

Notes on the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (which includes all applicable Statements of Standard Accounting Practice and Interpretations) issued by the Hong Kong Society of Accountants, accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("SEHK"). A summary of the significant accounting policies adopted by the group is set out below.

(b) Basis of preparation of the financial statements

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

1. 主要會計政策

(a) 守章聲明

此等財務報表按照香港會計師公會頒佈之所有適用香港財務申報準則(包括所有適用會計實務準則及詮釋)、香港公認會計原則及香港公司條例之規定編製。此等財務報表亦符合香港聯合交易所有限公司(「聯交所」)證券上市規則之適用披露規定。本集團採納之主要會計政策概要載於下文。

(b) 編製財務報表基準

編製財務報表採用歷史成本慣例為計算基準，經重估投資物業及下文所載會計政策所闡釋將若干證券投資計至市值修訂。

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of preparation of the financial statements (continued)

Pursuant to a group reorganisation in connection with the listing of the company's shares on SEHK, the company became the holding company of the other companies comprising the group on 11 March 2002. The company and its subsidiaries resulting from the reorganisation have been regarded as a continuing group. Accordingly, the reorganisation has been accounted for on the basis of merger accounting, under which consolidated financial statements have been prepared as if the company had been the holding company of the other companies comprising the group throughout the year ended 31 December 2002, or since their respective dates of the incorporation or establishment, whichever is later.

(c) Subsidiaries and controlled enterprises

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

An investment in a controlled subsidiary is consolidated into the consolidated financial statements.

1. 主要會計政策 (續)

(b) 編製財務報表基準 (續)

根據就本公司股份於聯交所上市而進行的集團重組，本公司於二零零二年三月十一日成為組成本集團的其他公司之控股公司。本公司及其因重組而產生的附屬公司被視作持續經營的集團。因此，重組已按合併會計基準計賬，據此，編製綜合財務報表時，將本公司視作於截至二零零二年十二月三十一日止年度或自組成本集團之其他公司各自註冊成立或成立日期起計（以較短者為準）已為組成本集團之其他公司的控股公司。

(c) 附屬公司與所控制企業

附屬公司指本集團直接或間接持有其已發行股本一半以上，或控制半數以上投票權或董事會組成之公司。倘本公司可直接或間接控制其財務及經營決策以從中獲利，則該等附屬公司被視為所控制企業。

於所控制附屬公司之投資綜合計入綜合財務報表內。

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Subsidiaries and controlled enterprises

(continued)

Intra-group balances and transactions, and any unrealised profits arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Minority interests at the balance sheet date, being the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet separately from liabilities and the shareholders' equity. Minority interests in the results of the group for the year are also separately presented in the consolidated income statement.

Where losses attributable to the minority exceed the minority interest in the net assets of a subsidiary, the excess, and any further losses attributable to the minority, are charged against the group's interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses. All subsequent profits of the subsidiary are allocated to the group until the minority's share of losses previously absorbed by the group has been recovered.

In the company's balance sheet, an investment in a subsidiary is stated at cost less any impairment losses (see note 1(k)).

1. 主要會計政策 (續)

(c) 附屬公司與所控制企業 (續)

集團內部之結餘及交易，以及集團內部交易所產生之任何未變現溢利，均在編製綜合財務報表時全數抵銷。在無出現減值之情況下，集團內部交易產生之未變現虧損，方會按未變現收益相同之方法抵銷。

於結算日之少數股東權益指並非由本公司直接或間接透過附屬公司擁有之股本權益應佔附屬公司資產淨值部分，有關少數股東權益於綜合資產負債表與負債及股東權益分開呈列。本集團本年度業績之少數股東權益亦於綜合收益表獨立呈列。

倘少數股東應佔虧損超出一家附屬公司資產淨值之少數股東權益，則超出數額及少數股東應佔任何進一步虧損則用作抵銷本集團權益，惟少數股東有具約束性責任且能夠補償虧損之情況則作別論。所有其後產生之附屬公司溢利分配至本集團，直至收回先前由本集團承擔之少數股東應佔虧損為止。

在本公司之資產負債表中，於附屬公司之投資按成本值減去任何減值虧損列賬（見附註1(k)）。

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Associates

An associate is an entity in which the group or company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post acquisition change in the group's share of the associate's net assets. The consolidated income statement reflects the group's share of the post-acquisition results of the associates for the year, including any amortisation of positive or negative goodwill charged or credited during the year in accordance with note 1(e).

