch Council Membership Committee 之主席。



#### Rosenbaum, Louis

Rosenbaum, Louis 先生一現年五十二歲，現為 Omni Watch & Clock Co., LLC 之副行政總裁，其專業範疇包括市場推廣、產品發展及財務。於過往二十五年，彼在時裝及鐘錶業方面均為優秀行政人員。Rosenbaum 先生為特許會計師，並為 United States Watch Council 之成員。

#### Dix, Douglas L.

Dix, Douglas L. 先生一現年五十四歲，現為 Omni Watch & Clock Co., LLC 之銷售副總裁，負責北美洲地區之零售連鎖店之銷售及市場推廣工作。Dix 先生曾於一家主要大型市場零售商任職十七年，負責店舖管理及商品管理，並於有關行業擁有逾十六年經驗。於加盟本集團前，他曾於 Advance Watch Company 擔任部門總裁。





**Edocs, Jan**

Edocs, Jan 先生，現年三十二歲，為 Milus International S.A. 之行政總裁，負責 Milus 品牌業務發展及市場推廣。於加盟本集團前，彼曾為 VERSACE S.A. 銷售及市場推廣總監(瑞士)及國際銷售經理。

**Sieber, Barbara**

Sieber, Barbara 女士—現年三十六歲，現為 Milus International S.A. 之市場推廣主任，負責為該品牌發展品牌定位及市場推廣策略。於加盟本集團前，彼為 Flik Flak—Swatch 集團之市場推廣主任及施華洛世奇之品牌視覺市場推廣經理。



**Triebold, Oliver**

Triebold, Oliver 先生—現年三十七歲，現為 Milus International S.A. 之董事，負責集團旗下瑞士業務之法律及規章事宜。彼持有美國大學之法律學士學位(M.C.J.)，並獲 Bar of Zurich 認可之律師。



## 股東週年大會通告

茲通告宜進利(集團)有限公司(「本公司」)謹訂於二零零三年八月一日下午四時正，於香港銅鑼灣告士打道280號世貿中心假座38樓香港世界貿易中心會議廳舉行股東週年大會，以考慮下列事項：

1. 閱覽本公司截至二零零三年三月三十一日止年度的經審核財務報告、本公司董事會(「董事會」)報告與本公司核數師(「核數師」)的報告；
2. 派發截至二零零三年三月三十一日止年度末期的股息；
3. 重選本公司董事會及授權董事會釐定其酬金；及
4. 重選下年度本公司核數師及授權董事會釐定其酬金。

承董事會命

公司秘書

曾廣釗

香港

二零零三年六月二十六日

註冊辦事處：

Clarendon House

Church Street

Hamilton HM11

Bermuda

附註：

1. 凡有權出席股東週年大會及投票的股東，均可指定一位代表代其出席及於表決時投票。受委任代表毋須為本公司股東。持有兩股或以上股份的股東，可委任多於一名代表並代其投票。倘委任多於一名代表，須指明每位受委任代表所代表的股份數目及類別。
2. 代表委任表格連同已簽署的授權書或其他授權文件(如有)或經由公證人簽署證明的授權書或其他授權文件副本，必須早於股東週年大會(或其任何續會)指定舉行時間四十八小時前交回本公司的香港總辦事處及主要營業地點，地址為香港荃灣白田壩街23-39號長豐工業大廈12樓3號單位，方為有效。填妥及交回代表委任表格後，閣下仍可親自出席大會，並於會上投票。
3. 本公司將由二零零三年七月三十日(星期三)至二零零三年八月一日(星期五)(包括首尾兩天)暫停辦理股份過戶登記手續。
4. 為符合資格獲派上述末期股息，所有股份過戶文件連同有關股票，須於二零零三年七月二十九日(星期二)下午四時正前送交本公司在香港的股份過戶登記分處秘書商業服務有限公司，地址為香港灣仔告士打道56號東亞銀行港灣中心地下。

The Directors are pleased to present their report and the audited consolidated financial statements of Peace Mark (Holdings) Limited (the "Company") and its subsidiaries (together with the Company hereinafter referred to as the "Group") for the year ended 31 March, 2003.

## PRINCIPAL ACTIVITIES

The Company is an investment holding company. Details of the principal activities of the Group's principal subsidiaries are set out in note 18 to the financial statements.

## SEGMENT INFORMATION

An analysis of the Group's segment information is set out in note 4 to the financial statements.

## RESULTS AND APPROPRIATION

Details of the results of the Group for the year ended 31 March, 2003 are set out in the consolidated income statement on page 83 and the accompanying notes to the financial statements.

Particulars of dividends proposed and paid during the year are set out in note 12 to the financial statements.

To celebrate the 10th listing anniversary of the Company on the Stock Exchange of Hong Kong Limited, the directors also propose a bonus issue of warrants to shareholders whose names appear on the register of members of the Company on Friday, 1 August, 2003 on the basis of one warrant for every five shares held by such shareholders. The bonus warrants will be issued in registered form and will be exercisable at any time from 5 August, 2003 (being the expected date of issue) until 4 August, 2005, both days inclusive. Each bonus warrant will entitle the holder thereof to subscribe for one new share at an initial subscription price of HK\$0.65, subject to adjustment in accordance with the terms of the warrants.

董事會欣然提呈宜進利(集團)有限公司(「本公司」)及其附屬公司(連同本公司,統稱「本集團」)截至二零零三年三月三十一日止年度之年報及經審核綜合財務報告。

## 主要業務

本公司乃一投資控股公司。本公司屬下各附屬公司之主要業務刊載於財務報告附註18。

## 分部資料

本集團之分部資料分析載於財務報告附註4。

## 業績及分配

本集團截至二零零三年三月三十一日止年度之業績詳情載於第83頁之綜合收益表及隨附之財務報告附註。

本年度內建議及已經派付之股息詳情載於財務報告附註12。

為慶祝公司於香港聯合交易所有限公司上市十週年,董事會亦建議向於二零零三年八月一日(星期五)名列本公司股東名冊之股東發行紅利認股權證,基準為股東每持有五股股份可獲發一份認股權證。紅利認股權證將以記名方式發行,並於二零零三年八月五日(預期發行日期)至二零零五年八月四日止期間(包括首尾兩天)隨時可予行使。每份紅利認股權證賦予持有人權利,以初步認購價0.65港元(可根據此新認股權證之條款予以調整)認購一股新股。



## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 30 July, 2003 to Friday, 1 August, 2003, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend and Bonus Warrant Issue, all share transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrars in Hong Kong, Secretaries Limited of Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, for registration not later than 4:00 p.m. on Tuesday, 29 July, 2003.

## RESERVES

Details of the movements in the reserves of the Group and the Company during the year are set out in note 29 to the financial statements.

## DISTRIBUTABLE RESERVES

As at 31 March, 2003, the reserves of the Company available for distribution, calculated in accordance with the Companies Act 1981 of Bermuda, amounted to approximately HK\$398.3 million. In addition, the share premium of the Company, in the amount of approximately HK\$76.7 million, may be distributed in the form of fully paid bonus shares.

## FIVE-YEAR FINANCIAL SUMMARY

A summary of the results of the Group for the last five financial years and the assets and liabilities of the Group as at the end of the last five financial years is set out on pages 166 to 167 of the Annual Report.

## CHARITABLE DONATIONS

Charitable donations made by the Group during the year amounted to HK\$397,000.

## 暫停辦理股份過戶及登記

本公司將於二零零三年七月三十日(星期三)至二零零三年八月一日(星期五)(包括首尾兩天)暫停辦理股份過戶及登記手續,期間將不會處理股份轉讓事宜。股東如欲收取末期股息及符合參與發行紅利認股權證的資格,須於二零零三年七月二十九日(星期二)下午四時正前將所有股份過戶文件連同有關股票,送交本公司在香港的股份過戶登記分處秘書商業服務有限公司,地址為香港灣仔告士打道56號東亞銀行港灣中心地下。

## 儲備

本年度內,本集團及本公司儲備之變動情況刊載於財務報告附註29。

## 可分派儲備

於二零零三年三月三十一日,按百慕達一九八一年公司法計算之本公司可分派儲備約達398,300,000港元。此外,本公司之股份溢價約為76,700,000港元,並可以繳足紅股之方式分派。

## 五年財務概要

本集團於過去五個財政年度之業績概要及過去五個財政年度結算日之資產及負債概要載於本年報第166至167頁。

## 慈善捐款

本集團於年內作出之慈善捐款為397,000港元。

## FIXED ASSETS

During the year, the Group spent approximately HK\$101.7 million on the acquisition of fixed assets.

Details of the movements in the fixed assets of the Group during the year are set out in note 15 to the financial statements.

## INTANGIBLE ASSETS

Details of the movements in the intangible assets of the Group during the year are set out in note 16 to the financial statements.

## SUBSIDIARIES

Particulars of the principal subsidiaries of the Company are set out in note 18 to the financial statements.

## SHARE CAPITAL

During the year, the Company raised equity capital by way of rights issue. The net proceeds of the rights issue of HK\$62 million were used as follows:

- about HK\$24 million for establishing a distribution arm in the United States;
- about HK\$10 million for promoting the Group's licensed products through the distribution arm aforementioned;
- about HK\$17 million for developing its distribution network in the PRC; and
- the remaining balance for the use as the general working capital of the Company.

Details of these and other movements in the share capital of the Company during the year are set out in note 28 to the financial statements.

## 固定資產

年內，本集團耗資約101,700,000港元收購固定資產。

本集團之固定資產年內變動詳情載於財務報告附註15。

## 無形資產

在財務年度內，本集團之無形資產變動詳情載於財務報告附註16。

## 附屬公司

本公司主要附屬公司之詳細資料載於財務報告附註18。

## 股本

年內，本公司透過供股而籌集股本。供款所得款項淨額62,000,000港元已用作下列用途：

- 約24,000,000港元用作在美國成立分銷部門；
- 約10,000,000港元用作透過上述之分銷部門推廣本集團之特許權產品；
- 約17,000,000港元用作開拓其在中國之分銷網絡；及
- 餘額用作本公司一般營運資金。

本年度內本公司股本之該等及其他變動詳情，載於財務報告附註28。

## BORROWINGS

Particulars of the Group's and Company's borrowings and obligations under finance leases are set out in notes 25 and 26 to the financial statements respectively.

## RETIREMENT SCHEME BENEFITS

Details of retirement scheme benefits are set out in note 3(p) (ii) to the financial statements.

## SUBSEQUENT EVENTS

Details of the subsequent events of the Group which took place subsequent to 31 March, 2003 and up to the date of the report are set out in note 38 to the financial statements.

## DIRECTORS

The Directors of the Company during the year and up to the date of this report were:

### Executive Directors

Mr. Chau Cham Wong, Patrick (*Chairman*)

Mr. Leung Yung (*Managing Director*)

Mr. Tsang Kwong Chiu, Kevin

Mr. Man Kwok Keung

Mr. Cheng Kwan Ling

### Independent Non-Executive Directors

Sir Oswald Cheung, C.B.E., LL.D., D.Soc.Sc., J.P.

Ms. Susan So

Mr. Kwok Ping Ki, Albert (appointed on 19 November, 2002)

The Honorable Lau Wong Fat, G.B.S., J.P.

(resigned on 1 January, 2003)

## 借款

本集團及本公司之借款及融資租賃承擔之詳情，分別載於財務報告附註25及26。

## 退休福利計劃

退休福利計劃之詳情載於財務報告附註3 (p) (ii)。

## 結算日後事項

二零零三年三月三十一日後及截至本報告日期該日之本集團結算日後事項詳情，載於財務報告附註38。

## 董事

本年度內及截至本報告日期之本公司董事如下：

### 執行董事

周湛煌先生 (*主席*)

梁 榕先生 (*董事總經理*)

曾廣釗先生

文國強先生

鄭坤寧先生

### 獨立非執行董事

張奧偉爵士 C.B.E., LL.D., D.Soc.Sc., J.P.

葉蘇丹丹女士

郭炳基先生 (於二零零二年十一月十九日獲委任)

劉皇發議員 G.B.S., J.P.

(於二零零三年一月一日辭任)

In accordance with article 86(2) of the Company's Bye-laws, Mr. Kwok Ping Ki, Albert, who was appointed by the Board of Directors, shall hold office until the forthcoming annual general meeting and, being eligible, offer himself for re-election. Pursuant to articles 87(1) and 87(2) of the Company's Bye-laws, Mr. Man Kwok Keung shall retire and offer himself for re-election at the forthcoming annual general meeting.

The terms of office of Independent Non-executive Directors are subject to retirement by rotation in accordance with the Bye-laws.

### DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors of the Company and of the senior management of the Group are set out on pages 27 to 33 of this report.

### DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the forthcoming Annual General Meeting has an unexpired service contract with the Group, which is not terminable by the Group within one year without payment of compensation, other than normal statutory compensations.

根據本公司之公司細則第86(2)條，郭炳基先生獲董事會委任，並將任職至即將舉行之股東週年大會為止，彼將依章告退，惟其符合資格，並願膺選連任。根據本公司之公司細則第87(1)及87(2)條，文國強先生依章告退，並符合資格，願膺選連任。

獨立非執行董事須按公司細則規定輪值告退。

### 董事及高級管理人員履歷

本公司董事及本集團高級管理人員之履歷詳情載於本報告第61至67頁。

### 董事服務合約

各位願在即將舉行之股東週年大會上膺選連任之董事與本集團概無訂有不出作賠償(法定賠償除外)則不可於一年內終止之未屆滿服務合約。

## DIRECTORS' INTERESTS IN SECURITIES

As at 31 March, 2003, the interests of the Directors and their associates in the securities of the Company, as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Section 28 of the SDI Ordinance and the Model Code for Securities Transactions by Directors of Listed Companies in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

## 董事之證券權益

於二零零三年三月三十一日，各董事及其聯繫人士根據證券(披露權益)條例(「披露權益條例」)第29條須記錄於本公司存置之登記冊內或根據披露權益條例第28條以及香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)內上市公司董事進行證券交易的標準守則須另行知會本公司及聯交所之權益如下：

Directors 董事		Number of Ordinary Shares 普通股數目		
		Personal interests 個人權益	Corporate interests 公司權益	Number of share options 購股權數目
Mr. Chau Cham Wong, Patrick	周湛煌先生	60,039,963	196,321,413 (note a) (註a)	—
Mr. Leung Yung	梁 榕先生	—	255,274,988 (note b) (註b)	—
Mr. Tsang Kwong Chiu, Kevin	曾廣釗先生	5,750,000	—	—
Mr. Man Kwok Keung	文國強先生	—	—	1,035,000
Mr. Cheng Kwan Ling	鄭坤寧先生	235,000	—	—

Notes:

註：

- a. This represents the interest held by A-ONE INVESTMENTS LIMITED, a company owned as to 50.45% by Mr. Chau Cham Wong, Patrick.
- b. 58,953,575 shares are held by United Success Enterprises Limited which is wholly owned by Mr. Leung Yung. The balance of 196,321,413 shares are held by A-ONE INVESTMENTS LIMITED, a company owned as to 49.55% by Mr. Leung Yung.

- a. 代表A-ONE INVESTMENTS LIMITED(周湛煌先生擁有50.45%權益之公司)持有之權益。
- b. 58,953,575股股份由United Success Enterprises Limited(梁榕先生全資擁有之公司)持有，其餘196,321,413股股份由A-ONE INVESTMENTS LIMITED(梁榕先生擁有49.55%權益之公司)持有。



Save as disclosed above and other than certain nominee shares in subsidiaries of the Company being held by the Directors in trust for the Company, as at 31 March, 2003, none of the Directors, chief executives or their associates had any personal, family, corporate or other interests in any securities of the Company or any of its associated corporations as defined in the SDI Ordinance, and none of the Directors and chief executives, or their spouse or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

### SHARE OPTION SCHEME

Share options are granted to the Directors, employees and other eligible persons under the Share Option Scheme of the Company (the "Scheme") adopted on 24 January, 2002. Details of the Scheme are set out in note 30 to the financial statements.

### SUBSTANTIAL SHAREHOLDERS

As at 31 March, 2003, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance showed that the following shareholders had interests of 10% or more in the issued share capital of the Company:

Name 名稱／姓名	Number of Shares 股份數目	% 百分比
Mr. Chau Cham Wong, Patrick 周湛煌先生	60,039,963*	10
United Success Enterprises Limited**	58,953,575*	9
A-ONE INVESTMENTS LIMITED***	196,321,413*	31

除上文所披露者及董事以本公司受託人身份持有本公司之附屬公司若干代理人股份外，於二零零三年三月三十一日，各董事、主要行政人員或其聯繫人士概無於本公司或其任何聯繫公司(定義見披露權益條例)之證券中擁有任何個人、家族、公司或其他權益。此外，各董事及主要行政人員或其配偶或十八歲以下的子女，均無任何可認購本公司證券之權利，或曾於年內行使任何該等權利。

### 購股權計劃

本公司根據於二零零二年一月二十四日採納之購股權計劃(「該計劃」)，向董事、僱員及其他合資格人士授出購股權。該計劃之詳情載於財務報告附註30。

### 主要股東

於二零零三年三月三十一日，根據證券披露權益條例第16(1)條存置之主要股東登記冊所示，下列股東於本公司股本擁有權益10%或以上：

\* Identical to those disclosed above as Directors' Interests in Securities.

\*\* United Success Enterprises Limited is wholly-owned by Mr. Leung Yung.

\*\*\* A-ONE INVESTMENTS LIMITED is beneficially owned as to 50.45% by Mr. Chau Cham Wong, Patrick and 49.55% by Mr. Leung Yung.

Save as disclosed above, the Company has not been notified of any other interests representing 10% or more of the Company's issued share capital as at 31 March, 2003.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the share option scheme as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements that enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the directors, their spouses or their children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

## DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance to which the Company nor any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

\* 與上文董事之證券權益所披露者相同。

\*\* United Success Enterprises Limited 由梁榕先生全資擁有。

\*\*\* A-ONE INVESTMENTS LIMITED 由周湛煌先生實益擁有 50.45% 權益及由梁榕先生實益擁有 49.55% 權益。

除上文所披露者外，於二零零三年三月三十一日，本公司並無獲悉任何人士擁有本公司已發行股本10%或以上之任何其他權益。

## 董事購入股份或債券之權利

除上文所披露者外，本公司或其任何附屬公司於本年度內任何時間概無訂立任何安排，使本公司董事能藉購入本公司或任何其他法團之股份或債券而獲益，而董事、其配偶或彼等未滿十八歲之子女亦概無擁有任何權利認購本公司證券，且於本年度內亦概無行使任何有關權利。

## 董事之合約權益

本公司或其任何附屬公司於年終時或本年度任何時間均無訂立任何重要而本公司董事可直接或間接獲得重大利益之合約。

## CONNECTED TRANSACTIONS

The details of the transactions made during the year were set out in note 14 to the financial statements according to the Listing Rules.