Unrealised profits and losses resulting from transactions between the group and its associates are eliminated to the extent of the group's interest in the associate, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in the income statement.

In the company's balance sheet, its investments in associates are stated at cost less impairment losses (see note 1(k)).

1. 主要會計政策 (續)

(d) 聯營公司

聯營公司指本集團或本公司對其管理具有相當大影響力，包括參與財務及經營決策，但並非控制或共同控制其管理之實體。

於聯營公司之投資乃按權益法計入綜合財務報表，且首先按成本值入賬，其後就本集團攤佔聯營公司資產淨值於收購後之變動作出調整。綜合收益表反映本集團於本年度應佔聯營公司之收購後業績，包括任何於年內根據附註1(e)扣除或計入之正商譽或負商譽攤銷。

本集團與其聯營公司進行交易所產生之未變現溢利及虧損均按本集團所佔該聯營公司之權益抵銷，惟倘未變現虧損可證明所轉讓之資產出現減值，則會即時在收益表內確認。

在本公司之資產負債表中，於聯營公司之投資按成本值減去減值虧損入賬（見附註1(k)）。

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Goodwill

Positive goodwill arising on consolidation represents the excess of the cost of the acquisition over the group's share of the fair value of the identifiable assets and liabilities acquired. In respect of controlled subsidiaries, positive goodwill is amortised to the consolidated income statement on a straight-line basis over its estimated useful life of 5 years. Positive goodwill is stated in the consolidated balance sheet at cost less any accumulated amortisation and any impairment losses (see note 1(k)).

In respect of acquisitions of associates, positive goodwill is amortised to the consolidated income statement on a straight-line basis over its estimated useful life. The cost of positive goodwill less any accumulated amortisation and any impairment losses (see note 1(k)) is included in the carrying amount of the interest in associates.

On disposal of a controlled subsidiary or an associate during the year, any attributable amount of purchased goodwill not previously amortised 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.

1. 主要會計政策 (續)

(e) 商譽

綜合賬目時產生之正商譽乃指收購成本超出本集團應佔所收購可辨認資產及負債公平價值部分。就所控制附屬公司而言，正商譽按其估計可使用年期5年以直線法於綜合收益表中攤銷。正商譽按成本值減任何累積攤銷及任何減值虧損列入綜合資產負債表（見附註1(k)）。

就收購聯營公司而言，正商譽按其估計可使用年期以直線法於綜合收益表中攤銷。正商譽是按成本值減去任何累積攤銷及任何減值虧損（見附註1(k)）後計入聯營公司權益之賬面值內。

年內出售所控制附屬公司或聯營公司時，任何過往未於綜合收益表中攤銷或列作集團儲備變動之所購商譽應備數額，於計算出售盈虧時入賬。

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Other investments in securities

The group's and the company's policies for investments in securities other than investments in subsidiaries and associates are as follows:

- (i) Investments held on a continuing basis for an identified long-term purpose are classified as investment securities. Investment securities are stated in the balance sheet at cost less any provisions for diminution in value. Provisions are made when the fair values have declined below the carrying amounts, unless there is evidence that the decline is temporary, and are recognised as an expense in the income statement, such provisions being determined for each investment individually.
- (ii) Provisions against the carrying value of investment securities are written back when the circumstances and events that led to the write-down or write-off cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.
- (iii) All other securities (whether held for trading or otherwise) are stated in the balance sheet at fair value. Changes in fair value are recognised in the income statement as they arise. Securities are presented as trading securities when they were acquired principally for the purpose of generating a profit from short term fluctuations in price or dealer's margin.

1. 主要會計政策 (續)

(f) 其他投資證券

本集團及本公司有關投資證券(附屬公司及聯營公司之投資除外)之政策如下:

- (i) 按持續基準持有作已定長期用途之投資分類為投資證券。投資證券按成本值減任何減值撥備於資產負債表列賬。倘公平價值降至低於賬面值,即須作出撥備,惟有證據顯示該減額僅屬暫時性質之情況除外,於收益表確認為開支,而有關撥備須就各項投資個別釐定。
- (ii) 就投資證券賬面值作出之撥備,於導致撇減或撇銷之情況及事項不再存在,且有具說服力憑證顯示新情況及事項將於可預見將來持續方予撥回。
- (iii) 所有其他證券(不論持作買賣或其他用途)均按公平價值於資產負債表列賬。公平價值之變動於產生時在收益表確認。倘證券主要從短期價格波動或證券商利潤賺取溢利而購入,即列作買賣證券。

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Other investments in securities (continued)

- (iv) Profits or losses on disposal of investments in securities are determined as the difference between the estimated net disposal proceeds and the carrying amount of the investments and are accounted for in the income statement as they arise.

(g) Fixed assets

- (i) Fixed assets are carried in the balance sheet on the following bases:

- investment properties with an unexpired lease term of more than 20 years are stated in the balance sheet at their open market value which is assessed annually by external qualified valuers;
- land and buildings held for own use are stated in the balance sheet at their revalued amount, being their open market value at the date of revaluation less any subsequent accumulated depreciation (see note 1(j)). Revaluations are performed by qualified valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the balance sheet date; and
- all other fixed assets are stated in the balance sheet at cost less accumulated depreciation (see note 1(j)) and impairment losses (see note 1(k)).

1. 主要會計政策 (續)

(f) 其他投資證券 (續)

- (iv) 出售投資證券所得盈虧指投資之估計出售所得款項淨額與賬面值之差額，於產生時計入收益表。

(g) 固定資產

- (i) 固定資產乃按下列基準計入資產負債表：

- 未屆滿租約年期超過20年之投資物業，乃按每年由外聘合資格估值師評估之公開市值於資產負債表入賬；
- 自用土地及樓宇乃按重估金額（即於重估日之公開市值減任何其後出現之累積折舊）於資產負債表入賬（見附註1(j)）。重估由合資格估值師定期進行，以確保該等資產之賬面值不會嚴重偏離該等按結算日之公平價值釐定之價值；及
- 所有其他固定資產乃按成本值減累積折舊（見附註1(j)）及減值虧損（見附註1(k)）於資產負債表列賬。

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Fixed assets (continued)

(ii) Changes arising on the revaluation of investment properties are generally dealt with in reserves. The only exceptions are as follows:

- when a deficit arises on revaluation, it will be charged to the income statement, if and to the extent that it exceeds the amount held in the reserve in respect of the portfolio of investment properties, immediately prior to the revaluation; and
- when a surplus arises on revaluation, it will be credited to the income statement, if and to the extent that a deficit on revaluation in respect of the portfolio of investment properties, had previously been charged to the income statement.

(iii) Subsequent expenditure relating to a fixed asset that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the enterprise. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

1. 主要會計政策 (續)

(g) 固定資產 (續)

(ii) 重估投資物業產生之變動一般於儲備處理，唯一例外情況如下：

- 倘重估產生虧絀，而有關虧絀超出估值前儲備內有關投資物業組合之金額，則虧絀將自收益表扣除；及
- 倘重估產生盈餘，盈餘將計入收益表，惟僅限於先前已於收益表內扣除有關投資物業組合之重估虧絀之情況。

(iii) 倘超過現有資產原先評估的表現水平的未來經濟效益可能流入企業時，與固定資產有關而且已獲確認的其後支出便會加入資產的賬面金額。所有其他其後支出則在產生的期間確認為支出。

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Fixed assets (continued)

- (iv) Gains or losses arising from the retirement or disposal of a fixed asset are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the income statement on the date of retirement or disposal. On disposal of an investment property, the related portion of surpluses or deficits previously taken to the investment properties revaluation reserve is also transferred to the income statement for the year. For all other fixed assets, any related revaluation surplus is transferred from the revaluation reserve to retained profits.

(h) Intangible assets (other than goodwill)

- (i) Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the group has sufficient resources and the intention to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Capitalised development costs are stated at cost less accumulated amortisation (see note 1(j)) and impairment losses (see note 1(k)). Other development expenditure is recognised as an expense in the period in which it is incurred.