On 6 June, 2002, A-ONE INVESTMENTS LIMITED ("A-ONE"), an investment holding company owned as to 50.45% by Mr. Chau Cham Wong, Patrick and 49.55% by Mr. Leung Yung, entered into an underwriting agreement (the "Underwriting Agreement") with the Company regarding the then proposed rights issue of the Company as stated in the announcement dated 6 June, 2002. Since A-ONE is an associate of both Mr. Chau Cham Wong, Patrick and Mr. Leung Yung who are the substantial shareholders and executive directors of the Company, the Underwriting Agreement is a connected transaction for the Company which is exempted from shareholders' approval requirements pursuant to Rule 14.24(b)(c) of the Listing Rules.

Save as disclosed above, there were no other transactions which needed to be disclosed as connected transactions in accordance with the requirements of the Listing Rules.

## MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March, 2003, the five largest ultimate customers to whom the goods were exported by the Group together accounted for not more than 50% of the Group's turnover for which the largest ultimate customer accounting for not more than 10%, and the five largest suppliers of the Group accounted for not more than 95% of the Group's purchases for which the largest supplier accounting for approximately 46%.

Save as disclosed above, none of the Directors, their associates nor any shareholder who, to the knowledge of the Directors own more than 5% of the Company's share capital, had an interest in any of the five largest suppliers or customers.

## 關連交易

年內進行之交易詳情根據上市規則載於財務報告附註14。

於二零零二年六月六日，周湛煌先生擁有50.45%權益及梁裕先生擁有49.55%權益之投資控股公司A-ONE INVESTMENTS LIMITED (「A-ONE」)與本公司就二零零二年六月六日公佈所述本公司當時建議供股而訂立包銷協議(「包銷協議」)。由於A-ONE為周湛煌先生及梁裕先生(為本公司主要股東及執行董事)之聯繫人士，故包銷協議為本公司之關連交易，該項交易乃根據上市規則第14.24(b)(c)條獲豁免取得股東批准。

除上文披露者外，概無任何根據上市規則之規定須作披露之關連交易。

## 主要客戶及供應商

截至二零零三年三月三十一日止年度，本集團向五大最終客戶出口之貨品共佔總營業額不足50%，其中最大最終客戶佔不足10%，而本集團五大供應商則佔本集團總採購額不足95%，其中最大供應商約佔46%。

除上文所披露者外，各董事、其聯繫人士或據董事所知擁有本公司股本超過5%之任何股東，均無擁有該五大供應商或客戶之任何權益。

## PROPERTIES

Details of the properties of the Group as at 31 March, 2003 are set out on pages 164 to 165 of this report.

## PURCHASE, SALE OR REDEMPTION OF SHARES

During the year, the Company repurchased 1,000,000 ordinary shares of the Company in the Stock Exchange of Hong Kong Limited at an aggregate consideration of HK\$420,000 before expenses. The repurchased shares were subsequently cancelled. The repurchase was effected by the Directors for the enhancement of shareholders value in the long term. Details of the shares repurchased are as follows:

Month of repurchase 購回之月份	Number of Shares repurchased 所購回之股份數目	Price per share 每股股份價格	Aggregate price paid 所付出總代價
March 2003 二零零三年三月	1,000,000	HK\$0.42 0.42港元	HK\$420,000 420,000港元

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws although there are no restrictions against such rights under the laws in Bermuda.

## 物業

本集團於二零零三年三月三十一日之物業詳情載於本年報第164至165頁。

## 買賣或贖回股份

本年度內，本公司在香港聯合交易所有限公司購回1,000,000股本公司普通股，未計開支前總代價為420,000港元，所購回之股份已於其後註銷。購回乃董事為提高長線股東價值而作出，所購回股份之詳情如下：

除上文披露者外，本年度內，本公司或其任何附屬公司概無買賣或贖回本公司任何上市證券。

## 股份優先購買權

百慕達法例並無對股份優先購買權作出任何限制，而本公司細則亦無任何有關該項權利之規定。

## AUDIT COMMITTEE

Under the Listing Rules and with reference to "A Guide for the Formation of an Audit Committee" issued by the Hong Kong Society of Accountants, the Company established an audit committee (the "Audit Committee").

The existing members of the Audit Committee include the three Independent Non-Executive Directors of the Company. Amongst the committee's principal duties are to conduct regular meetings with the Executive Directors in order to review the Company's financial reporting process and internal controls as well as to consider the scope and nature of the audit.

## CODE OF BEST PRACTICE

None of the Directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not for the year ended 31 March, 2003, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules except that Independent Non-Executive Directors are not appointed for a specific term as they are subject to retirement by rotation at the Annual General Meeting of the Company in accordance with the Company's Bye-laws.

## 審核委員會

本公司乃根據上市規則及參照香港會計師公會頒佈之「審核委員會成立指引」而成立審核委員會（「審核委員會」）。

審核委員會目前之成員計有本公司三位獨立非執行董事。審核委員會之主要職責是與執行董事定期舉行會議，以審閱本公司之財務申報程序及內部監控，並考慮審核之範疇與性質。

## 最佳應用守則

根據本公司董事會所知概無任何資料可合理顯示本公司目前未有或於截至二零零三年三月三十一日止年度未有遵守上市規則附錄十四所載之最佳應用守則，惟獨立非執行董事根據本公司之公司細則須在本公司之股東週年大會上輪值告退，故並無固定任期。



## AUDITORS

The financial statements for the year ended 31 March, 2003 were audited by Messrs. Chu and Chu, Certified Public Accountants. A resolution will be submitted to the forthcoming Annual General Meeting of the Company to reappoint them as auditors.

On behalf of the Board

代表董事會



Chau Cham Wong, Patrick

周湛煌

*Chairman*

主席

Hong Kong

26 June, 2003

## 核數師

截至二零零三年三月三十一日止年度之財務報告由朱永昌、朱國正會計師事務所審核。於本公司即將舉行之股東週年大會上將提呈決議案，續聘該行為本公司核數師。

香港

二零零三年六月二十六日

朱永昌  
朱國正 會計師事務所

**CHU and CHU**

Certified Public Accountants

A Member of AGN International

To the Shareholders of

Peace Mark (Holdings) Limited

*(Incorporated in Bermuda with limited liability)*

We have audited the financial statements on pages 83 to 163 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

## RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Company's directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

## BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.



致：宜進利(集團)有限公司

全體股東

*(於百慕達註冊成立之有限公司)*

本核數師已完成審核載於第83至163頁按照香港普遍採納之會計原則編撰之財務報告。

## 董事及核數師各自的責任

貴公司之董事須負責編撰真實與公平之財務報告。於編撰該等財務報告時，董事必須貫徹採用合適之會計政策。

本行之責任乃根據本行審核工作之結果，對該等財務報告表達獨立之意見，並向股東作出報告。

## 意見的基礎

本行乃按照香港會計師公會頒佈之核數準則進行審核工作。審核範圍包括以抽查方式查核與財務報告所載數額及披露事項有關之憑證，亦包括評估董事於編撰該等財務報告時所作之重大估計及判斷、所釐定之會計政策是否適合 貴公司及 貴集團之具體情況，及是否貫徹應用並足夠地披露該等會計政策。

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

## OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March, 2003 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.



Chu and Chu

*Certified Public Accountants*

朱永昌、朱國正會計師事務所

執業會計師

Hong Kong

26 June, 2003

本行在策劃及進行審核工作時，均以取得一切本行認為必需之資料及解釋為目標，使本行能獲得充份的憑證，就該等財務報告是否存有重要錯誤陳述，作出合理之確定。在表達意見時，本行亦已衡量該等財務報告所載資料在整體上是否足夠。本行相信，本行之審核工作已為下列意見建立了合理之基礎。

## 意見

本行認為，上述財務報告真實與公平地反映 貴公司及 貴集團於二零零三年三月三十一日之財政狀況及 貴集團截至該日止年度之溢利及現金流量，並已按照香港公司條例之披露要求妥善編撰。

香港

二零零三年六月二十六日

## Consolidated Income Statement 綜合收益表

FOR THE YEAR ENDED 31 MARCH, 2003  
截至二零零三年三月三十一日止年度

		Note 附註	2003 HK\$'000 千港元	2002 HK\$'000 千港元 (Restated) (已重列)
Turnover	營業額	5	1,119,099	937,010
Cost of sales	銷售成本		(925,476)	(801,344)
<b>Gross profit</b>	<b>毛利</b>		<b>193,623</b>	<b>135,666</b>
Other revenue	其他收益	5	19,668	12,915
Distribution costs	分銷成本		(43,979)	(23,207)
Administrative expenses	行政開支		(70,351)	(64,156)
Other operating expenses	其他經營開支		(5,332)	(12,247)
Profit from operations	經營溢利	6	93,629	48,971
Share of loss of a jointly controlled entity	應佔一共同控制企業虧損		(6,194)	-
Finance costs	財務成本	7	(13,407)	(9,264)
<b>Profit before taxation</b>	<b>除稅前溢利</b>		<b>74,028</b>	<b>39,707</b>
Taxation	稅項	11	(7,995)	(4,577)
<b>Profit after taxation</b>	<b>除稅後溢利</b>		<b>66,033</b>	<b>35,130</b>
Minority interests	少數股東權益		(7,834)	1,267
<b>Profit attributable to shareholders</b>	<b>股東應佔溢利</b>	10	<b>58,199</b>	<b>36,397</b>
Dividends	股息	12	17,739	-
<b>Earnings per share</b>	<b>每股盈利</b>	13		
Basic (cents)	基本(仙)		13.80	18.18
Diluted (cents)	攤薄(仙)		13.79	N/A不適用

The notes on pages 92 to 163 form part of these financial statements.

第92至163頁之附註乃此等財務報告之一部份。



# Consolidated Balance Sheet 綜合資產負債表

AS AT 31 MARCH, 2003  
於二零零三年三月三十一日

		Note	2003	2002
		附註	HK\$'000	HK\$'000
			千港元	千港元
<b>Non-current assets</b>	<b>非流動資產</b>			
Fixed assets	固定資產	15	357,070	292,942
Intangible assets	無形資產	16	60,912	43,851
Goodwill	商譽	17	19,381	11,714
Interest in an associate	聯營公司權益	19	29,738	–
Interest in a jointly controlled entity	一家共同控制企業 之權益	20	9,535	–
Other financial assets	其他金融資產	21	29,236	15
			505,872	348,522
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	22	227,715	156,058
Trade and other receivables	貿易及其他應收款項	23	342,478	342,888
Cash and bank balances	現金及銀行結存		207,568	154,380
			777,761	653,326
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項	24	90,471	28,237
Syndicated loan	銀團貸款	25	114,286	–
Other interest-bearing borrowings	其他計息借款	25	171,882	205,597
Obligations under finance leases	融資租賃承擔	26	773	252
Tax payable	應付稅項	11	4,204	2,236
			381,616	236,322
<b>Net current assets</b>	<b>流動資產淨值</b>		396,145	417,004
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		902,017	765,526



# Consolidated Balance Sheet 綜合資產負債表

AS AT 31 MARCH, 2003  
於二零零三年三月三十一日

		Note 附註	2003 HK\$'000 千港元	2002 HK\$'000 千港元
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Syndicated loan – Due after one year	銀團貸款—一年後到期	25	85,714	200,000
Other interest-bearing borrowings	其他計息借款			
– Due after one year	—一年後到期	25	89,486	14,766
Obligations under finance leases	融資租賃承擔			
– Due after one year	—一年後到期	26	1,390	25
Deferred taxation	遞延稅項	27	6,756	3,396
			183,346	218,187
<b>Minority interests</b>	<b>少數股東權益</b>		43,149	–
<b>Net assets</b>	<b>資產淨值</b>		675,522	547,339
<b>Capital and reserves</b>	<b>股本及儲備</b>			
Share capital	股本	28	63,090	18,391
Reserves	儲備	29	612,432	528,948
<b>Shareholders' funds</b>	<b>股東資金</b>		675,522	547,339

The notes on page 92 to 163 form part of these financial statements.

第92至163頁之附註乃此等財務報告之一部份。

Approved and authorized for issue by the Board of Directors on 26 June, 2003, and signed on its behalf by:

已獲董事會於二零零三年六月二十六日批准並授權刊發，並由下列人士代表簽署：



Chau Cham Wong, Patrick  
周湛煌  
Chairman  
主席



Leung Yung  
梁榕  
Managing Director  
董事總經理



## Balance Sheet 資產負債表

AS AT 31 MARCH, 2003  
於二零零三年三月三十一日

		Note 附註	2003 HK\$'000 千港元	2002 HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>			
Interests in subsidiaries	附屬公司權益	18	737,718	628,672
<b>Current assets</b>	<b>流動資產</b>			
Other receivables	其他應收款項		50	–
Cash and bank balances	現金及銀行結存		1,017	183
			1,067	183
<b>Current liabilities</b>	<b>流動負債</b>			
Accruals and other payables	應計費用及其他應付款項		665	1,000
Syndicated loan	銀團貸款	25	114,286	–
			114,951	1,000
<b>Net current liabilities</b>	<b>流動負債淨值</b>		(113,884)	(817)
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		623,834	627,855
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Syndicated loan – Due after one year	銀團貸款 – 一年後到期	25	85,714	200,000
<b>Net assets</b>	<b>資產淨值</b>		538,120	427,855

AS AT 31 MARCH, 2003  
於二零零三年三月三十一日

		Note	2003 HK\$'000 千港元	2002 HK\$'000 千港元
		附註		
Capital and reserves	股本及儲備			
Share capital	股本	28	63,090	18,391
Reserves	儲備	29	475,030	409,464
Shareholders' funds	股東資金		538,120	427,855

The notes on pages 92 to 163 form part of these financial statements.

第92至163頁之附註乃財務報告之一部份。

Approved and authorized for issue by the Board of Directors on 26 June, 2003, and signed on its behalf by:

已獲董事會於二零零三年六月二十六日批准並授權刊發，並由下列人士代表簽署：



Chau Cham Wong, Patrick

周湛煌

Chairman

主席



Leung Yung

梁榕

Managing Director

董事總經理



## Consolidated Statement of Changes in Equity 綜合權益變動表

FOR THE YEAR ENDED 31 MARCH, 2003  
截至二零零三年三月三十一日止年度

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Shareholders' equity at the beginning of the year	年初時股東資金	547,339	461,057
Realization of unrealized holding loss of investments in securities upon disposal	於出售後所持證券投資之未變現虧損變現	-	17,885
Unrealized holding loss of investments in securities	持有證券投資之未變現虧損	(4)	-
Capital reserve written back upon disposal of subsidiaries	於出售附屬公司後註銷之資本儲備	-	32,000
Exchange differences on translation of: - the financial statements of foreign entities	換算時之滙兌差額： - 外國企業之財務報告	86	-
Net gains not recognized in the income statement	未於收益表中確認之淨收益	82	49,885
Net profit for the year	本年度純利	58,199	36,397
Dividends approved during the year	年內批准之股息	(8,276)	-
Movements in share capital:	股本變動：		
Shares issued under rights issue	根據供股發行之股份	36,782	-
Shares issued under share option scheme	根據購股權計劃發行之股份	5,543	-
Shares issued under scrip dividend	根據以股代息股息發行之股份	2,474	-
Shares repurchased and cancelled	已購回及註銷之股份	(100)	-
Net share premium received	已收股份溢價淨額	33,479	-
		78,178	-
Shareholders' equity at the end of the year	年終時股東資金	675,522	547,339

The notes on pages 92 to 163 form part of these financial statements.