1. 主要會計政策 (續)

(g) 固定資產 (續)

- (iv) 棄用或出售固定資產時所產生之盈虧指有關資產估計出售所得款項淨額與賬面金額之差額，於棄用或出售當日於收益表中確認。於出售投資物業時，有關其先前計入投資物業重估儲備之盈餘或虧絀亦將轉撥入有關年度收益表處理。至於所有其他固定資產，任何相關重估盈餘由重估儲備轉撥至保留溢利。

(h) 無形資產 (商譽除外)

- (i) 以獲取及瞭解新科學或技術知識為目的之研究活動支出，於產生期間確認為開支。開發活動支出於產品或過程在技術及商業上切實可行，且本集團具備足夠資源及有意完成該開發項目之情況下撥充資本。撥充資本之支出包括物資成本、直接勞工及適當比例的經常開支。撥充資本之開發成本以成本值減累積攤銷（見附註1(j)）及減值虧損（見附註1(k)）列賬。其他開發支出則於產生期間確認為開支。

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Intangible assets (other than goodwill)

(continued)

(ii) Other intangible assets that are acquired by the group are stated in the balance sheet at cost less accumulated amortisation (see note 1(j)) and impairment losses (see note 1(k)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

(iii) Subsequent expenditure on an intangible asset after its purchase or its completion is recognised as an expense when it is incurred unless it is probable that this expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and this expenditure can be measured and attributed to the asset reliably. If these conditions are met, the subsequent expenditure is added to the cost of the intangible asset.

(i) Leased assets

Leases of assets under which the lessee assumes substantially all the risks and benefits of ownership are classified as finance leases. Leases of assets under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases.

1. 主要會計政策 (續)

(h) 無形資產 (商譽除外) (續)

(ii) 本集團所收購的其他無形資產乃以成本值減累積攤銷 (見附註 1(j)) 及減值虧損 (見附註 1(k)) 於資產負債表內列賬。內部產生商譽及品牌支出於產生期間確認為開支。

(iii) 無形資產於收購或完成後之日後支出確認為開支，惟該項支出有可能致使資產產生超逾其先前評估表現水平之日後經濟利益，且能可靠地計算及撥歸資產之情況則除外。倘符合此等條件獲達成，則日後支出計入無形資產成本。

(i) 租賃資產

由承租人承擔所有權的絕大部分相關風險及利益的資產租賃，均列作融資租賃。出租人若沒有出讓所有權的全部相關風險及利益的資產租賃，則列作經營租賃。

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Leased assets (continued)

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

(j) Amortisation and depreciation

- (i) No depreciation is provided on investment properties with an unexpired lease term of over 20 years or on freehold land.
- (ii) Depreciation is calculated to write off the cost or valuation of other fixed assets over their estimated useful lives and residual rates as follows:

1. 主要會計政策 (續)

(i) 租賃資產 (續)

倘本集團透過經營租約運用資產，則根據租約支付之租金在租賃期所涵蓋的會計期間內，分期等額在收益表扣除，除非有其他更能清楚反映租賃資產所產生利益模式之基準。已收取之租賃優惠均在收益表中確認，以用作計算租賃淨付款總額。或然租金在其產生的會計期間內在收益表扣除。

(j) 攤銷及折舊

- (i) 未屆滿租約年期超過20年或位於不動產土地之投資物業毋須作出折舊撥備。
- (ii) 其他固定資產之折舊按預計可使用年期及殘值率撇銷成本或估值，折舊詳情如下：

	Useful life 可使用年期	Residual rates 殘值率
Land and buildings 土地及房屋建築物	40 – 55 years 40-55年	0% – 10%
Leasehold improvements 租賃改良	The shorter of the unexpired period of the lease and estimated useful life 剩餘租賃年期及估計可使用年期 (以較短者為準)	0% – 10%
Machinery and equipment 機器設備	5 – 10 years 5-10年	0% – 10%
Motor vehicles 汽車設備	3 – 5 years 3-5年	0% – 10%
Furniture and fixtures 傢具及裝置	2 – 15 years 2-15年	0% – 10%

Notes on the Financial Statements
財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Amortisation and depreciation (continued)

(iii) Amortisation of intangible assets is charged to the income statement on a straight-line basis over the assets' estimated useful lives as follows:

– capitalised development costs	5 years
– patents and trademarks	5 to 10 years

(k) Impairment of assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- fixed assets (other than properties carried at revalued amounts);
- investments in subsidiaries and associates;
- intangible assets; and
- positive goodwill.

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the income statement whenever the carrying amount of such an asset exceeds its recoverable amount.

1. 主要會計政策 (續)

(j) 攤銷及折舊 (續)

(iii) 無形資產之攤銷按資產之估計可使用年期以直線法自收益表扣除:

– 撥充資本	
開發成本	5年
– 專利權及商標	5-10年

(k) 資產減值

公司會於每個結算日審閱內部及外界資料來源，以判斷是否有跡象顯示下述資產可能出現減值情況或先前已確認之減值虧損已不復存在或可能已減少:

- 固定資產 (按重估值列賬之物業除外);
- 於附屬公司及聯營公司之投資;
- 無形資產; 及
- 正商譽。

倘發現有任何該等跡象存在，即會估計資產之收回數額。當資產賬面金額超出其可收回數額時，減值虧損即予以確認。

Notes on the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Impairment of assets (continued)

(i) Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

(ii) Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is reversed only if the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and the increase in recoverable amount relates clearly to the reversal of the effect of that specific event.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

1. 主要會計政策 (續)

(k) 資產減值 (續)

(i) 計算可收回數額

資產之可收回數額乃指售價淨額或使用價值(以較高者為準)。評估使用價值時,會按可反映現行市場對貨幣之時間價值及資產特有風險之評估之稅前貼現率,將估計未來現金流量貼現至現值。倘資產所產生之現金流入實際上不獨立於其他資產所產生之現金流入,則只會就可獨立產生現金流入之最少資產組合(即產生現金單位)而釐定可收回數額。

(ii) 減值虧損撥回

就商譽以外之資產而言,倘用作釐定可收回數額之預測數字出現正面變動,即可撥回減值虧損。商譽之減值虧損僅會在該虧損乃由於預料以外性質特殊之特定外來事件所引致,且並不預期會再現,及其可收回數額之增加明顯是與該特殊因素轉回有關,方會作出撥回。

減值虧損撥回以假設資產在以往年度並無確認任何減值虧損而釐定之賬面金額為限。減值虧損撥回於有關撥回款項獲確認之年度內於收益表入賬。

Notes on the Financial Statements
財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

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

(m) Cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

1. 主要會計政策 (續)

(l) 存貨

存貨以成本值及可變現淨值兩者之較低者入賬。

成本乃根據加權平均成本法計算，並包括所有購買成本、加工成本及其他將存貨送抵目前地點及達致目前狀況所產生之其他成本。

可變現淨值指於日常業務中之估計售價減估計完工成本及作出銷售所需估計成本。

售出存貨後，有關存貨之賬面值將於有關收入獲確認之期間確認為開支。所有將存貨撇減至可變現淨值之數額及有關存貨之虧損於撇減或出現虧損期間確認為開支。倘因存貨之可變現淨值增加而撥回撇減，則有關數額將於出現撥回期間按已確認為開支之存貨數額減少確認。

(m) 現金等價物

現金及現金等價物包括銀行及手頭現金、銀行及其他財務機構之活期存款，以及可隨時轉換為已知數額現金，並於購入時起計三個月內到期且幾乎不受價值變動風險影響之短期高度流通投資項目。

Notes on the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Employee benefits

- (i) Salaries, annual bonuses, paid annual leave, leave passage and the cost to the group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.
- (ii) Contributions to Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance, are recognised as an expense in the income statement as incurred.
- (iii) Subsidiaries incorporated in the People's Republic of China ("PRC") participate in the retirement schemes operated by the local authorities for employees in the PRC. Contributions to these schemes are charged to the income statement when incurred.

1. 主要會計政策 (續)

(n) 僱員福利

- (i) 薪金、年度花紅、有薪年假、假期旅遊津貼及本集團因各項非貨幣福利而產生的成本，均在本集團僱員提供相關服務的年度內累計。倘延遲付款或結算會構成重大的貨幣時間價值，則上述數額須按現值列賬。
- (ii) 根據香港強制性公積金計劃條例規定作出的強制性公積金供款，於產生時在收益表列作支出。
- (iii) 於中華人民共和國（「中國」）註冊成立之附屬公司參與中國機關為當地僱員所營辦之退休計劃。上述計劃供款於產生時在收益表列作支出。

Notes on the Financial Statements
財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Employee benefits (continued)

- (iv) The group's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on high quality corporate bonds that have maturity dates approximating the terms of the group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the income statement.