第92至163頁之附註乃此等財務報告之一部份。

# Consolidated Cash Flow Statement 綜合現金流量表

FOR THE YEAR ENDED 31 MARCH, 2003  
截至二零零三年三月三十一日止年度

	Note	2003	2002
	附註	HK'000	HK'000
		千港元	千港元
			(Restated)
			(已重列)
<b>Operating activities</b>	<b>經營活動</b>		
Profit before taxation	除稅前溢利	74,028	39,707
Adjustments for:	調整：		
Depreciation	折舊	36,311	31,440
Amortization of goodwill	攤銷商譽	719	617
Realization of negative goodwill	負商譽變現	(4,101)	-
Amortization of intangible assets	攤銷無形資產	5,399	3,344
Interest expenses	利息開支	13,407	9,264
Interest income	利息收入	(5,128)	(5,090)
Gain on partial disposal of a jointly controlled entity	出售一共同控制企業部份權益之收益	(63)	-
Share of loss of a jointly controlled entity	應佔一共同控制企業虧損	6,194	-
Gain on sale of fixed assets	出售固定資產之收益	(80)	(37)
Loss on disposal of intangible assets	出售無形資產之虧損	-	5
Loss on disposal of investment securities	出售投資證券之虧損	-	10,823
Loss on disposal of club debenture	出售會所債券之虧損	-	1,499
Write-off of current assets	流動資產註銷	442	-
<b>Operating profit before changes in working capital</b>	<b>營運資金變動前之經營溢利</b>	<b>127,128</b>	<b>91,572</b>
Increase in inventories	存貨增加	(28,118)	(30,260)
Decrease (Increase) in trade and other receivables	貿易及其他應收款項減少(增加)	15,073	(43,665)
Decrease in pledged fixed deposits at bank	已抵押之銀行定期存款減少	-	11,625
Increase (Decrease) in trade and other payables	貿易及其他應付款項增加(減少)	47,403	(7,274)
(Decrease) Increase in trust receipt loans	信託收據貸款(減少)增加	(43,384)	10,491
<b>Cash generated from operations</b>	<b>經營活動所得之現金</b>	<b>118,102</b>	<b>32,489</b>





# Consolidated Cash Flow Statement 綜合現金流量表

FOR THE YEAR ENDED 31 MARCH, 2003  
截至二零零三年三月三十一日止年度

			2003	2002
		Note	HK'000	HK'000
		附註	千港元	千港元
				(Restated)
				(已重列)
Tax paid	已付稅項			
Hong Kong profits tax paid	已付香港利得稅		(2,667)	(419)
<b>Net cash from operating activities</b>	<b>經營活動所得之現金淨額</b>		<b>115,435</b>	<b>32,070</b>
<b>Investing activities</b>	<b>投資活動</b>			
Payment for purchase of fixed assets	購入固定資產之款項		(75,475)	(83,834)
Proceeds from sales of fixed assets	出售固定資產所得款項		211	202
Payment to acquire intangible assets	購入無形資產之款項		–	(39,208)
Advances to a jointly controlled entity	預支予一共同控制企業		(15,348)	–
Advance to an associate	預支予聯營公司		(6,338)	–
Repayment from a jointly controlled entity	一共同控制企業之還款		1,589	–
Payment for purchase of subsidiaries, net of cash acquired	收購附屬公司之款項，已扣除所收現金	31	(54,872)	–
Net cash inflow from incorporation of subsidiaries	附屬公司註冊成立之現金流入淨額		222	–
Payment for investment in an associate	投資於一聯營公司之款項		(23,400)	–
Payments to increase interests in subsidiaries	增持附屬公司權益之款項		–	(31,500)
Proceeds from disposal of a subsidiary, net of cash acquired	出售一附屬公司所得款項，已扣除所收現金	32	122	–
Proceeds from disposal of investments in securities	出售證券投資所得款項		–	30,046
Loan to minority shareholders	貸款予少數股東		(2,328)	–
Other investments	其他投資		(29,225)	–
Interest received	已收利息		5,128	5,090
<b>Net cash used in investing activities</b>	<b>投資活動所用之現金淨額</b>		<b>(199,714)</b>	<b>(119,204)</b>

# Consolidated Cash Flow Statement 綜合現金流量表

FOR THE YEAR ENDED 31 MARCH, 2003  
截至二零零三年三月三十一日止年度

			2003	2002
		Note	HK'000	HK'000
		附註	千港元	千港元
				(Restated)
				(已重列)
<b>Financing activities</b>	<b>融資活動</b>			
Capital element of finance lease rentals paid	已付融資租賃租金之資本部份		(704)	(480)
Interest element of finance lease rentals paid	已付融資租賃租金之利息部份		(121)	(180)
Proceeds from rights issue	供股所得款項		66,208	-
Premium paid on repurchase of shares	購回股份支付之溢價		(322)	-
Proceeds from shares issued under share option scheme	根據購股權計劃發行股份之所得款項		11,113	-
Nominal value of shares repurchased	已購回股份之面值		(100)	-
Rights issue expenses charged against share premium	與股份溢價扣除之供股開支		(4,141)	-
Drawdown of term loans	提取定期貸款		125,639	62,574
Repayment of bank loans	償還銀行貸款		(46,201)	(19,001)
Proceeds from syndicated loan	銀團貸款所得款項		-	200,000
Repayment of syndicated loan	償還銀團貸款		-	(85,000)
Proceeds from new finance lease on existing fixed assets	現有固定資產之新融資租賃所得款項		2,590	-
Interest paid	已付利息		(13,286)	(9,084)
Interim dividend paid	已付中期股息		(2,851)	-
<b>Net cash from financing activities</b>	<b>融資活動所得之現金淨額</b>		<b>137,824</b>	<b>148,829</b>
<b>Net increase in cash and cash equivalents</b>	<b>現金及現金等價物之純增加</b>		<b>53,545</b>	<b>61,695</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>年初時現金及現金等價物</b>		<b>153,999</b>	<b>92,304</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>年終時現金及現金等價物</b>	33	<b>207,544</b>	<b>153,999</b>

The notes on pages 92 to 163 form part of these financial statements.

第92至163頁之附註乃此等財務報告之一部份。

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## 1. GENERAL

Peace Mark (Holdings) Limited (the "Company") was incorporated in Bermuda as an exempted company with limited liability. Its shares are listed on The Stock Exchange of Hong Kong Limited.

The Company is an investment holding company. The principal activities of the Company's subsidiaries are set out in note 18 to the financial statements.

## 2. ADOPTION OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE

In the current year, the Group has adopted the following new and revised Statements of Standard Accounting Practice ("SSAPs") issued by the Hong Kong Society of Accountants:

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

SSAP 1 (Revised) requires the Group to present a new statement "Statement of changes in equity". The new statement reconciles movements of the equity from the beginning to the end of a year.

SSAP 15 (Revised) prescribes the revised format of the cash flow statement in which the cash flows during the year will only be classified by operating, investing and financing activities. These changes have not had any material effect on the results for the current or prior accounting years and, accordingly, no prior year adjustment has been required. Comparative figures have been restated in order to achieve a consistent presentation.

## 1. 一般資料

宜進利(集團)有限公司(「本公司」)為在百慕達註冊成立之受豁免有限公司，其股份在香港聯合交易所有限公司上市。

本公司乃一投資控股公司。本公司屬下各附屬公司之主要業務刊載於財務報告附註18。

## 2. 採納新制訂及經修訂會計實務準則

於本年度，本集團已採納下列由香港會計師公會頒佈之新制訂及經修訂會計實務準則(「會計實務準則」)：

會計實務準則第1號(經修訂)	財務報告之呈報方式
會計實務準則第11號(經修訂)	外幣換算
會計實務準則第15號(經修訂)	現金流量表
會計實務準則第34號	僱員福利

會計實務準則第1號(經修訂)規定本集團呈列一項全新報表「權益變動表」。此新報表列明年初至年終之權益變動之情況。

會計實務準則第15號(經修訂)訂明經修訂之現金流量表形式，年內之現金流量將僅會分類為經營、投資及融資活動。此等變動對本會計年度或以往會計年度之業績並無任何重大影響，因此毋須作出前期調整。為了讓呈列方式貫徹一致，比較數字已予重列。

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## 2. ADOPTION OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE (Continued)

Save as aforesaid, the adoption of other new and revised SSAPs as outlined above does not have material impact on results reported in the current or prior year, though the terminology used and certain disclosures have been revised in line with the new requirements.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Statements of Standard Accounting Practice issued by the Hong Kong Society of Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, modified with respect to the measurement of investments in securities and leasehold properties, as further explained in the respective accounting policies below. A summary of the significant accounting policies adopted by the Group is set out below:

### (a) Basis of consolidation

The consolidated financial statements of the Group include the financial statements of the Company and its subsidiaries. A subsidiary is a company whose financial and operating policies are under the Company's control, directly or indirectly, so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal. The equity and net income attributable to minority shareholders' interests, representing the interests of outside shareholders, are shown separately in the Group's balance sheet and income statement, respectively.

## 2. 採納新制訂及經修訂會計實務準則 (續)

除上述者外，採納上述所概述之其他新制訂及經修訂會計實務準則對本年度及前期之業績概無重大影響，惟所用詞彙及若干披露已予修訂以符合新規定。

## 3. 主要會計政策概要

此等財務報告乃根據香港會計師公會刊發之會計實務準則、香港普遍採納之會計原則及香港公司條例之披露規定而編製。此等財務報告乃根據原始成本準則所編製，並已就衡量證券投資及租賃物業作修訂，其他詳細資料載於下文各項會計原則。本集團採納之主要會計政策概述如下：

### (a) 綜合基準

本集團之綜合財務報告包括本公司及其附屬公司之財務報告。附屬公司為本公司直接或間接控制其財務及經營政策以從其業務中獲益之公司。本年度購入或出售之附屬公司業績，由其獲收購之生效日期綜合入賬或綜合入賬至其被出售之生效日期，少數股東權益（即外界股東之權益）應佔之股本及收入淨額，分別於本公司之資產負債表及收益賬中獨立列示。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (a) Basis of consolidation (Continued)

Intragroup balances and transactions and resulting unrealized profits are eliminated in full. Unrealized losses resulting from intragroup transactions are eliminated unless cost cannot be recovered. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

In the Company's financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses. The results of the subsidiaries are included in the income statement to the extent of dividends received and receivable.

#### (b) Associates and jointly controlled entities

An associate is a company, not being a subsidiary or a joint venture, in which an equity interest is held, or the long-term and significant influence is exercised in its management. A jointly controlled entity is an entity which operates under a contractual arrangement between the group or company and other parties, where the contractual arrangement established that the group or company and one or more of the other parties share joint control over the economic activity of the entity.

The consolidated income statement includes the Group's share of the results of associates and jointly controlled entities for the year, and the consolidated balance sheet includes the Group's share of the net assets or liabilities of the associates and jointly controlled entities and also goodwill/negative goodwill (net of accumulated amortization and accumulated impairment losses) arising on acquisition.

### 3. 主要會計政策概要 (續)

#### (a) 綜合基準 (續)

集團內部結餘及交易以及所產生之未變現溢利已悉數抵銷。除非不能收回成本，否則集團內部交易之未變現虧損乃予以撇銷。綜合財務報告乃就類似交易以及類似情況之其他事項利用統一會計政策而編製。

本公司之財務報告內，於附屬公司之投資以成本列值減任何累積減值虧損列賬。附屬公司之業績乃按已收及應收股息計入損益賬。

#### (b) 聯營公司及共同控制企業

聯營公司並非附屬公司或合營企業，乃為於當中持有股本權益或對其管理具有長遠及重大影響之公司。共同控制企業為由集團或公司及其他人士根據合約性安排經營之實體，而該合約性安排會訂明集團或公司及一位或多位其他人士將對實體之經濟活動具有共同控制權。

綜合收益表包括本集團於本年度分佔聯營公司及共同控制企業之業績，而綜合資產負債表則包括本集團分佔聯營公司及共同控制企業之資產淨值或負債，亦包括收購時所產生之商譽／負商譽(扣除累積攤銷及累積減值虧損)。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (b) Associates and jointly controlled entities (Continued)

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

#### (c) Goodwill

Goodwill arising on acquisition of subsidiaries represents the excess of the cost of acquisition over the Group's interest in the fair values of the identifiable assets and liabilities of the subsidiaries at the date of acquisition. Goodwill is carried at cost less accumulated amortization and accumulated impairment losses. Goodwill is capitalized and amortized on a straight-line basis over the shorter of its estimated useful life or 20 years. The amortization charge for each period is recognized as an expense.

Goodwill arising from transactions completed prior to 1 April, 2001 is written off directly against reserves and is reduced by impairment losses. Any impairment loss identified is recognized as an expense.

### 3. 主要會計政策概要 (續)

#### (b) 聯營公司及共同控制企業 (續)

於本公司之資產負債表中，聯營公司及共同控制企業投資乃按成本減以減值虧損撥備列賬。聯營公司及共同控制企業之業績乃由本公司按已收及應收股息基準列賬。

#### (c) 商譽

收購附屬公司賬目所產生之商譽，乃指收購成本超過收購日本集團所佔有關附屬公司可辨別資產及負債之公平價值。商譽乃以成本減累積攤銷及累積減值虧損列賬。商譽乃作資本化，並按其估計可使用年期或二十年(以較短者為準)以直線法攤銷。每段期間之攤銷開支乃確認為開支。

於二零零一年四月一日前完成之交易所產生之商譽，乃直接於儲備中撇銷，並扣除減值虧損。任何可辨別之減值虧損乃確認為開支。



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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (c) Goodwill (Continued)

On disposal of an interest in a subsidiary, the attributable amount of goodwill not previously amortized through the consolidated income statement or which has previously been dealt with as a movement on group reserves is included in the calculation of the profit or loss on disposal.

#### (d) Negative goodwill

Any excess, as at the date of the transaction, of the Group's interest in the fair values of the identifiable assets and liabilities acquired over the cost of the acquisition, should be recognized as negative goodwill.

Negative goodwill is recognized in the income statement as follows:

- (a) to the extent that negative goodwill relates to expected future losses and expenses that are identified in the Group's plan for the acquisition and can be measured reliably, that portion of negative goodwill is recognized as income when the future losses and expenses are recognized.
- (b) the amount of negative goodwill not exceeding the fair values of acquired identifiable non-monetary assets is recognized as income on a systematic basis over the remaining weighted average useful life of the identifiable acquired depreciable/amortizable assets.

### 3. 主要會計政策概要 (續)

#### (c) 商譽 (續)

出售附屬公司之權益時，之前並未於綜合損益賬中攤銷或之前已於集團儲備中以變動形式處理之應佔商譽，乃計入出售時之損益內。

#### (d) 負商譽

負商譽指本集團所佔於收購日期所收購之可鑑別資產與負債之公平值超逾收購成本之數。

負商譽乃在收益賬中以下列形式確認：

- (a) 倘若負商譽乃與本集團收購計劃中已鑑別及能可靠衡量之預期未來虧損及開支有關，該部份之負商譽乃於確認未來虧損及開支時確認為收入。
- (b) 就不超過所購入可鑑別之非貨幣資產之公平價值之負商譽，乃於可鑑別之已購入資產須作出折舊／攤銷之餘下加權平均使用年期內，有系統地確認為收入。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (d) Negative goodwill (Continued)

- (c) the amount of negative goodwill in excess of the fair values of acquired identifiable non-monetary assets is recognized as income immediately.

Negative goodwill arising on the acquisition of an associate is deducted from the carrying amount of that associate. Negative goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet as a deduction from assets.

#### (e) Investments in securities

Investments in securities are recognized on a trade-date basis and are initially measured at cost. At subsequent reporting dates, debts securities that the company has the expressed intention and ability to hold to maturity (held-to-maturity securities) are measured at amortized cost, less any impairment loss recognized to reflect irrecoverable amounts. Any discount or premium on the acquisition of a held-to-maturity security is aggregated with other investment income receivable over the term of the instrument so that the revenue recognized in each period represents a constant yield on the investment.

Investments other than held-to-maturity debt securities are classified as securities for trading purposes and other securities.

### 3. 主要會計政策概要 (續)

#### (d) 負商譽 (續)

- (c) 超逾所購入之可鑑別非貨幣資產之公平價值之負商譽乃即時確認為收入。

收購聯營公司所產生之負商譽，乃從該聯營公司之賬面值中扣除。因收購附屬公司產生之負商譽，乃在資產負債表中獨立呈列為資產中一項扣減項目。

#### (e) 證券投資

證券投資以交易日基準確認入賬，最初按成本值計算。於報告日後，本公司已表明及有能力持作到期之債務證券(持作到期證券)乃以經攤銷成本減任何已確認之減值虧損計算，以反映未能收回之數額。購入持作到期證券之任何折讓或溢價乃於有關投資工具之有效期內與其他應收投資收入一併計算，使每段期間所確認之收入可保持一固定之投資回報率。

持作到期債務證券以外之投資被列為以買賣交易為目的之證券及其他證券。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (e) Investments in securities (Continued)

Where securities are held for trading purposes, unrealized gains and losses are included in net profit or loss for the year. For other securities, unrealized gains and losses are dealt with in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss is included in net profit or loss for the year.

#### (f) Fixed assets and depreciation

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

### 3. 主要會計政策概要 (續)

#### (e) 證券投資 (續)

當證券持作買賣用途時，未變現盈虧列入本年之純利或虧損淨額內。就其他證券而言，未變現盈虧乃列入權益之下，直至證券出售或確定已出現折損時，才會將累積之盈虧計入本年之溢利或虧損淨額。

#### (f) 固定資產及折舊

固定資產乃按成本值或估值減累積折舊及累積減值虧損後入賬。資產成本包括資產之購入價及使資產達致可使用狀況及位置之直接費用。固定資產投入正式操作後之所有費用，包括維修、保養及大修，會直接計入該期間之收益賬中。惟倘若可清楚顯示該有關費用令日後使用該資產之預期經濟效益增加，則此等費用將會作為固定資產之額外成本撥充資本。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (f) Fixed assets and depreciation (Continued)

Advantage has been taken of the transitional relief provided by paragraph 80 of SSAP 17 (Revised) "Property, plant and equipment" from the requirement to make regular revaluations of the Group's land and buildings which had been carried at revalued amounts prior to 30 September, 1995, and accordingly no further revaluation of land and buildings is carried out. In previous years, surplus arising on the revaluation of these assets was credited to the revaluation reserve. Any future deficit in value of these assets will be dealt with as an expense to the extent that they exceed the balance, if any, on the revaluation reserve relating to a previous revaluation of the same asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to accumulated profits.

Depreciation is provided to write off the cost or valuation of fixed assets over their estimated useful lives. With effect from 1 April, 2002, the Group revised the annual depreciation rates and the depreciation method of certain categories of fixed assets corresponding to the change in estimate of the useful lives and the expected pattern of consumption of economic benefits of those fixed assets as set out below. The directors believe that the change in accounting estimate will result in more appropriate presentation of events and transactions in the financial statements.

### 3. 主要會計政策概要 (續)

#### (f) 固定資產及折舊 (續)

本公司利用會計實務準則第17號(經修訂)「物業、廠房及設備」第80段所提供之過渡性寬免，並未對一九九五年九月三十日以前以估值列賬之本集團土地及樓宇作定期估值，因此並無對土地及樓宇進一步作估值。於過往年度，重估該等資產所產生之盈餘，乃計入重估儲備中。該等資產價值之任何未來虧絀將按其超逾涉及之前重估同一項資產之重估儲備結餘(如有)而以開支方式處理。隨後出售或棄用重估資產，則所佔之重估盈餘將轉撥至累積溢利。

折舊乃於其估計使用年限就固定資產之成本值或估值攤銷。自二零零二年四月一日起，本集團因應下文所載之該等固定資產經濟利益之估計使用年限及預期消費模式，修訂若干固定資產類別之折舊年率及折舊計算方法。董事認為會計估計之變動將令財務報告之事項及交易更妥為呈列。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (f) Fixed assets and depreciation (Continued)

	2003
Freehold land 永久業權土地	Nil 無
Leasehold land 租賃土地	Over the term of lease 按租約年期
Buildings 樓宇	2% straight line method or over the term of lease whichever is shorter 按直線法之2%或按租約年期 (以較短者為準)
Leasehold improvements 租賃物業裝修	20% reducing balance method 按遞減餘額法之20%
Other assets 其他資產	20% reducing balance method 按遞減餘額法之20%

As a result of this change in accounting estimate, the Group's profit for the year has been increased by HK\$7,549,000.

The useful lives of assets and depreciation method are reviewed periodically.

The gain or loss arising on the disposal or retirement of a fixed asset is the difference between the net sale proceeds and the carrying amount of the relevant asset, and is recognized in the income statement.