In calculating the group's obligation in respect of a plan, to the extent that any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the defined benefit obligation and the fair value of plan assets, that portion is recognised in the income statement over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

1. 主要會計政策 (續)

(n) 僱員福利 (續)

- (iv) 本集團就定額福利退休計劃所承擔之負擔淨額，乃按估計僱員因現時及過往期間服務而日後應能賺取的福利之折現值，並扣減任何計劃之資產公平價值而計算。貼現率乃參照與集團之承擔年期接近之高質素企業債券於結算日之回報率計算，由合資格精算師採用預計單位成本法計算。

當計劃之福利得到改善，該項與僱員過往服務有關之福利增長部分，乃按直至僱員有權獲享該項福利為止之平均期間以直線法於收益計算表中確認為支出。若僱員可即時享有該項福利，則即時於收益表確認為支出。

在計算本集團在計劃中所承擔數額時，倘累積未有確認精算收益或虧損超逾定額福利承擔貼現值與計劃資產公平價值兩者中較高數額的百分之十，則該部分須按參與計劃僱員之預計平均剩餘工作年期在收益計算表中確認，否則不會確認該精算收益或虧損。

Notes on the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Employee benefits (continued)

(iv) (continued)

Where the calculation of the group's net obligation results in a negative amount, the asset recognised is limited to the net total of any cumulative unrecognised net actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

(v) When the group grants employees options to acquire shares of the company at a nominal consideration, no employee benefit cost or obligation is recognised at the date of grant. When the options are exercised, equity is increased by the amount of the proceeds received.

(vi) Termination benefits are recognised when, and only when, the group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

1. 主要會計政策 (續)

(n) 僱員福利 (續)

(iv) (續)

倘本集團之承擔淨額為負數，可確認之資產只限於本集團任何累積未確認之精算虧損淨額及過往服務成本之總淨額以及日後可從該計劃收回之退款或減少供款之貼現值。

(v) 倘本集團按名義代價授予僱員可認購本公司股份的購股權，則在授出當日不會確認為僱員福利成本或承擔。當購股權獲行使時，權益會按所收取款項相應增加。

(vi) 合約終止補償只會在本集團根據正式、具體，且不大可能撤回的計劃終止僱員合約或僱員自願遣散而終止合約或作出補償時確認。

Notes on the Financial Statements
財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Income tax

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

1. 主要會計政策 (續)

(o) 所得稅

- (i) 本年度所得稅包括即期稅項及遞延稅項資產和負債的變動。即期稅項及遞延稅項資產和負債的變動均在收益表內確認，但與直接確認為股本項目相關的，則確認為股本。
- (ii) 即期稅項是按本年度應課稅收入，以在結算日已頒布或實際頒布的稅率計算的預期應繳稅項，加上以往年度應繳稅項的任何調整。
- (iii) 遞延稅項資產和負債分別由可抵扣和應課稅暫時差額產生。暫時差額是指資產和負債就財務申報的賬面值與該等資產和負債的稅基的差額。遞延稅項資產亦自未動用稅項虧損和未動用稅項抵免產生。

Notes on the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Income tax (continued)

(iii) (continued)

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

1. 主要會計政策 (續)

(o) 所得稅 (續)

(iii) (續)

除了某些例外情況外，所有遞延稅項負債和遞延稅項資產於日後應課稅溢利有可能抵銷資產之情況下予以確認。支持確認由可抵扣暫時差額所產生遞延稅項資產的日後應課稅溢利包括撥回現有應課稅暫時差額而產生的數額；惟該等差額與同一稅務機關及同一應課稅實體有關，並預期在可抵扣暫時差額預計撥回的同一期間或遞延稅項資產所產生稅項虧損可轉前或結轉的期間內撥回。在決定現有應課稅暫時差額是否足以支持確認由未動用虧損和抵免所產生的遞延稅項資產時，亦會採用同一準則，即差額是否與同一稅務機關及同一應課稅實體有關，並是否預期在能動用稅項虧損和抵免的期間或多個期間撥回。

Notes on the Financial Statements
財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Income tax (continued)

(iii) (continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, negative goodwill treated as deferred income, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

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

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

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

1. 主要會計政策 (續)

(o) 所得稅 (續)

(iii) (續)

確認為遞延稅項資產和負債之例外情況包括暫時差額產生自不可扣減稅項的商譽；作為遞延收入處理的負商譽；不影響會計或應課稅溢利的資產或負債的初始確認（如屬業務合併一部分則除外）所產生的暫時差額；以及與投資於附屬公司有關之暫時差額，如屬應課稅差額，只限於本集團可以控制撥回時間，而且在可預見將來不大可能撥回的暫時差額；或如屬可抵扣差額，則只限於很可能在將來撥回的差額。