### 3. 主要會計政策概要 (續)

#### (f) 固定資產及折舊 (續)

	2002
	Nil 無
	Over the term of lease 按租約年期
	2% – 4% straight line method 按直線法之2% – 4%
	2% – 20% straight line method 按直線法之2% – 20%
	20% straight line method 按直線法之20%

由於會計估計之變動，本集團於本年度之溢利已增加7,549,000港元。

資產之可使用年期及折舊方法將定期予以檢討。

有關出售或停用固定資產之損益為銷售收益淨額與資產賬面值之差額，並於收益表中確認。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (f) Fixed assets and depreciation (Continued)

Properties under construction are stated at cost less accumulated impairment losses. This includes cost of construction, plant and equipment and other direct costs.

Properties under construction are not depreciated until such time as the assets are completed and ready for their intended use.

#### (g) Intangible assets

Intangible assets are measured initially at cost. Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise, and the cost of the asset can be measured reliably.

Subsequent expenditure on an intangible asset after its purchase or its completion is recognized as an expense when it is incurred unless it is probable that the expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and can be measured and attributed to the asset reliably in which case it will be added to the cost of the intangible asset.

After initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses.

### 3. 主要會計政策概要 (續)

#### (f) 固定資產及折舊 (續)

在建物業按成本減累積減值虧損列賬，其中包括建築成本、廠房及設備以及其他直接成本。

在建物業不會予以折舊，直至有關資產已完成及可準備作擬定用途為止。

#### (g) 無形資產

無形資產初步以成本列賬。倘有關資產所涉及之未來經濟利益將流向企業，而且能可靠地量度資產之成本，則確認無形資產。

於購入或完成無形資產後出現之開支，乃於產生時列作開支，除非有關開支將使有關資產能賺取超逾原本表現水平之未來經濟利益，並能可靠量度及撥歸有關資產，則在此情況下，有關開支將加入無形資產之成本。

經初步確認後，無形資產乃按成本減累積攤銷及任何累積減值虧損列賬。



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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (g) Intangible assets (Continued)

Intangible assets mainly comprise the following:

(i) *Technical know-how*

The costs of acquiring technical know-how in connection with product development for the licensed products manufactured by the Group are capitalized and amortized on a straight-line basis over the terms of the relevant licenses.

(ii) *Licenses*

The cost of licenses represents the upfront cost payable and is amortized on a straight-line basis from the date of commencement of its economic use to the end of the terms of the licenses.

(iii) *Trademark*

Trademark is stated at acquisition cost and is amortized on a straight-line basis over its expected future economic life of 20 years.

The amortization period and the amortization method are reviewed annually at each financial year end.

#### (h) Impairment of assets

At each balance sheet date, the Group assesses whether there is any indication that fixed assets, intangible assets, interests in subsidiaries, interest in an associate and interest in a jointly controlled entity have suffered an impairment loss. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment losses, if any.

### 3. 主要會計政策概要 (續)

#### (g) 無形資產 (續)

無形資產主要包括下列各項：

(i) *工業知識*

為本集團之特許權產品所購入有關產品開發之工業知識之成本乃作資本化，並按直線法於有關特許權之年期內攤銷。

(ii) *特許權*

特許權之成本乃指應付之一次性成本，並由開始可供經濟使用之日至特許權年期結束時以直線法攤銷。

(iii) *商標*

商標乃以收購成本列賬，並以直線法在預期未來二十年之經濟可使用年期攤銷。

攤銷期間及攤銷方法每年於每個財政年度結束時予以檢討。

#### (h) 資產減值

於每個結算日，本集團將評估有否顯示固定資產、無形資產、於附屬公司之權益、於聯營公司之權益及於共同控制企業之權益出現減值虧損。倘出現任何有關顯示，則估計資產之可收回數額，以釐訂減值虧損之數額(如有)。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (h) Impairment of assets (Continued)

The recoverable amount is the higher of the net selling price and value in use of an asset. The net selling price is the amount that could be obtained from the sale of an asset in an arm's length transaction less the costs of the disposal, while value in use is the present value of estimated future cash flows expected to arise from the use of the asset and from its disposal at the end of its useful life.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately, unless the relevant asset is carried at revalued amount, in which case the impairment loss is firstly charged against the related revaluation reserve to the extent of the amount held in the revaluation reserve with any excess recognized as an expense.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, which is restricted to the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized 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.

### 3. 主要會計政策概要 (續)

#### (h) 資產減值 (續)

可收回數額為資產之售價淨額及使用價值兩者中之較高者。售價淨額為按公平磋商原則出售資產扣除出售成本所獲得之數額，而使用價值則為預期因使用資產及於可使用年期結束時出售資產所產生之估計未來現金流量現值。

倘預期資產之可收回數額低於其賬面值，則資產之賬面值將減至其可收回價值。減值虧損乃即時確認為開支，除非有關資產以重估價值列賬，則在此情況下，減值虧損將首先按重估儲備中之數額所限而在有關重估儲備中支銷，任何餘額則確認為開支。

倘減值虧損隨後有所減少，則資產之賬面值乃增加至其經修訂之估計可收回數額，惟升幅僅限於尚在過往年度未就資產確認減值虧損而所釐訂之賬面值。撥回之減值虧損即時在損益賬中確認。除非有關資產以重估價值列賬，則在此情況下，所撥回之減值虧損乃以重估增值處理。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (i) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost, calculated on the first-in first-out basis, comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable 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 recognized as an expense in the period in which the related revenue is recognized. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period in which the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

#### (j) Deferred taxation

Deferred taxation is provided under the liability method in respect of timing differences between profit as computed for taxation purposes and profit as stated in the financial statements to the extent that it is probable that a liability or an asset will crystallize in the foreseeable future.

### 3. 主要會計政策概要 (續)

#### (i) 存貨

存貨乃按成本及可變現淨值之較低者列賬。成本按先入先出法計算，其中包括所有購貨成本、轉換成本以及將存貨運往現址及達致現時狀況所耗用之其他成本。可變現淨值為日常業務過程中之估計售價扣除估計之完成成本及估計進行銷售所須之成本。

當出售存貨時，有關存貨之賬面淨值乃於確認有關收入之期間，確認為開支。將存貨撇減至可變現淨值之數額以及存貨之所有損失，乃於進行撇減或出現虧損之期間確認為開支。因可變現淨值回升而導致撥回撇銷存貨之數額，乃於進行撥回期間在已確認為開支之存貨數額中確認為一項扣減項目。

#### (j) 遞延稅項

遞延稅項乃按負債法就稅務計算之溢利及財務報告中所列之溢利所出現之時差，於可合理確認有關資產及負債在可預見未來實現時作撥備。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (k) Foreign currencies

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

On consolidation, the transactions of overseas subsidiaries, associate and jointly controlled entity are translated into Hong Kong dollars at an average rate whilst the balance sheets are translated at the applicable rates of exchange ruling at the balance sheet date. The resulting translation differences are included in the exchange fluctuation reserve.

#### (l) Provisions and contingencies

A provision is recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. Expenditures for which a provision has been recognized are charged against the related provision in the year in which the expenditures are incurred. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount provided is the present value of the expenditures expected to be required to settle the obligation.

### 3. 主要會計政策概要 (續)

#### (k) 外幣

外幣交易按交易當日之適用匯率換算。在結算日以外幣為單位之貨幣資產及負債按該日之適用匯率換算。滙兌差額計入收益表。

綜合賬目時，海外附屬公司、聯營公司及共同控制企業之交易均按平均匯率換算為港元，而資產負債表則按結算日之適用匯率換算，由此產生之換算差額計入滙兌變動儲備。

#### (l) 撥備及或然項目

當本集團因過往事項而出現現時之法律或推定責任，並可能需要流出涉及經濟利益之資源以應付有關責任，且能夠可靠估計有關責任所涉及之數額時，則確認撥備。已確認撥備之開支，乃於產生開支之年度從有關撥備中扣除。撥備於每個結算日均予以檢討，並作調整以反映當時之最佳估計。倘資金時值之影響屬重大，則所撥備之數額乃為預期須清償有關責任之開支之現值。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (l) Provisions and contingencies (Continued)

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

#### (m) Revenue recognition

Provided it is probable that the economic benefits associated with a transaction will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognized on the following bases:

##### (i) Sale of goods

Revenue is recognized when the significant risks and rewards of ownership of goods have been transferred to the customers.

##### (ii) Rendering of services

Service income is recognized as services are rendered.

##### (iii) Rental income

Rental income is recognized on a straight-line basis over the respective terms of the leases.

##### (iv) Interest income

Interest income is recognized on a time proportion basis on the principal outstanding and at the rates applicable.

### 3. 主要會計政策概要 (續)

#### (l) 撥備及或然項目 (續)

或然負債不會於財務報告中確認。除非流出涉及經濟利益之資源之機會屬極低，否則須作披露。或然資產不會於財務報告中確認，惟於可能流入經濟利益時予以披露。

#### (m) 收入確認

倘涉及交易之經濟利益可能流向本集團，而有關之收入及成本(倘適用)能可靠地量度，則收入以下列基準確認：

##### (i) 銷售貨品

當貨品之擁有權之重大風險及回報已轉移至客戶時確認。

##### (ii) 提供服務

服務收入乃於提供服務時確認。

##### (iii) 租金收入

租金收入按於有關之租賃期內以直線法確認。

##### (iv) 利息收入

利息收入乃就未償還本金按適用利率以時間比例確認。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (m) Revenue recognition (Continued)

##### (v) Sale of investments in securities

Sale proceeds of investments in securities are recognized on a trade-date basis when contracts are executed.

#### (n) Leases

##### Finance leases

A finance lease is a lease that transfers substantially all the risks and rewards incident to ownership of an asset. Title may or may not eventually be transferred.

The Group recognizes finance leases as assets and liabilities in the balance sheet at amounts equal, at the inception of the lease, to the fair value of the leased property or, if lower, at the present value of the minimum lease payments. In calculating the present value of the minimum lease payments the discount factor used is the interest rate implicit in the lease, when it can be determined. Otherwise, the Group's incremental borrowing rate is used. Initial direct costs incurred are included as part of the asset. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

A finance lease gives rise to depreciation expense for the asset as well as a finance cost for each accounting period. The depreciation policy for leased assets is the same as that for depreciable assets that are owned.

### 3. 主要會計政策概要 (續)

#### (m) 收入確認 (續)

##### (v) 出售證券投資

證券投資出售所得款項於簽立合約之交易日確認。

#### (n) 租賃

##### 融資租賃

融資租賃乃指所有有關資產擁有權之風險及回報已大致轉讓之租約。擁有權可能會或可能不會轉讓。

本集團於租約開始時在資產負債表中確認融資租賃為資產及負債，數額相等於租賃物業之公平價值或(倘較低)最低租賃款項現值。於計算最低租賃款項現值時，所使用之貼現因子為(倘可予釐訂)租約之隱含利率，否則，將使用本集團之遞增借貸利率。所產生之初步直接成本乃計入資產之一部份。租賃款項乃分配予財務開支以及尚未清償債項之扣減項目。於租約期內各期所分配之財務開支，乃旨在於每一段期間之餘下結餘提供一個固定之利率。

融資租賃可於每段會計期間產生資產之折舊開支及財務成本。租賃資產之折舊政策與自置須與折舊資產之折舊政策相同。



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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (n) Leases (Continued)

##### *Operating leases*

An operating lease is a lease other than a finance lease.

Leases of assets under which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as an expense on a straight-line basis over the lease term.

#### (o) Off balance sheet financial instruments

Off balance sheet financial instruments arise from swap transactions undertaken by the Group in the interest rate markets.

The accounting for these instruments is dependent upon whether the transactions are undertaken for trading purposes or to hedge risk.

Transactions undertaken for trading purposes are marked to market and the gains or losses arising are recognized in the income statement. Transactions designated as hedges are valued on an equivalent basis to the assets, liabilities or net positions that they are hedging. Any profits or losses are recognized in the income statement on the same basis as those arising from the related assets, liabilities or net positions. Unrealized gains on transactions which are marked to market are included in "Trade and other receivables" in the balance sheet. Unrealized losses on transactions which are marked to market are included in "Trade and other payables".

### 3. 主要會計政策概要 (續)

#### (n) 租賃 (續)

##### *營運租賃*

營運租賃為財務租賃以外之租約。

資產之所有風險及擁有權之回報大致上乃為出租人所有之租約乃列為營運租賃。營運租賃之租賃款項乃於租賃期內以直線法確認為開支。

#### (o) 資產負債表外金融工具

資產負債表外金融工具來自本集團在利率市場中進行之掉期交易。

該等工具之會計處理方法視乎所進行之交易目的乃作買賣或作對沖風險而定。

以買賣目的而進行之交易按市值計算，因而產生之盈虧在收益表中確認。用作對沖之交易乃就所對沖之資產、負債或倉盤淨額以等額基準入賬。任何盈虧乃按與有關資產、負債或倉盤淨額所產生者相同之基準在收益賬中入賬。按市值計算之交易未變現盈利乃計入資產負債表之「貿易及其他應收款項」內。按市值計算之交易未變現虧損，乃計入「貿易及其他應付款項」。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (p) Employee benefits

##### (i) Employee leave entitlements

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

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

##### (ii) Retirement benefits

The Group contributes to a defined contribution retirement scheme which is available to all employees. Employees are required to contribute each month an amount equal to 5% of the basic monthly salary and contributions are made by the employer at 5% of the employee's basic monthly salary. The assets of the scheme are held separately from those of the Group in an independently administered fund. The Group's contributions to this scheme are expensed as incurred and may be reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions.

### 3. 主要會計政策概要 (續)

#### (p) 僱員福利

##### (i) 僱員應得假期

僱員應得年假及長期服務假期乃於僱員應得時予以確認。就僱員提供服務所產生之年假及長期服務假期之估計負債撥備乃提撥至結算日。

僱員應得之病假及產假將不會於僱員休假前予以確認。

##### (ii) 退休福利

本集團對提供予全體僱員之定額供款退休計劃作出供款。僱員須於每月作出金額相當於基本月薪5%之供款，而僱主則作出相當於僱員基本月薪5%之供款。此計劃之資產與本集團之資產乃分開持有並由獨立管理之基金持有。本集團對此計劃之供款乃於產生時支銷，並可按僱員於全數歸屬供款前退出此計劃而被沒收之供款減少集團之供款。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (p) Employee benefits (Continued)

##### (ii) Retirement benefits (Continued)

A mandatory provident fund scheme (MPF) was established under the MPF Ordinance in December 2000. Since the Company has obtained exemption for its existing retirement schemes, all staff were offered the choice of switching to the MPF scheme or staying in existing schemes. Where staff elected to join MPF, both the Company and staff are required to contribute 5% of the employees' relevant income (capped at HK\$20,000 per month). Staff may elect to contribute more than the minimum as a voluntary contribution. The Group's contributions to this mandatory provident fund scheme are expensed as incurred.

The Group also contributes to employees pension schemes established by municipal government in respect of certain companies in Mainland China. The municipal government undertakes to assume the retirement benefit obligations of all existing and future retired employees of the Group. Contributions to these schemes are charged to the income statement as incurred.

### 3. 主要會計政策概要 (續)

#### (p) 僱員福利 (續)

##### (ii) 退休福利 (續)

集團於二零零零年十二月根據強制性公積金條例設立強制性公積金計劃(「強積金計劃」)。由於本公司已就其現有退休計劃獲得豁免，全體員工因而可選擇轉而參與強積金計劃或繼續參與現有計劃。倘若員工選擇加入強積金計劃，本公司與員工均須按僱員之有關收入(以每月20,000港元為限)之5%供款。員工可選擇作出高於最低下限之供款作為自願性供款。本集團對此項強積金計劃之供款乃於產生時支銷。

本集團亦會向市政府設立之僱員退休計劃，對中國若干公司作出供款。市政府承諾承擔本集團所有現時及將來退休員工之退休福利責任。對此等計劃之供款乃於產生時自收益表扣除。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (p) Employee benefits (Continued)

##### (iii) Share option scheme

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The financial impact of share options granted under the share option scheme is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recorded in the income statement or balance sheet for their cost. Upon the exercise of share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which are cancelled prior to their exercise date, or which lapsed, are deleted from the register of outstanding options.

### 3. 主要會計政策概要 (續)

#### (p) 僱員福利 (續)

##### (iii) 購股權計劃

本公司已設立購股權計劃，目的在於對合資格參與者為本集團成功經營業務作出貢獻提供獎勵及回報。根據購股權計劃授出之購股權之財務影響並無於本公司或本集團之資產負債表內記錄，直至購股權獲行使時為止，亦並無於收益表或資產負債表內記錄成本開支。於購股權獲行使時，因而發行之股份將由本公司按股份面值記錄作額外股本，而每股行使價超出股份面值之差額將由本公司記錄於股份溢價賬。於行使日期前被註銷或作廢之購股權自未行使購股權登記冊刪除。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (q) Related parties

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

#### (r) Cash equivalents

Cash equivalents are short-term, highly liquid investments which are readily convertible into known amounts of cash without notice and which were within three months of maturity when acquired, less advances from banks repayable within three months from the date of the advance. Cash equivalents include investments and advances denominated in foreign currencies provided that they fulfill the above criteria.

#### (s) Segments

A segment is a distinguishable component of the Group that is engaged either in providing products (business segment), or in providing products 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 business segment information as the primary reporting format and geographical segment information as the secondary reporting format.

### 3. 主要會計政策概要 (續)

#### (q) 關連人士

倘一方有能力直接或間接控制另一方或可對另一方之財務及營運決策行使重大影響力，則兩方均視作關連人士。關連人士亦包括共同受控制或受重大影響之人士。

#### (r) 現金等價物

現金等價物指短期及流通性高之投資，而該等投資隨時可在無須發出通知下兌換成可知數額之現金及該等投資於購入時到期期限不超過三個月，另扣除由借出日起計三個月內須償還之銀行貸款。現金等價物包括以外幣計算之投資及墊支，惟須等合上述準則。

#### (s) 分部呈報

分部為本集團在從事提供產品(業務分部)或在特定經濟環境(地域分部)中提供產品方面之獨特組別，而每一個組別與其他組別所涉及之風險及回報須有所不同。根據本集團之內部財務呈報，本集團已選擇業務分部資料為主要呈報方式，而地域分部資料為次要呈報方式。

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (s) Segments (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. Segment revenue, segment expenses and segment performance include transfers between segments. Such inter-segment pricing is based on similar terms as those available to unaffiliated customers for similar products. Those transfers are eliminated upon consolidation.

Segment capital expenditure represents the total cost incurred during the year to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

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

### 4. SEGMENT INFORMATION

In accordance with its internal financial reporting policy, the Group has determined that business segments should be presented as primary reporting format. However, business segments are not presented because the Group's turnover and operating profit were contributed solely by manufacture, trading, distribution and related service income of timepiece products.

Geographical segments are presented as secondary reporting format, segment revenue is based on the final destination of goods sold. There are no sales between the segments.

### 3. 主要會計政策概要 (續)

#### (s) 分部呈報 (續)

分部收入、開支、業績、資產及負債包括該分部直接應佔項目以及可按合理基準分配至該分部者。分部收入、分部開支及分部表現包括各分部之間之轉撥。各分部之間之產品訂價，乃參考向並無關連客戶提供類似產品之類似條款而定，有關轉撥於綜合賬目時撇賬。

分部資本開支指年內購入預期使用一段期間以上之分部資產(有形及無形)所招致之總成本。

未分配項目主要包括財務及企業資產及負債、計息貸款、借貸及企業及財務開支。

### 4. 分部資料

根據本集團內部財務呈報政策，本集團已決定以業務分部為主要之呈報方式。然而，由於本集團之營業額及經營溢利主要來自製造、買賣、分銷時計產品及相關服務的收入，故並未呈列業務分部資料。

地域分部為次要呈報方式，而分部收入乃根據貨品所售往之最終目的地之國家而釐訂。各分部之間並無進行銷售。



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## 4. SEGMENT INFORMATION (Continued)

Segment assets and capital expenditure are based on the geographical location in which the assets are located at the balance sheet date.

## 4. 分部資料 (續)

分部資產及資本開支乃於結算日以資產所在地區為基準。

		2003			
		Turnover	Segment results	Segment assets	Capital expenditure
		營業額	分部業績	分部資產	資本開支
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
United States of America	美國	568,502	74,919	175,194	686
Asia	亞洲	301,038	39,166	970,938	69,679
Europe	歐洲	210,391	28,403	52,478	5,110
Latin America	拉丁美洲	39,168	7,156	24,112	-
		1,119,099	149,644	1,222,722	75,475
Other revenue	其他收益		19,668		
Unallocated expenses	未分配開支		(75,683)		
Finance costs	財務成本		(13,407)		
Share of loss of a jointly controlled entity	應佔一共同控制企業虧損		(6,194)		
Profit before taxation	除稅前溢利		74,028		
Unallocated assets	未分配資產			60,911	
Total assets	總資產			1,283,633	

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## 4. SEGMENT INFORMATION (Continued)

## 4. 分部資料 (續)

		2002			
		Turnover	Segment results	Segment assets	Capital expenditure
		營業額	分部業績	分部資產	資本開支
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
United States of America	美國	508,467	61,063	108,886	–
Asia	亞洲	222,542	26,671	78,739	39,208
Europe	歐洲	206,001	24,725	617,580	83,834
		937,010	112,459	805,205	123,042
Other revenue	其他收益		12,915		
Unallocated expenses	未分配開支		(76,403)		
Finance costs	財務成本		(9,264)		
Profit before taxation	除稅前溢利		39,707		
Unallocated assets	未分配資產			196,643	
Total assets	總資產			1,001,848	



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## 5. TURNOVER AND OTHER REVENUE

### (a) Turnover

Turnover represents the amounts received and receivable for goods sold, less discounts and returns, and for services rendered by the Group to outside customers during the year.

### (b) Other revenue

## 5. 營業額及其他收益

### (a) 營業額

營業額乃指年內本集團向外界客戶售貨扣除折扣及退貨及提供服務之已收及應收款項。

### (b) 其他收益

		2003 HK\$'000 千港元	2002 HK\$'000 千港元 (Restated) (已重列)
Interest income	利息收入	5,128	5,090
Rental income	租金收入	4,130	1,252
Realization of negative goodwill	負商譽變現	4,101	-
Exchange gain	匯兌收益	1,523	2,917
Sundry income	雜項收入	4,786	3,656
		19,668	12,915

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## 6. PROFIT FROM OPERATIONS

Profit from operations has been arrived at after charging the following:

## 6. 經營溢利

經營溢利已扣除下列各項：

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Auditors' remuneration	核數師酬金		
– Current year	– 本年度	908	762
– Underprovision in prior years	– 以往年度撥備不足	35	50
Depreciation of tangible fixed assets	有形固定資產折舊		
– Owned assets	– 自置資產	34,857	29,060
– Assets under finance leases	– 融資租賃資產	1,454	2,380
Amortization of intangible assets	攤銷無形資產	5,399	3,344
Amortization of goodwill	商譽攤銷	719	617
Loss on disposal of investments in securities	出售證券投資虧損	–	10,823
Staff costs, including directors' emoluments	員工成本(包括董事酬金)		
– Wages, salaries and benefits in kind	工資、薪金及實物利益	44,846	39,954
– Pension costs: defined contribution plans, net of forfeited contributions (note 9)	福利成本—定額供款計劃，經扣除已沒收供款(附註9)	1,080	923
Minimum lease payment in respect of properties under operating leases	根據營運租賃物業之最低租賃款項	1,079	447

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**7. FINANCE COSTS**
**7. 財務成本**

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Interest on:	利息:		
Term loans, syndicated loan and bank overdrafts wholly repayable within five years	須於五年內全數償還之定期貸款、銀團貸款及銀行透支	13,286	9,084
Obligations under finance leases	融資租賃承擔	121	180
		13,407	9,264

**8. DIRECTORS' AND EMPLOYEES' EMOLUMENTS**
**8. 董事及僱員酬金**

Particulars of the Directors' and the five highest paid employees' emoluments are as follows:

董事及五位最高薪酬僱員之酬金詳情如下:

**(a) Directors' emoluments**
**(a) 董事酬金**

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Directors' fees:	董事袍金:		
– Executive	– 執行董事	–	–
– Non-executive	– 非執行董事	250	190
		250	190
Other emoluments (Executive Directors):	其他酬金(執行董事):		
Salaries and other benefits	薪金及其他福利	3,500	3,744
Pension scheme contributions	退休金計劃供款	156	156
		3,656	3,900
		3,906	4,090

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## 8. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(Continued)

During the year, 7,820,000 options (2002: Nil) were granted to three Directors of the Company under the Share Option Scheme (Note 30). The emoluments of the Directors are within the following bands:

## 8. 董事及僱員酬金 (續)

年內，本公司根據購股權計劃授予三名董事7,820,000份購股權(二零零二年：無)(附註30)。董事酬金介乎下列範圍：

		2003	2002
		Number of Directors 董事人數	Number of Directors 董事人數
Nil to HK\$1,000,000	零至1,000,000港元	8	10
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	1
		9	11



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## 8. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(Continued)

### (b) Employees' emoluments

During the year ended 31 March, 2003, the five highest paid individuals included three Directors (for the year ended 31 March, 2002, the five highest paid individuals included four Directors), details of whose emoluments are set out in note 8(a) to the financial statements above. The emoluments of the remaining individuals for the year are as follows:

		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
Salaries and other benefits	薪金及其他福利	1,575	650
Pension scheme contributions	退休計劃供款	19	12
		1,594	662

The emoluments of the two (2002: one) individuals with the highest emoluments are within the following bands:

		2003	2002
		Number of individuals	Number of individuals
		人數	人數
Nil to HK\$1,000,000	零至1,000,000港元	1	1
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	-
		2	1

## 8. 董事及僱員酬金 (續)

### (b) 僱員酬金

截至二零零三年三月三十一日止年度，五位最高薪人士中包括三位董事（截至二零零二年三月三十一日止年度，五位最高薪人士其中四位為董事），其酬金詳情載於上文財務報告附註8(a)。年內其餘人士之酬金如下：

兩位（二零零二年：一位）最高薪酬之人士之酬金介乎下列範圍：

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## 9. RETIREMENT BENEFIT SCHEME COSTS

Retirement benefit scheme costs amounting to HK\$1,102,000 (2002: HK\$996,000) were paid by the Group during the year. Forfeited contributions totalling HK\$22,000 (2002: HK\$73,000) were refunded during the year.

## 10. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

Of the Group's profit attributable to shareholders, a profit of HK\$40,363,000 (2002: loss of HK\$15,342,000) has been dealt with in the financial statements of the Company.

## 11. TAXATION

(a) Taxation in the consolidated income statement represents:

		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
<i>Hong Kong Profits Tax</i>	香港利得稅		
Current year	本年度	4,119	2,868
Underprovision in prior year	過往年度撥備不足	516	56
Deferred taxation (Note 27)	遞延稅項(附註27)	3,360	1,653
		<b>7,995</b>	<b>4,577</b>

## 9. 退休福利計劃成本

本集團年內支付之退休福利計劃成本為1,102,000港元(二零零二年: 996,000港元)。年內已沒收之供款合共22,000港元(二零零二年: 73,000港元)已予退還。

## 10. 股東應佔溢利

本集團之股東應佔溢利中為數40,363,000港元之溢利(二零零二年: 15,342,000港元之虧損)已於本公司之財務報告中處理。

## 11. 稅項

(a) 在綜合收益表內之稅項指:

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## 11. TAXATION (Continued)

(b) Tax payable in the consolidated balance sheet represents:

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Hong Kong Profits Tax	香港利得稅		
Provision for Hong Kong profits tax for the year	本年度香港利得稅撥備	4,119	2,868
Provisional profits tax paid	已付之暫繳利得稅	(473)	(1,402)
Balance of profits tax payable in respect of prior year	上年度應付利得稅結餘	558	770
		<b>4,204</b>	<b>2,236</b>

Hong Kong Profits Tax is calculated at the prevailing rate of 16% (2002: 16%) on the estimated assessable profits for the year.

Details of deferred taxation are set out in note (27) to the financial statements.

香港利得稅以本年度估計應課稅溢利按現行稅率16% (二零零二年：16%) 計算。

有關遞延稅項之詳情載於財務報告附註27。

## 12. DIVIDENDS

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Interim dividend of HK1.5 cents per share (2002: Nil)	中期股息每股1.5港仙 (二零零二年：無)	8,276	—
Final dividend of HK1.5 cents per share (2002: Nil)	終期股息每股1.5港仙 (二零零二年：無)	9,463	—
		<b>17,739</b>	<b>—</b>

## 11. 稅項 (續)

(b) 綜合資產負債表內之應付稅項為：

## 12. 股息

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## 12. DIVIDENDS (Continued)

A final dividend in respect of 2003 of HK1.5 cents per share amounting to approximately HK\$9,463,000 was proposed by the Directors after the balance sheet date. The proposed dividend has not been accounted for until it is approved at the forthcoming Annual General Meeting.

## 13. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

## 12. 股息 (續)

於結算日後，董事會建議派發二零零三年度終期股息每股1.5港仙，總額約9,463,000港元。建議派發的股息並無入賬，直至應屆股東週年大會上獲批准。

## 13. 每股盈利

每股基本及攤薄盈利乃根據下列數據計算：

		2003	2002 (Restated) (已重列)
(a)	<i>Basic earnings per share</i>		
	Profit attributable to shareholders (in HK\$'000)	58,199	36,397
	Weighted average number of shares (in '000)	421,755	200,186
	Basic earnings per share (cents)	13.80	18.18
(b)	<i>Diluted earnings per share</i>		
	Profit attributable to shareholders (in HK\$'000)	58,199	36,397
	Weighted average number of shares (in '000)	421,755	200,186
	Potential dilutive shares (in '000)	428	–
	Adjusted weighted average number of shares (in '000)	422,183	200,186
	Diluted earnings per share (cents)	13.79	N/A 不適用



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## 14. RELATED PARTY AND CONNECTED TRANSACTIONS

On 6 June, 2002, A-ONE INVESTMENTS LIMITED ("A-ONE"), an investment holding company which is owned as to 50.45% by Mr. Chau Cham Wong, Patrick and 49.55% by Mr. Leung Yung, entered into an underwriting agreement (the "Underwriting Agreement") with the Company regarding the rights issue of the Company. Since A-ONE is an associate of both Mr. Chau Cham Wong, Patrick and Mr. Leung Yung who are the substantial shareholders and executive directors of the Company, the Underwriting Agreement is a connected transaction for the Company which is exempted from shareholders' approval requirements pursuant to Rule 14.24(b)(c) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

On 28 August, 2001, EganaGoldpfeil has reached an agreement with United Success Enterprises Limited ("United Success"), a company wholly owned by Mr. Leung Yung, for the sale of 367,830,000 shares (or equivalently 18,391,500 shares after the share consolidation on 25 January, 2002 whereby every 20 issued shares were consolidated into 1 consolidated share) of par value of HK\$0.10 each which represents approximately 10% of the share capital of the Company at a consideration of HK\$49,800,000.

## 14. 關聯人士及關連交易

於二零零二年六月六日，由周湛煌先生及梁榕先生分別擁有50.45%及49.55%權益之投資控股公司A-ONE INVESTMENTS LIMITED（「A-ONE」）與本集團就本公司之供股事項而訂立一項包銷協議（「包銷協議」）。由於A-ONE為本公司之主要股東兼執行董事周湛煌先生及梁榕先生之聯繫人士，故包銷協議為本公司之關連交易，該項交易乃根據香港聯合交易所有限公司證券上市規則第14.24(b)(c)條獲豁免取得股東批准。

於二零零一年八月二十八日，EganaGoldpfeil與梁榕先生全資擁有之公司United Success Enterprises Limited（「United Success」）達成一項協議，以代價49,800,000港元出售367,830,000股每股面值0.10港元之股份（或相等於二零零二年一月二十五日進行股份合併，將每20股已發行股份合併為一股合併股份後之18,391,500股股份），佔本公司股本約10%。

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#### 14. RELATED PARTY AND CONNECTED TRANSACTIONS (Continued)

Upon completion of the sale of said shares in the issued share capital of the Company by EganaGoldpfeil to United Success, the shareholding held by EganaGoldpfeil and its associates (as defined in the Listing Rules) in the Company was decreased from approximately 16.5% to approximately 6.5%. Thereafter, that is effective from 28 August, 2001, EganaGoldpfeil ceased to be connected party to the Company under the Listing Rules and the trading transactions between the Group and EganaGoldpfeil do not constitute connected transactions of the Group.

Pursuant to SSAP 20, parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. After the sale of the shares by EganaGoldpfeil to United Success, EganaGoldpfeil was ceased to be related party to the Company, also on 28 August, 2001.

#### 14. 關聯人士及關連交易 (續)

EganaGoldpfeil完成向United Success出售本公司已發行股本中之上述股份後，EganaGoldpfeil及其聯繫人士(定義見上市規則)於本公司之股權，由約16.5%下跌至約6.5%。往後，即由二零零一年八月二十八日起，EganaGoldpfeil不再為本公司根據上市規則之關連人士，而本公司及EganaGoldpfeil之間之業務交易並不構成本集團之關連交易。

根據會計實務準則第20號，倘其中一方有能力直接或間接控制另一方或對另一方在作出財務及經營決定時能行使重大影響力，則被視為關聯人士。EganaGoldpfeil向United Success出售股份後，EganaGoldpfeil亦於二零零一年八月二十八日不再為本公司之關聯人士。



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## 14. RELATED PARTY AND CONNECTED TRANSACTIONS (Continued)

During the year, the Group had the following material transactions with its related parties:

## 14. 關聯人士及關連交易 (續)

年內，本集團與其關聯公司訂立以下重大交易：

			2003 HK\$'000 千港元	2002 HK\$'000 千港元
Sale of goods to EganaGoldpfeil and its subsidiaries	向EganaGoldpfeil及其附屬公司銷售貨品	(i)	–	6,462
Purchase of raw materials from EganaGoldpfeil and its subsidiaries	向EganaGoldpfeil及其附屬公司購買原料	(i)	–	48
Rental income from a subsidiary of EganaGoldpfeil	向EganaGoldpfeil之附屬公司收取租金收入	(ii)	–	347
Trade purchases from a jointly controlled entity	向一共同控制企業作出貿易採購	(iii)	6,089	–
Rental income from a jointly controlled entity	向一共同控制企業收取租金收入	(iii)	2,652	–

Notes:

- (i) Sale and purchase transactions with EganaGoldpfeil and its subsidiaries were in relation to timepiece related transaction and were effected on normal commercial terms.
- (ii) The rental income is in relation to the letting of the factory premises of the Group in the PRC for the production activities of EganaGoldpfeil's leather business. The rental income was negotiated at arm's length.
- (iii) These transactions are conducted on the basis determined by parties concerned.

附註：

- (i) 與EganaGoldpfeil及其附屬公司進行之買賣交易乃涉及時計業務關連交易，並按正常之商業條款進行。
- (ii) 租金收入涉及本集團出租旗下位於中國之廠房物業供EganaGoldpfeil之皮具生產業務使用。租金收入仍按正常基礎洽商。
- (iii) 此等交易乃按訂約各方所釐定之基準進行。

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## 15. FIXED ASSETS

## 15. 固定資產

		The Group 本集團					Total
		Properties under construction 在建 物業 HK\$'000 千港元	Freehold and Leasehold properties 永久業權及 租賃物業 HK\$'000 千港元	Leasehold improve- ments 租賃 物業裝修 HK\$'000 千港元	Plant and machinery 廠房設備 及機器 HK\$'000 千港元	Other assets 其他資產 HK\$'000 千港元	總計 HK\$'000 千港元
Cost or valuation	成本或估值						
As at 1 April, 2002	於二零零二年 四月一日	35,577	111,516	67,780	154,335	21,223	390,431
Additions	添置	-	20,550	42,412	13,352	25,362	101,676
Disposals	出售	-	-	-	(1,649)	(520)	(2,169)
Reclassification	重新分類	(35,577)	72,615	(37,038)	-	-	-
As at 31 March, 2003	於二零零三年 三月三十一日	-	204,681	73,154	166,038	46,065	489,938
Comprising	包括						
At valuation	估值	-	14,000	-	-	-	14,000
At cost	成本	-	190,681	73,154	166,038	46,065	475,938
As at 31 March 2003	於二零零三年 三月三十一日	-	204,681	73,154	166,038	46,065	489,938
Accumulated depreciation	累積折舊						
As at 1 April, 2002	於二零零二年 四月一日	-	9,236	17,409	55,609	15,235	97,489
Provided for the year	本年度撥備	-	4,858	7,610	21,235	2,608	36,311
Eliminated on disposal	出售時撇銷	-	-	-	(679)	(253)	(932)
As at 31 March, 2003	於二零零三年 三月三十一日	-	14,094	25,019	76,165	17,590	132,868
Carrying value	賬面值						
As at 31 March, 2003	於二零零三年 三月三十一日	-	190,587	48,135	89,873	28,475	357,070
As at 31 March, 2002	於二零零二年 三月三十一日	35,577	102,280	50,371	98,726	5,988	292,942

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## 15. FIXED ASSETS (Continued)

One of the leasehold properties of the Group was revalued as at 31 March, 1995, on an open market value basis by Messrs. Jones Lang Wootton Limited, independent registered surveyors.

At 31 March, 2003, had the leasehold properties of the Group been carried at historical cost less accumulated depreciation, their carrying value would have been approximately HK\$185,996,000 (2002: HK\$93,723,000).

The carrying value of the leasehold properties includes an amount of approximately HK\$49,418,000 (2002: HK\$43,267,000) in respect of an industrial waste management system implemented in an electroplating factory of the Group.

The carrying value of properties held by the Group comprises:

## 15. 固定資產 (續)

本集團其中一項租賃物業由獨立註冊測量師仲量行有限公司按一九九五年三月三十一日之公開市值基準重估。

於二零零三年三月三十一日，倘本集團租賃物業之賬面值為歷來原值減累積折舊，則該等租賃物業之賬面值應約為185,996,000港元（二零零二年：93,723,000港元）。

租賃物業之賬面淨值包括在本集團電鍍廠設立之工業廢料管理系統約49,418,000港元（二零零二年：43,267,000港元）。

本集團所持物業之賬面值包括：

		The Group 本集團	
		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
Leasehold properties:	租賃物業：		
Held in Hong Kong, medium-term leases	於香港按中期租約持有	15,956	16,343
Held in People's Republic of China, medium-term leases	於中華人民共和國按中期租約持有	169,802	83,902
Freehold properties:	永久業權物業：		
Held outside Hong Kong	於香港以外地區持有	4,829	2,035
		<b>190,587</b>	<b>102,280</b>

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## 15. FIXED ASSETS (Continued)

As at 31 March, 2003, the carrying value of the Group's fixed assets held under finance leases was approximately HK\$3,404,000 (2002: HK\$776,000).

## 16. INTANGIBLE ASSETS

## 15. 固定資產 (續)

於二零零三年三月三十一日，本集團以融資租賃持有之固定資產之賬面值約為3,404,000港元(二零零二年：776,000港元)。

## 16. 無形資產

		The Group 本集團			
		Technical			Total
		Know-how	License	Trademark	
		工業知識	特許權	商標	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Cost	成本				
As at 1 April, 2002	二零零二年四月一日	7,140	15,000	39,208	61,348
Additions	增加	-	-	22,460	22,460
As at 31 March, 2003	二零零三年三月三十一日	7,140	15,000	61,668	83,808
Amortization	攤銷				
As at 1 April, 2002	二零零二年四月一日	5,660	11,837	-	17,497
Provided for the year	本年度撥備	846	2,498	2,055	5,399
As at 31 March, 2003	二零零三年三月三十一日	6,506	14,335	2,055	22,896
Carrying value	賬面淨值				
As at 31 March, 2003	二零零三年三月三十一日	634	665	59,613	60,912
As at 31 March, 2002	二零零二年三月三十一日	1,480	3,163	39,208	43,851

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## 17(A). GOODWILL

## 17(A). 商譽

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
<b>Cost</b>	<b>成本</b>		
At the beginning of the year	年初	12,331	–
Additions	增加	8,386	12,331
At the end of the year	年終	20,717	12,331
<b>Accumulated amortization</b>	<b>累積攤銷</b>		
At the beginning of the year	年初	617	–
Provided for the year	年內撥備	719	617
At the end of the year	年終	1,336	617
<b>Carrying value</b>	<b>賬面淨值</b>		
At the end of the year	年終	19,381	11,714

In the opinion of the Company's Board of Directors, the underlying value of goodwill as at 31 March, 2003 was not less than its carrying value.

本公司董事會認為，於二零零三年三月三十一日商譽之相關價值乃不少於其賬面價值。

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## 17(B). NEGATIVE GOODWILL

## 17(B). 負商譽

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
<b>Cost</b>	<b>成本</b>		
At the beginning of the year	年初	—	—
Additions	增加	4,101	—
At the end of the year	年終	4,101	—
<b>Accumulated amortization</b>	<b>累積攤銷</b>		
At the beginning of the year	年初	—	—
Provided for the year	年內撥備	—	—
Realization for the year	年內變現	4,101	—
At the end of the year	年終	4,101	—
<b>Carrying value</b>	<b>賬面淨值</b>		
At the end of the year	年終	—	—



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## 18. INTERESTS IN SUBSIDIARIES

## 18. 附屬公司權益

		The Company 本公司	
		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
Unlisted shares, at cost	非上市股份，成本	51,398	51,398
Amounts due from subsidiaries	應收附屬公司款項	686,320	577,275
Amount due to a subsidiary	應付一家附屬公司款項	-	(1)
		<b>737,718</b>	<b>628,672</b>

The balances with subsidiaries are unsecured, non-interest bearing and not repayable within the next twelve months.

與附屬公司之結餘為無抵押、免息及無須於未來十二個月內還款。

As at 31 March, 2003, the underlying value of interests in subsidiaries is, in the opinion of the Directors, not less than the carrying value in the books of the Company.

於二零零三年三月三十一日，董事認為附屬公司權益之相關價值乃不少於本公司賬目內之賬面值。

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## 18. INTERESTS IN SUBSIDIARIES (Continued)

Details of the Company's principal subsidiaries at 31 March, 2003 are as follows:

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration 註冊成立/ 登記地點	Issued and fully paid capital/ registered capital 已發行及繳足 股本/註冊股本	Percentage of equity interest held by the Company 本公司所持之 股權百分比		Principal place of operation 主要 營業地點	Principal activities 主要 業務
			Direct 直接 %	Indirect 間接 %		
Aerostar Timewear International Limited	British Virgin Islands 英屬處女群島	US\$1 Ordinary 1美元普通股	–	51	United States 美國	Timepiece trading and marketing 時計貿易及推廣
Benson International Limited	British Virgin Islands 英屬處女群島	US\$100 Ordinary 100美元普通股	–	51	United States 美國	Investment holding 投資控股
Capricon Company Limited	British Virgin Islands 英屬處女群島	US\$100 Ordinary 100美元普通股	–	100	The People's Republic of China 中華人民共和國	Investment holding 投資控股
Capricon Industrial (Shenzhen) Co., Ltd. 金百利實業(深圳)有限公司	The People's Republic of China 中華人民共和國	HK\$10,849,000 10,849,000港元	–	100	The People's Republic of China 中華人民共和國	Property investment 物業投資
Cornell Worldwide International Holdings Limited	British Virgin Islands 英屬處女群島	US\$1 Ordinary 1美元普通股	–	51	United States 美國	Timepiece trading and marketing 時計貿易及推廣
Epoch World Company Limited▲	Taiwan 台灣	NTD10,000,000 新台幣10,000,000元	–	60	Taiwan 台灣	Timepiece distribution, trading and marketing 時計分銷、貿易 及推廣

## 18. 附屬公司權益 (續)

本公司於二零零三年三月三十一日之主要  
附屬公司詳情如下：

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## 18. INTERESTS IN SUBSIDIARIES (Continued)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration 註冊成立/ 登記地點	Issued and fully paid capital/ registered capital 已發行及繳足股本/註冊股本	Percentage of equity interest held by the Company 本公司所持之股權百分比		Principal place of operation 主要營業地點	Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %		
Fiorucci Timewear (Far East) Limited	British Virgin Islands 英屬處女群島	US\$1 Ordinary 1美元普通股	-	100	Hong Kong 香港	License holding 持有特許權
Fulltop Limited	British Virgin Islands 英屬處女群島	US\$1 Ordinary 1美元普通股	-	100	Switzerland 瑞士	Trademark and property holding 商標及物業持有
Guangzhou Goldsmith Timepieces Company Limited 廣州金匠時計有限公司	The People's Republic of China 中華人民共和國	RMB500,000 人民幣500,000元	-	100	The People's Republic of China 中華人民共和國	Timepiece wholesaling and marketing 時計批發及推廣
Guangzhou Watchsmith Timepieces Servicing Company Limited 廣州錶匠鐘錶維修有限公司	The People's Republic of China 中華人民共和國	RMB100,000 人民幣100,000元	-	100	The People's Republic of China 中華人民共和國	Provision of after sales service and timepiece components 提供售後服務及時計配件
Inter Mark Worldwide Limited 易達環球有限公司	Hong Kong 香港	HK\$100 Ordinary 100港元普通股	-	100	Hong Kong 香港	Timepiece distribution 分銷時計

## 18. 附屬公司權益 (續)

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## 18. INTERESTS IN SUBSIDIARIES (Continued)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration 註冊成立/ 登記地點	Issued and fully paid capital/ registered capital 已發行及繳足 股本/註冊股本	Percentage of equity interest held by the Company 本公司所持之 股權百分比		Principal place of operation 主要 營業地點	Principal activities 主要 業務
			Direct 直接 %	Indirect 間接 %		
Milus International S.A.▲	Switzerland 瑞士	CHF760,000 760,000瑞士法郎	-	100	Switzerland 瑞士	Timepiece manufacturing and trading 時計製造及貿易
Montana Timepieces International Limited	Hong Kong 香港	HK\$100 Ordinary 100港元普通股	-	51	Hong Kong 香港	Timepiece trading and marketing 時計貿易及推廣
Omni Watch & Clock Co., LLC.▲	State of New York, United States 美國紐約州	US\$8,698,090 8,698,090美元	-	51	United States 美國	Timepiece distribution, trading and marketing 時計分銷、貿易 及推廣
Peace Mark (B.V.I.) Limited	British Virgin Islands 英屬處女群島	HK\$10,000 Ordinary 10,000港元普通股	100	-	British Virgin Islands 英屬處女群島	Investment holding 投資控股
Peace Mark Limited	Hong Kong	HK\$100 Ordinary HK\$10,000 Non-voting deferred*	-	100	Hong Kong	Timepiece trading and marketing
宜進利有限公司	香港	100港元普通股 10,000港元 無投票權之 遞延股份*			香港	時計貿易及推廣

## 18. 附屬公司權益 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration 註冊成立/ 登記地點	Issued and fully paid capital/ registered capital 已發行及繳足 股本/註冊股本	Percentage of equity interest held by the Company 本公司所持之 股權百分比		Principal place of operation 主要 營業地點	Principal activities 主要 業務
			Direct 直接 %	Indirect 間接 %		
Milus International S.A.▲	Switzerland 瑞士	CHF760,000 760,000瑞士法郎	-	100	Switzerland 瑞士	Timepiece manufacturing and trading 時計製造及貿易
Montana Timepieces International Limited	Hong Kong 香港	HK\$100 Ordinary 100港元普通股	-	51	Hong Kong 香港	Timepiece trading and marketing 時計貿易及推廣
Omni Watch & Clock Co., LLC.▲	State of New York, United States 美國紐約州	US\$8,698,090 8,698,090美元	-	51	United States 美國	Timepiece distribution, trading and marketing 時計分銷、貿易 及推廣
Peace Mark (B.V.I.) Limited	British Virgin Islands 英屬處女群島	HK\$10,000 Ordinary 10,000港元普通股	100	-	British Virgin Islands 英屬處女群島	Investment holding 投資控股
Peace Mark Limited	Hong Kong	HK\$100 Ordinary HK\$10,000 Non-voting deferred*	-	100	Hong Kong	Timepiece trading and marketing
宜進利有限公司	香港	100港元普通股 10,000港元 無投票權之 遞延股份*			香港	時計貿易及推廣

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## 18. INTERESTS IN SUBSIDIARIES (Continued)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration 註冊成立/ 登記地點	Issued and fully paid capital/ registered capital 已發行及繳足 股本/註冊股本	Percentage of equity interest held by the Company 本公司所持之 股權百分比		Principal place of operation 主要 營業地點	Principal activities 主要 業務
			Direct 直接 %	Indirect 間接 %		
PM License Management Limited 倍安合同管理有限公司	British Virgin Islands 英屬處女群島	US\$100 Ordinary 100美元普通股	-	100	British Virgin Islands 英屬處女群島	License holding 持有特許權
Pure Riches Industries Limited 高財實業有限公司	Hong Kong 香港	HK\$2,760,000 Ordinary 2,760,000港元 普通股	-	100	The People's Republic of China 中華人民共和國	Manufacturing of timepiece components 製造時計配件
Sinotop Investment Limited 英屬處女群島	British Virgin Islands 英屬處女群島	US\$1 Ordinary 1美元普通股	-	100	Hong Kong 香港	Investment holding 投資控股
Sky Type Limited 繁式有限公司	Hong Kong 香港	HK\$10,000 Ordinary 10,000港元普通股	-	100	Hong Kong 香港	Asset holding 持有資產
Vico Industries Limited 藝高實業有限公司	Hong Kong 香港	HK\$100 Ordinary 100港元普通股	-	100	The People's Republic of China 中華人民共和國	Manufacturing of timepiece components 製造時計配件
World Grade Industries Limited 世駒實業有限公司	Hong Kong 香港	HK\$10,000 Ordinary 10,000港元普通股	-	100	Hong Kong 香港	Property investment 物業投資

## 18. 附屬公司權益 (續)

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## 18. INTERESTS IN SUBSIDIARIES (Continued)

- \* *The deferred shares, which are not held by the Group, practically carry no rights to dividends or to receive notice of or to attend or vote at any general meeting of the subsidiary or to participate in any distribution on winding up.*
- ▲ *Companies not audited by Chu and Chu, Certified Public Accountants. The financial statements of the subsidiaries not audited by Chu and Chu, Certified Public Accountants reflect total net assets and total turnover constituting approximately 7.9% and 1.1% respectively of the related consolidated totals.*

The above table listed the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

None of the subsidiaries had any loan capital outstanding at the year end, nor at any time during the year.

## 18. 附屬公司權益 (續)

- \* 並非由本集團持有之遞延股份，實際上並無權享有股息，或收取該附屬公司任何股東大會之通告或出席大會及投票，亦無權於清盤時獲得任何分派。
- ▲ 並非由執業會計師朱永昌、朱國正會計師事務所審核之公司。並非由執業會計師朱永昌、朱國正會計師事務所審核之附屬公司財務報告反映出總資產淨值及總營業額分別佔相關綜合總額約7.9%及1.1%。

董事會認為，上表所列之本公司各附屬公司為主要影響本集團本年度業績或構成本集團資產淨值重大部份。董事會認為，載列其他附屬公司詳情會過份冗長。

於年終或本年度任何時間，各附屬公司概無任何未償還借貸股本。



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## 19. INTEREST IN AN ASSOCIATE

## 19. 聯營公司權益

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Share of net assets	應佔資產淨值	4,231	—
Unamortized goodwill	未攤銷商譽	19,169	—
		23,400	—
Amount due from an associate	應收一聯營公司款項	6,338	—
		29,738	—

Details of the Group's associate as at 31 March, 2003 are as follows:

於二零零三年三月三十一日，本集團之聯營公司之詳情如下：

Name of associate	Place of incorporation/ registration	Issued and fully paid capital/ registered capital 已發行及繳足股本/註冊資本	Percentage of equity interest held by the Company indirectly 本公司間接持有之股權百分比	Principal activities
聯營公司名稱	註冊成立/登記地點		%	主要業務
Niceworld Group Corporation	British Virgin Islands 英屬處女群島	US\$10 Ordinary 10美元普通股	40	* Timepiece distribution in Latin America * 於拉丁美洲分銷時計

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## 19. INTEREST IN AN ASSOCIATE (Continued)

- \* On 31 March, 2003, the Group acquired 40% in the capital of Niceworld Group Corporation ("Niceworld"). Niceworld holds three subsidiaries which have their places of incorporation in Mexico, Panama and Peru respectively. These three subsidiaries have the distribution network covering the whole of Latin America.

## 19. 聯營公司權益 (續)

- \* 於二零零三年三月三十一日，本集團收購 Niceworld Group Corporation (「Niceworld」) 股本中之40%權益。Niceworld持有三家附屬公司，而該三家附屬公司分別在墨西哥、巴拿馬和秘魯註冊成立，並擁有覆蓋全拉丁美洲之分銷網絡。

## 20. INTEREST IN A JOINTLY CONTROLLED ENTITY

## 20. 一家共同控制企業之權益

		The Group 本集團	
		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
Share of net liabilities of a jointly controlled entity	應佔一共同控制企業之負債淨額	(6,131)	-
Amount due from a jointly controlled entity	應收一共同控制企業款項	15,666	-
		9,535	-

On 30 September, 2002, the Group disposed of 1% interest in the jointly controlled entity at par.

於二零零二年九月三十日，本集團以面值出售共同控制企業之1%權益。

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## 20. INTEREST IN A JOINTLY CONTROLLED ENTITY (Continued)

Details of the Group's jointly controlled entity as at 31 March, 2003 are as follows:

Name of jointly controlled entity	Place of incorporation and operation	Issued and fully paid capital/ registered capital 已發行及繳足股本／註冊資本	Percentage of equity interest held by the Company indirectly 本公司間接持有之股權百分比 %	Principal activities 主要業務
共同控制企業名稱	註冊及經營地點			
Gar Shun Enterprises Development Limited 嘉訊企業發展有限公司	Hong Kong 香港	HK\$400,000 Ordinary 400,000港元普通股	49	Electroplating 電鍍

## 20. 一家共同控制企業之權益 (續)

於二零零三年三月三十一日，本集團之共同控制企業之詳情如下：

## 21. OTHER FINANCIAL ASSETS

## 21. 其他金融資產

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Investments in securities	證券投資		
Equity securities:	股本證券：		
Listed in Hong Kong, at cost	香港上市，成本	15	37
Unrealized holding loss	持有之未變現虧損	(4)	(22)
At market value	按市值	11	15
Other investments, at cost	其他投資，成本	29,225	—
		29,236	15

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## 21. OTHER FINANCIAL ASSETS (Continued)

### Other Investments

The amount of HK\$29,225,000 represents investments in three investments and insurance combined policies issued by an international insurance group. A minimum annual return of 4% is guaranteed by the insurance group. Insurance costs are being deducted from the investment return for the key man insurances of the directors. The beneficiaries and the insured are determined by the Company from time to time.

## 22. INVENTORIES

Raw materials	原料
Work in progress	半成品
Finished goods	製成品

## 21. 其他金融資產 (續)

### 其他投資

由一家國際保險集團所發出為數29,225,000港元之三個投資及要員保險計劃。該保險集團之保證最低回報率為每年4%；保險成本將由保險投資回報中扣除。保險受保人及受益人乃由本公司不時釐定。

## 22. 存貨

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元 (Restated) (已重列)
Raw materials	原料	78,170	58,131
Work in progress	半成品	67,460	44,725
Finished goods	製成品	82,085	53,202
		227,715	156,058

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## 23. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period of 90 – 120 days to its trade customers.

## 23. 貿易及其他應收款項

本集團貿易客戶之信貸期平均為90至120日。

		The Group 本集團	
		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
Trade receivable from an associate	應收一聯營公司之貿易應收款項	31,324	–
Other trade receivables	其他貿易應收款項	131,088	127,788
		162,412	127,788
Trade deposits	貿易按金	78,061	70,077
Other deposits, prepayments and other receivables	其他按金、預付款項及其他應收款項	102,005	145,023
		342,478	342,888

Included in trade and other receivables are debtors (net of provisions for bad and doubtful debts) with the following ageing analysis:

貿易及其他應收款項(已扣除呆壞賬準備)已包括在下列之帳齡分析內:

		The Group 本集團	
		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
0 – 90 days	0至90日	151,872	113,400
91 days – 180 days	91日至180日	7,493	9,964
Over 180 days	180日以上	3,047	4,424
		162,412	127,788

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## 24. TRADE AND OTHER PAYABLES

Included in trade and other payables are creditors with the following ageing analysis:

## 24. 貿易及其他應付款項

貿易及其他應付款項已包括在下列帳齡分析內：

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Trade payables:	貿易應付款項：		
0 – 90 days	0至90日	46,706	9,231
91 days – 180 days	91日至180日	1,812	3,324
Over 180 days	180日以上	1,856	8,424
		50,374	20,979
Accruals and other payables	應計費用及其他應付款項	40,097	7,258
		90,471	28,237

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## 25. SYNDICATED LOAN AND OTHER INTEREST-BEARING BORROWINGS 25. 銀團貸款及其他計息借款

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Syndicated loan and other interest-bearing borrowings comprise:	銀團貸款及其他計息借款		
	包括：		
- Term loans	- 定期貸款	147,970	63,224
- Syndicated loan, unsecured	- 銀團貸款，無抵押	200,000	200,000
- Trust receipt and import loans	- 信託收據及進口貸款	113,374	156,758
- Bank overdrafts	- 銀行透支	24	381
		<b>461,368</b>	<b>420,363</b>
Analyzed as:	分析如下：		
- Secured	- 有抵押	26,400	-
- Unsecured	- 無抵押	434,968	420,363
		<b>461,368</b>	<b>420,363</b>
The syndicated loan and other interest-bearing borrowings are repayable as follows:	銀團貸款及其他計息借款須於		
	下列年期償還：		
- Not exceeding one year or upon demand	- 一年內或於要求時	286,168	205,597
- More than one year, but not exceeding two years	- 一年以上，但不超過兩年	125,954	125,302
- More than two years, but not exceeding five years	- 兩年以上，但不超過五年	49,246	89,464
		<b>461,368</b>	<b>420,363</b>
Less: Amount shown under current liabilities	扣除：列於流動負債之款項		
- Syndicated loan	- 銀團貸款	(114,286)	-
- Other interest-bearing borrowings	- 其他計息借款	(171,882)	(205,597)
		<b>175,200</b>	<b>214,766</b>



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25. SYNDICATED LOAN AND OTHER INTEREST-BEARING  
BORROWINGS (Continued)

25. 銀團貸款及其他計息借  
款 (續)

		The Group 本集團	
		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
Analyzed as:	分析如下：		
– Syndicated loan	– 銀團貸款	85,714	200,000
– Other interest-bearing borrowings	– 其他計息借款	89,486	14,766
		175,200	214,766

		The Company 本公司	
		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
Syndicated loan and other interest-bearing borrowings comprise:	銀團貸款及其他計息借款包括：		
– Syndicated loan, unsecured	– 銀團貸款，無抵押	200,000	200,000
The syndicated loan and other interest-bearing borrowings are repayable as follows:	銀團貸款及其他計息借款須於下列年期償還：		
– Not exceeding one year or upon demand	– 一年內或於要求時	114,286	–
– More than one year, but not exceeding two years	– 一年以上，但不超過兩年	85,714	114,286
– More than two years, but not exceeding five years	– 兩年以上，但不超過五年	–	85,714
		200,000	200,000
Less: Amount shown under current liabilities	扣除：列於流動負債之款項		
– Syndicated loan	– 銀團貸款	(114,286)	–
		85,714	200,000

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## 26. OBLIGATIONS UNDER FINANCE LEASES

## 26. 融資租賃承擔

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Within one year	一年內	824	298
More than one year, but not exceeding two years	一年以上，但不超過兩年	804	24
More than two years, but not exceeding five years	兩年以上，但不超過五年	659	10
		2,287	332
Less: finance charges	減：財務費用	(124)	(55)
		2,163	277
Representing finance lease obligations: 融資租賃承擔之屆滿期如下：			
Current portion	即期部份	773	252
Non-current portion	非即期部份	1,390	25
		2,163	277

## 27. DEFERRED TAXATION

## 27. 遞延稅項

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
At the beginning of the year	年初	3,396	1,743
Provided for the year (note 11)	本年度撥備(附註11)	3,360	1,653
		6,756	3,396

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## 27. DEFERRED TAXATION (Continued)

At the balance sheet date, the major components of the provision for deferred taxation are as follows:

		Liability provided		Net potential liability (asset) unrecognized	
		稅項 負債撥備	稅項 負債撥備	未確認潛在負債 (資產)淨額	未確認潛在負債 (資產)淨額
		2003	2002	2003	2002
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Tax effect of timing differences attributable to:	因以下各項而產生之時差 稅務影響：				
Excess of depreciation allowances over depreciation charged in the financial statements	折舊免稅額超過 在財務報告中 扣除之折舊	6,802	3,442	5,209	3,687
Revaluation deficit on the Group's investment properties situated in the People's Republic of China	本集團於中華人民共和國 之投資物業重估 虧絀	(46)	(46)	-	-
Tax losses	稅務虧損	-	-	(7,106)	(4,306)
		6,756	3,396	(1,897)	(619)

Deferred tax has not been provided on the revaluation surplus arising on the valuation of properties in Hong Kong as profits arising on the disposal of these assets would not be subject to taxation. Accordingly, the revaluation surplus does not constitute a timing difference for tax purposes.

## 27. 遞延稅項 (續)

於結算日，遞延稅項撥備之主要部份如下：

由於在出售香港物業時所產生之溢利毋須課稅，故該等資產在估值時所產生之重估盈餘並無遞延稅項撥備。因此，重估增值在稅務方面並不構成時差。

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## 28. SHARE CAPITAL

## 28. 股本

	Note 附註	Number of shares 股份數目	Par value 面值 HK\$ 港元	Amount 價值 HK\$'000 千港元
<i>Authorised:</i>				
As at 1 April, 2001, 31 March, 2002 and 31 March, 2003	法定： 於二零零一年四月一日、 二零零二年三月三十一日及 二零零三年三月三十一日	6,000,000,000	0.10	600,000
<i>Issued and fully paid:</i>				
As at 1 April, 2001	已發行及繳足： 於二零零一年四月一日	3,678,223,019	0.10	367,822
Capital reduction whereby the nominal value of the shares was reduced to HK\$0.005 each by cancellation of HK\$0.095 paid-up capital for each issued share	削減股本，據此透過註銷每股 已發行股份之繳足股本 0.095港元而將股份面值 削減至每股0.005港元	-	(0.095)	(349,431)
		3,678,223,019	0.005	18,391
Capital consolidation whereby every 20 new issued shares with nominal value of HK\$0.005 each in the capital of the Company following the capital reduction was consolidated into 1 consolidated share	股本合併，據此將每20股 於削減股本後本公司股本 中每股面值0.005港元之 已發行新股份合併為1股 合併股份	(3,494,311,869)	0.095	-
As at 31 March, 2002	於二零零二年三月三十一日	183,911,150	0.10	18,391
Rights issue of two rights shares for every one share held	按每持有一股股份可獲發 兩股供股股份之供股	(a) 367,822,300	0.10	36,782
Issue of new shares pursuant to the exercise of share options	因行使購股權而發行新股	(b) 55,425,000	0.10	5,543
Shares repurchased and cancelled	已購回及註銷股份	(c) (1,000,000)	0.10	(100)
Issue of new shares as 2002 interim scrip dividend, in lieu of cash	發行新股作為二零零二年 中期以股代息股息， 以代替現金	(d) 24,741,383	0.10	2,474
As at 31 March, 2003	於二零零三年 三月三十一日	630,899,833	0.10	63,090

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## 28. SHARE CAPITAL (Continued)

(a) During the year, the Company raised equity capital by way of rights issue. The net proceeds of the rights issue of HK\$62 million were used as follows:

- about HK\$24 million for establishing a distribution arm in the United States;
- about HK\$10 million for promoting the Group's licensed products through the distribution arm aforementioned;
- about HK\$17 million for developing its distribution network in the PRC; and
- the remaining balance for the use as the general working capital of the Company.

(b) During the year, 55,425,000 new shares of HK\$0.10 each were issued upon the exercise of options under a share option scheme which became effective on 24 January, 2002 at exercise prices of HK\$0.2 and HK\$0.227 for 54,390,000 shares and 1,035,000 shares respectively. These shares rank pari passu with the existing shares of the Company.

## 28. 股本 (續)

(a) 年內，本公司透過供股而籌集股本。供款所得款項淨額62,000,000港元已用作下列用途：

- 約24,000,000港元用作在美國成立分銷部門；
- 約10,000,000港元用作透過上述之分銷部門推廣本集團之特許權產品；
- 約17,000,000港元用作開拓其在中國之分銷網絡；及
- 餘額用作本公司一般營運資金。

(b) 年內，因行使根據一項於二零零二年一月二十四日生效之購股權計劃下之購股權而發行55,425,000股每股面值0.10港元之新股，其中54,390,000股股份乃按0.2港元之行使價行使，而1,035,000股股份則按0.227港元之行使價行使。該等股份與本公司之現有股份享有同等權益。

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## 28. SHARE CAPITAL (Continued)

- (c) During the year, the Company repurchased its own shares on the Stock Exchange as follows:

Month of repurchase in 2003 於二零零三年之購回月份	Number of shares 股份數目	Price per share 每股價格 HK\$ 港元	Aggregate consideration paid 已付總代價 HK\$'000 千港元
March 三月	1,000,000	0.42	420

The above shares were cancelled upon repurchase and accordingly the issued share capital of the Company was reduced by the nominal value of these shares. The premium on repurchase was charged against share premium.

## 28. 股本 (續)

- (c) 年內，本公司於聯交所購回其本身之股份，載述如下：

上述股份於購回後註銷，本公司之已發行股本因而被削減，數額為該等股份之面值。購回所產生之溢價已在股份溢價中扣除。

Number of shares issued as 2002 interim dividend 就二零零二年中期股息發行之股份數目	Scrip price 代息股份價格 HK\$ 港元	(d) Proceeds credited to share capital account 計入股本賬之 所得款項 HK\$'000 千港元		Share premium account 股份溢價賬 HK\$'000 千港元	Total 總計 HK\$'000 千港元
24,741,383	0.219	2,474	2,945		5,419

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## 29. RESERVES

The Group 本集團

## 29. 儲備

		Share premium 股份溢價 HK\$'000 千港元	Merger deficit 合併虧絀 HK\$'000 千港元	Capital reserve (Goodwill) 資本儲備 (商譽) HK\$'000 千港元	Contributed surplus 實繳盈餘 HK\$'000 千港元	Leasehold property revaluation reserve 租賃物業 重估儲備 HK\$'000 千港元	Other reserve 其他儲備 HK\$'000 千港元	Exchange fluctuation reserve 外匯 波動儲備 HK\$'000 千港元	Retained profits (Accumulated losses) 保留溢利 (累積虧損) HK\$'000 千港元	Proposed dividend final 擬派終 期股息 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 April, 2001 as previously reported	於二零零一年四月一日 如之前呈報	43,255	(11,988)	(28,787)	-	5,466	(17,907)	-	103,196	-	93,235
Effect of adopting SSAP 30 and SSAP 31	採納會計實務準則第30號 及會計實務準則第31號之影響	-	-	9,159	-	-	-	-	(9,159)	-	-
As at 1 April, 2001 as restated	於二零零一年四月一日 重列	43,255	(11,988)	(19,628)	-	5,466	(17,907)	-	94,037	-	93,235
Realization of unrealized holding loss of investments in securities upon disposal	於出售後所持證券投資 之未變現虧損變現	-	-	-	-	-	17,885	-	-	-	17,885
Credit arising on capital reduction	削減股本產生之進款項	-	-	-	349,431	-	-	-	-	-	349,431
Eliminated upon disposal of subsidiary	於出售附屬公司後撇銷	-	-	32,000	-	-	-	-	-	-	32,000
Profit for the year	本年度溢利	-	-	-	-	-	-	-	36,397	-	36,397
As at 31 March, 2002	於二零零二年三月三十一日	43,255	(11,988)	12,372	349,431	5,466	(22)	-	130,434	-	528,948
Rights Issue of two shares for every share held	按每持有一股股份可獲發兩股 股份之供股	29,426	-	-	-	-	-	-	-	-	29,426
Offset Rights Issue expenses	抵銷供股開支	(4,141)	-	-	-	-	-	-	-	-	(4,141)
Exercise of share options	行使購股權	5,571	-	-	-	-	-	-	-	-	5,571
Shares repurchased	已購回股份	(322)	-	-	-	-	-	-	-	-	(322)
Unrealized holding loss of investments in securities	持有證券投資之 未變現虧損	-	-	-	-	-	(4)	-	-	-	(4)
Exchange realignment	匯兌調整	-	-	-	-	-	86	-	-	-	86
Profit for the year	本年度溢利	-	-	-	-	-	-	-	58,199	-	58,199
Interim cash and scrip dividend	中期現金及以股代息股息	2,945	-	-	-	-	-	-	(8,276)	-	(5,331)
Proposed final dividend	擬派終期股息	-	-	-	-	-	-	-	(9,463)	9,463	-
As at 31 March, 2003	於二零零三年三月三十一日	76,734	(11,988)	12,372	349,431	5,466	(26)	86	170,894	9,463	612,432



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## 29. RESERVES (Continued)

The Company 本公司

## 29. 儲備 (續)

		Share premium	Contributed surplus	Retained profits (Accumulated losses)	Proposed final dividend	Total
		股份溢價	實繳盈餘	(累積虧損)	擬派終期股息	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
As at 1 April, 2001	於二零零一年四月一日	43,255	39,399	(7,279)	–	75,375
Credit arising on capital reduction	削減股本產生之進賬	–	349,431	–	–	349,431
Loss for the year	本年度虧損	–	–	(15,342)	–	(15,342)
<hr/>						
As at 31 March, 2002	於二零零二年三月三十一日	43,255	388,830	(22,621)	–	409,464
<hr/>						
Rights Issue of two shares for every share held	按每持有一股股份可獲發兩股股份之供股	29,426	–	–	–	29,426
Offset Rights Issue expenses	抵銷供股開支	(4,141)	–	–	–	(4,141)
Exercise of share options	行使購股權	5,571	–	–	–	5,571
Shares repurchased	已購回股份	(322)	–	–	–	(322)
Profit for the year	本年度盈餘	–	–	40,363	–	40,363
Interim cash and scrip dividend	中期現金及以股代息股息	2,945	–	(8,276)	–	(5,331)
Proposed final dividend	擬派終期股息	–	–	(9,463)	9,463	–
<hr/>						
As at 31 March, 2003	於二零零三年三月三十一日	76,734	388,830	3	9,463	475,030

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## 29. RESERVES (Continued)

The capital reserve (goodwill) represents the total of the share premium of a subsidiary prior to becoming a member of the Group in a merger and the amount arising from the excess or shortfall of the purchase consideration over the fair value of the Group's share of separate net assets of the subsidiaries acquired.

The merger deficit of the Group represents the excess of the nominal value of the shares in the Company issued as consideration over the nominal value of the subsidiaries' shares transferred to the Company.

The contributed surplus of the Company represents the difference between the consolidated shareholders' funds of the subsidiaries acquired by the Company and the nominal amount of the Company's shares issued for the acquisition.

The other reserve represents the amount of unrealized holding gain (loss) from the investments in securities.

Under the Companies Act 1981 of Bermuda, the contributed surplus of the Company is available for distribution to shareholders. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

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

## 29. 儲備 (續)

資本儲備(商譽)指附屬公司未透過合併成為本集團成員公司前之股份溢價及收購代價高於或低於本集團應佔所收購附屬公司可分割淨資產之公平價值之款額之總和。

本集團之合併虧絀指本公司作為代價發行股份之面值超逾轉撥至本公司之附屬公司股份面值之數額。

本公司實繳盈餘指本公司所收購附屬公司之綜合股東資金與本公司因收購而發行之本公司股份面值之差額。

其他儲備指持有投資證券之未變現收益(虧損)款額。

根據百慕達一九八一年公司法，本公司實繳盈餘可分派予股東。然而，如按照合理理據相信會出現以下情況，本公司不得宣派或派付股息，或自實繳盈餘作出分派：

- (a) 付款後或將無力償還到期債項；或
- (b) 其資產之可變現價值將因此而低於其債項、已發行股本及股份溢價賬三者之總額。



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## 29. RESERVES (Continued)

In the opinion of the Directors, the Company's reserves available for distribution to shareholders were as follows:

## 29. 儲備 (續)

董事認為，本公司可供分派予股東之儲備如下：

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Contributed surplus	實繳盈餘	388,830	388,830
Retained profits (Accumulated losses)	保留溢利(累積虧損)	3	(22,621)
Proposed final dividend	擬派終期股息	9,463	—
		<hr/>	<hr/>
		398,296	366,209

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### 30. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include any directors, employees, consultants or professional advisors, suppliers or customers, and authorized agents of the Group. The Scheme became effective on 24 January, 2002 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of shares in respect of which options may be granted under the Scheme shall not exceed 10% of the number of issued shares of the Company from time to time excluding the aggregate number of shares which were issued pursuant to the Scheme.

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Directors, and in any event such period of time shall not exceed a period of 3 years commencing on the expiry of 6 months after the date of the acceptance of the offer and expiring on the last day of such period, or 24 January, 2012, whichever is the earlier.

The exercise price of the share options is determinable by the Directors, but shall be the higher of (i) the closing price of the shares as stated in the daily quotations sheet issued by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the offer date, which must be a business day; and (ii) the average of the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the offer date.

### 30. 購股權計劃

本公司設有一項購股權計劃(「該計劃」)，目的在於獎勵及回饋對本集團業務取得佳績而有所貢獻之合資格參與者。該計劃之合資格參與者包括本集團之任何董事、僱員、顧問或專業顧問、供應商或客戶及特許代理商。該計劃於二零零二年一月二十四日起生效，並(除非被註銷或修訂)將由該日起計十年內有效。

根據該計劃可能授出之購股權所涉及之股份數目上限，不得超逾本公司不時已發行股份數目之10%，不包括根據該計劃發行之股份總數。

獲授人可於授出購股權要約之日後28日內，支付象徵式代價合共1港元後接納要約。所授購股權之行使期限由董事釐定，惟在任何情況下，有關期限不得超過接納要約當日起計之六個月屆滿後三年，並於該期限最後一日或二零一二年一月二十四日(以較早者為準)屆滿。

購股權之行使價由董事釐定，但須為(i)於要約當日(必須為營業日)香港聯合交易所有限公司(「聯交所」)每日報價表所載之股份收市價；及(ii)緊接要約日期前五個營業日聯交所每日報價表所載之股份平均收市價，以較高者為準。

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## 30. SHARE OPTION SCHEME (Continued)

## 30. 購股權計劃 (續)

Name or category of participant 參與者姓名或類別	Number of share options 購股權數目						Date of grant of share options* 購股權授出日期*	Exercise period of share options 購股權行使期間	Exercise price of share options** 購股權行使價**	Price of Company's shares*** 本公司股份價格***	
	As at 1 April 2002 於二零零二年四月一日	Granted during the year 於年內授出	Granted for adjustment 為作出調整而授出	Lapsed during the year 於年內失效	Exercised during the year 於年內行使	At 31 March 2003 於二零零三年三月三十一日				At grant date of options 購股權授出日期	At exercise date of options 購股權行使日期
									HK\$ 港元	HK\$ 港元	HK\$ 港元
<b>Directors 董事</b>											
Mr. Tsang Kwong Chiu, Kevin 曾廣釗先生	-	5,500,000	250,000	-	5,750,000	-	23/08/2002	23/02/2003 to 23/02/2006	0.200	0.202	0.430
Mr. Man Kwok Keung 文國強先生	-	990,000	45,000	-	-	1,035,000	05/09/2002	05/03/2003 to 05/03/2006	0.227	0.221	-
Mr. Cheng Kwan Ling 鄭坤寧先生	-	990,000	45,000	-	1,035,000	-	05/09/2002	05/03/2003 to 05/03/2006	0.227	0.221	0.425
	-	7,480,000	340,000	-	6,785,000	1,035,000					
<b>Other employees 其他僱員</b>											
In aggregate 總數	-	14,690,000	715,000	300,000	14,140,000	965,000	23/08/2002	23/02/2003 to 23/02/2006	0.200	0.202	0.405 to 0.435
<b>Suppliers and customers 供應商及客戶</b>											
In aggregate 總數	-	33,000,000	1,500,000	-	34,500,000	-	23/08/2002	23/02/2003 to 23/02/2006	0.200	0.202	0.430 to 0.440
		55,170,000	2,555,000	300,000	55,425,000	2,000,000					

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### 30. SHARE OPTION SCHEME (Continued)

- \* *The vesting period of the share options is from the date of the grant until the commencement of the exercise period.*
- \*\* *The exercise price of the share options is subject to adjustment in case of rights or bonus issues, or other similar changes in the Company's share capital.*
- \*\*\* *The price of the Company's shares disclosed as at the date of the grant of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of the grant of the options. The price of the Company's shares disclosed as at the date of the exercise of the share options is the weighted average of the Stock Exchange closing prices over all of the exercises of options within the disclosure category.*

As at 31 March, 2003, the Company had 2,000,000 share options outstanding under the Scheme, with exercise periods ranging from 23 February, 2003 to 5 March, 2006 and exercise prices ranging from HK\$0.200 to HK\$0.227. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 2,000,000 additional shares of HK\$0.10 each and proceeds of approximately HK\$428,000.

### 30. 購股權計劃 (續)

- \* 購股權歸屬期指由授出日期至行使期開始之時。
- \*\* 倘進行供股或發行紅股或本公司股本出現其他類似變動，購股權行使價可作調整。
- \*\*\* 於授出購股權日期所披露之本公司股份價格為緊接授出購股權日期前之交易日聯交所之收市價。於購股權行使日期所披露本公司股份之價格，為就所披露類別購股權之全部行使行動而言聯交所收市價之加權平均數。

於二零零三年三月三十一日，本公司根據該計劃尚有2,000,000份購股權未獲行使，行使期介乎二零零三年二月二十三日至二零零六年三月五日，行使價介乎0.200港元至0.227港元。根據本公司現時股本結構，悉數行使尚未行使之購股權將導致發行額外2,000,000股每股面值0.10港元之股份，所得款項約428,000港元。

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## 31. ACQUISITION OF SUBSIDIARIES

On 31 December, 2002 and 2 January, 2003, the Group acquired 51% interests in Bensonic International Limited and Omni International Holdings Limited and its subsidiary for HK\$7,800,000 and HK\$50,106,000 satisfied in cash respectively.

## 31. 收購附屬公司

於二零零二年十二月三十一日及二零零三年一月二日，本集團收購 Bensonic International Limited 及安進利國際集團有限公司及其附屬公司之 51% 權益，代價分別為 7,800,000 港元及 50,106,000 港元，以現金支付。

		2003 HK\$'000 千港元
Net assets of the subsidiaries acquired comprise of:	購入附屬公司之資產淨值包括：	
Furniture, fixtures and office equipment	傢俬、裝置及辦公室設備	20,377
Leasehold improvements	租賃物業裝修	5,216
Plant and machinery	廠房設備及機器	608
Trademark	商標	22,460
Inventories	存貨	44,279
Trade and other receivables	貿易及其他應收款項	18,142
Bank balances and cash	銀行結存及現金	3,034
Trade and other payables	貿易及其他應付款項	(17,766)
Bank loan	銀行貸款	(5,308)
Minority interests	少數股東權益	(37,421)
		53,621
Negative goodwill arising on consolidation	綜合賬目產生之負商譽	(4,101)
Goodwill arising on consolidation	綜合賬目產生之商譽	8,386
Total purchase price paid, satisfied in cash	已付之收購總價格，以現金支付	57,906
Less: cash of the subsidiaries acquired	減：收購附屬公司之現金	(3,034)
Net outflow of cash and cash equivalents in connection with the purchase of the subsidiaries	有關購入附屬公司之現金及現金等價物流出淨額	54,872



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### 32. DISPOSAL OF A SUBSIDIARY

On 1 April, 2002, the Group disposed of 1% interest in a subsidiary Gar Shun Enterprises Development Limited for nil consideration. Thereafter, this Company became a jointly controlled entity.

The net assets of Gar Shun Enterprises Development Limited at the date of disposal were as follows:

### 32. 出售一家附屬公司

於二零零二年四月一日，本集團無償出售附屬公司嘉訊企業發展有限公司之1%權益。此後，該公司成為本集團之共同控制企業。

嘉訊企業發展有限公司於出售日期之資產淨值如下：

		2003 HK\$'000 千港元
Fixed assets	固定資產	1,106
Inventories	存貨	740
Trade and other receivables	貿易及其他應收款項	2,773
Bank and cash balances	銀行及現金結存	257
Trade and other payables	貿易及其他應付款項	(4,497)
Bank overdrafts	銀行透支	(379)
Gain/loss on disposal	出售收益／虧損	-
<hr/>		
Total sale price	出售總價格	-
<hr/>		
Satisfied by:	支付方式：	
Cash consideration received	已收現金代價	-
<hr/>		

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## 32. DISPOSAL OF A SUBSIDIARY (Continued)

Analysis of net inflow of cash and cash equivalents in respect of the disposal of a subsidiary:

		2003
		HK\$'000
		千港元
Cash consideration received	已收取之現金代價	–
Bank and cash balances disposed of	已出售之銀行及現金結存	(257)
Bank overdrafts disposed of	已出售之銀行透支	379
<hr/>		
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	因出售附屬公司而產生之現金及現金等價物流入淨額	122

## 32. 出售一家附屬公司 (續)

有關出售附屬公司之現金及現金等價物流入淨額分析：

## 33. CASH AND CASH EQUIVALENTS

		The Group 本集團	
		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
			(Restated) (已重列)
Cash and bank balances	現金及銀行結存	207,568	154,380
Bank overdrafts	銀行透支	(24)	(381)
<hr/>			
Cash and cash equivalents at the end of the year	年終時現金及現金等價物	207,544	153,999

## 33. 現金及現金等價物

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### 34. CONTINGENT LIABILITIES

As at 31 March, 2003, the Group has contingent liabilities in respect of bills discounted with recourse amounting to approximately HK\$67,951,000 (2002: 179,740,000).

The Company has given corporate guarantees to banks in respect of general banking facilities granted to subsidiaries amounting to HK\$929,000,000 (2002: HK\$816,000,000). The extent of such facilities utilized by the subsidiaries as at 31 March, 2003 amounted to approximately HK\$261,000,000 (2002: HK\$195,000,000).

### 35. FINANCIAL INSTRUMENTS

The Company had entered into interest rate swaps to manage its interest rate risk. As at 31 March, 2003, the total notional amount of such instruments was HK\$201,000,000 (2002: HK\$201,000,000). The notional amounts of the outstanding interest rate swaps indicate the contract size outstanding at the balance sheet date and do not represent the amount at risk.

As at 31 March, 2003, the Company had not entered into currency-linked deposit contracts to manage its foreign currency risk.

As at 31 March, 2002, the total US dollar based currency-linked deposits were amounted to US\$2,200,000. The alternative currency of those contracts was Euro currency.

### 34. 或然負債

於二零零三年三月三十一日，本集團在有關於有追索權貼現票據之方面有或然負債約 67,951,000 港元（二零零二年：179,740,000 港元）。

本公司就附屬公司獲批之一般銀行融資而向多間銀行作出 929,000,000 港元（二零零二年：816,000,000 港元）之公司擔保。附屬公司截至二零零三年三月三十一日共動用約 261,000,000 港元（二零零二年：195,000,000 港元）之融資。

### 35. 金融工具

本公司已訂立利率掉期以管理其利率風險。於二零零三年三月三十一日，該等工具之總名義價值 201,000,000 港元（二零零二年：201,000,000 港元）。尚未結算之利率掉期名義價值顯示於結算日尚未結算之合約規模，而並非指涉及風險之數額。

於二零零三年三月三十一日，本公司並無訂立外幣存款合約以管理其外幣風險。

於二零零二年三月三十一日，以美元為基準之貨幣掛鈞存款為 2,200,000 美元。有關合約之替代貨幣為歐元。

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## 36. CAPITAL AND LEASE COMMITMENTS

- (a) Capital commitments outstanding as at 31 March, 2003 not provided for in the financial statements are as follows:

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Contracted for	已訂約	—	628

- (b) As at 31 March, 2003, the total future minimum lease payments under non-cancellable operating leases in respect of leasehold land and buildings are payable as follows:

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
– Within 1 year	— 一年內	2,341	935
– After 1 year but within 5 years	— 第二年至第五年	6,911	3,707
– After 5 years	— 五年後	1,267	5,746
		10,519	10,388

## 36. 資本及租賃承擔

- (a) 於二零零三年三月三十一日未有在財務報告撥備之未付資本承擔如下：

- (b) 於二零零三年三月三十一日，本集團就租賃土地及樓宇之不可撤銷經營租約未來的應付之最低租賃款額如下：

FOR THE YEAR ENDED 31 MARCH, 2003  
截至二零零三年三月三十一日止年度

### 37. PLEDGE OF ASSETS

As at 31 March, 2003, leasehold properties with carrying value of approximately HK\$15,956,000 had been pledged to secure banking facilities for a subsidiary.

As at 31 March, 2002, no assets of the Group were pledged.

### 38. POST BALANCE SHEET EVENTS

After the balance sheet date the Directors proposed a final dividend. Further details are disclosed in note 12.

### 39. COMPARATIVE FIGURES

The presentation and classification of items in the consolidated cash flow statement have been changed due to the adoption of the requirements of SSAP 15 (revised 2001) "Cash flow statements". As a result, certain advances from banks have been excluded from the definition of cash equivalents, cash flow items from taxation, returns on investments and servicing of finance have been classified into operating, investing and financing activities respectively and a detailed breakdown of cash flows from operating activities has been included on the face of the consolidated cash flow statement. Comparative figures have been reclassified to conform with the current year's presentation.

### 37. 抵押資產

於二零零三年三月三十一日，賬面值約為15,956,000港元之租賃物業已予抵押，作為一家附屬公司獲取銀行信貸之押記。

於二零零二年三月三十一日，本集團概無抵押資產。

### 38. 結算日後事項

於結算日後，董事建議派付終期股息。有關詳情披露於附註12。

### 39. 比較數字

由於採納會計實務準則第15號（二零零一年經修訂）「現金流量表」之規定，故綜合現金流量表之呈列方式及項目分類有所轉變。因此，若干銀行墊款已自現金等價物之釋義中剔除；現金流量項目自稅項中剔除；投資回報及融資償付已分別分類為經營業務、投資活動及融資活動，並已於綜合現金流量表一項上納入有關經營業務現金流量之詳細分析。比較數字已予重列，以配合本年度之呈列方式。



## Summary of Properties 物業概要

	Location 地點	Lease expiry 租約屆滿 年期	Gross floor area (square metre) 建築面積 (平方米)	Type 用途	Category 類別	Stage of completion 進度	Group interest 本集團 權益
1.	Unit 3 together with air conditioning plant room on 7th Floor of High Block Cheung Fung Industrial Building Nos. 23-39 Pak Tin Par Street Tsuen Wan New Territories 香港 新界 荃灣白田壩街23-39號 長豐工業大廈高座 7樓3號單位 連空氣調節機房	2047	933.11	Industrial 工業	Own use/ partial letting 自用/ 部份出租	Existing 已落成	100%
2.	Unit 3 together with air conditioning plant room on 12th Floor and car parking space no. P5 on 1st Floor of High Block Cheung Fung Industrial Building Nos. 23-39 Pak Tin Par Street Tsuen Wan New Territories 香港 新界 荃灣 白田壩街23-39號 長豐工業大廈高座 12樓3號單位 連空氣調節機房及 1樓P5號車位	2047	933.11	Industrial 工業	Own use 自用	Existing 已落成	100%

	Location	Lease expiry 租約屆滿 年期	Gross floor area (square metre) 建築面積 (平方米)	Type 用途	Category 類別	Stage of completion 進度	Group interest 本集團 權益
3.	Lands and various buildings and structures located at Heba Industrial Zone in front of Fenghuang Gang area Xi Xiang Baoan County Shenzhen, PRC 中華人民共和國 深圳市 寶安區 西鄉鎮 鳳凰崗區前面之 河壩工業區 一幅土地及 在其上興建之多項建築物	2041	33,312.56	Industrial/ partial lease  工業/ 部份租賃	Own use  自用	Existing  已落成	100%
4.	Units A001, A019 and A125 on Level 1 Wang Jiao Horological Plaza No. 1 Bai Xing Street West Road of Guangzhou City Station Guangzhou City Guangdong Province, PRC 中國廣東省 廣州市站西路 百興街1號 旺角鐘錶城首層 A001、A019及A125號舖	2040	137.4	Retail  零售	Own use  自用	Existing  已落成	100%
5.	19 Reuchenettestrasse 2502 Bienne Switzerland	Freehold 永久業權	526	Industrial  工業	Own use  自用	Existing  已落成	100%



## RESULTS

Year ended 31 March,

## 業績

截至三月三十一日止年度

		(Restated) (已重列)				
		1999	2000	2001	2002	2003
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Turnover	營業額	784,062	821,155	852,379	937,010	1,119,099
Profit from operations	經營溢利	44,243	69,943	49,865	48,971	93,629
Impairment of goodwill	商譽減值	–	–	(9,159)	–	–
Finance costs	財務成本	(11,589)	(10,375)	(12,661)	(9,264)	(13,407)
Other expenses	其他開支	(7,575)	(43,230)	–	–	–
Share of loss of an associate	應佔一家聯營公司 虧損	(3,496)	–	–	–	–
Share of loss of a jointly controlled entity	應佔一家共同控制 企業虧損	–	–	–	–	(6,194)
Profit before taxation	除稅前溢利	21,583	16,338	28,045	39,707	74,028
Taxation	稅項	(1,327)	(1,385)	(4,246)	(4,577)	(7,995)
Profit after taxation	除稅後溢利	20,256	14,953	23,799	35,130	66,033
Minority interests	少數股東權益	3,817	2,271	2,000	1,267	(7,834)
Profit attributable to shareholders	股東應佔溢利	24,073	17,224	25,799	36,397	58,199

## ASSETS AND LIABILITIES

As at 31 March,

## 資產及負債

於三月三十一日

		1999	2000	2001	2002	2003
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Fixed assets	固定資產	111,616	144,015	240,713	292,942	357,070
Intangible assets	無形資產	16,622	31,437	7,992	43,851	60,912
Goodwill	商譽	-	-	-	11,714	19,381
Interest in an associate	一家聯營公司之權益	8,245	-	-	-	29,738
Interest in a jointly controlled entity	一家共同控制企業 之權益	-	-	-	-	9,535
Other financial assets	其他金融資產	48,761	64,295	22,999	15	29,236
Club debentures	會所債券	1,499	1,499	1,499	-	-
Net current assets	流動資產淨值	241,122	235,898	267,729	417,004	396,145
		427,865	477,144	540,932	765,526	902,017
Long-term liabilities	長期債券	(9,003)	(6,673)	(57,696)	(214,791)	(176,590)
Deferred taxation	遞延稅項	(23)	(23)	(1,743)	(3,396)	(6,756)
Minority interests	少數股東權益	(22,747)	(21,987)	(20,436)	-	(43,149)
Net assets	資產淨值	396,092	448,461	461,057	547,339	675,522