遞延稅項是按照資產和負債賬面值的預期變現或清償方式，根據在結算日已頒布或實際頒布的稅率計算。遞延稅項資產和負債均不貼現計算。

本集團會在每個結算日審閱遞延稅項資產的賬面值。倘預期不再可能獲得足夠應課稅溢利以動用相關的稅項利益，該有關賬面值便會調低；惟倘日後有可能獲得足夠應課稅溢利，則有關減額便會撥回。

自股息分派產生之額外所得稅乃於確認派付有關股息之責任時予以確認。

Notes on the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Income tax (continued)

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

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

1. 主要會計政策 (續)

(o) 所得稅 (續)

(iv) 即期及遞延稅項結餘和其變動分開列示，並且不予抵銷。即期和遞延稅項資產僅會在本公司或本集團有法定行使權將即期稅項資產抵銷即期稅項負債，並符合以下附帶條件的情況下，方會分別抵銷即期和遞延稅項資產及負債：

- 即期稅項資產和負債：本公司或本集團計劃按淨額基準結算，或同時變現該資產和清償該負債；或
- 遞延稅項資產和負債：該等資產和負債必須與同一稅務機關就以下其中一項徵收的所得稅有關：
 - 同一應課稅實體；或
 - 不同的應課稅實體。該等實體計劃在預期有大額遞延稅項負債需要清償或可收回遞延稅項資產的每個日後期間，按淨額基準變現即期稅項資產和清償即期稅項負債，或同時變現和清償有關款額。

Notes on the Financial Statements
財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Provisions and contingent liabilities

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

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

1. 主要會計政策 (續)

(p) 撥備及或然負債

時間或數額不確定的負債的撥備於本公司或本集團因過往事項而承擔法定或推定債務，而有可能需要流出經濟效益以償付有關債務，以及能夠可靠地估計數額時予以確認。倘貨幣時間值屬重大，撥備以償付有關債務的估計開支現值入賬。

除非經濟效益流出的可能性很低，否則，倘經濟效益未必可能需要流出，或不能可靠地估計數額，有關債務將披露為或然負債。除非經濟效益流出的可能性很低，否則，可能出現的債務（其存在只會視乎一項或多項未來事項是否發生而定）亦將披露為或然負債。

Notes on the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Revenue recognition

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

(i) Sale of goods

Revenue is recognised when goods are delivered at the customers' premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

(ii) Service income

Service income is recognised when services are rendered and the amount receivable can be measured reliably. Treatment fees received in advance for which services have not been rendered at the balance sheet date are shown as deferred income in the consolidated balance sheet.

(iii) Entrustment fee income

Entrustment fees arising from entrusting the group's businesses to third party operators are recognised in the income statement in equal instalments over the entrustment periods.

1. 主要會計政策 (續)

(q) 收入確認

當經濟利益有可能撥歸本集團所有，而收入及成本（如適用）能可靠衡量時，收入將按下列基準計入收益表：

(i) 出售貨品

當貨品付運至客戶之物業（即客戶接納貨品、擁有權之相關風險及回報時），收入將予以確認。收入不包括增值稅或其他銷售稅項並已扣減任何商業折扣。

(ii) 服務收益

服務收益於提供服務及可收款項能可靠計算時確認。預先收取而於結算日尚未提供服務之美容服務費於綜合資產負債表列作遞延收入。

(iii) 委託經營收益

產生自由第三方經營者委託經營本集團業務之收益，於委託經營期間分期按固定款額於收益表確認。

Notes on the Financial Statements
財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Revenue recognition (continued)

- (iv) *Barter sales*
Exchange of the group's products for advertising services is regarded as exchange of dissimilar products that generates revenue. The group measures such revenue at the fair value of the goods given up. Gross profit from such barter transactions is recorded as deferred income in the balance sheet and recognised in the income statement in the same period as the relevant advertising credits are utilised.
- (v) *Rental income from operating leases*
Rental income receivable under operating leases is recognised in the income statement in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised in the income statement as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.
- (vi) *Dividends*
Dividend income from investments is recognised when the shareholder's right to receive payment is established.
- (vii) *Interest income*
Interest income from bank deposits is accrued on a time-apportioned basis by reference to the principal outstanding and the rate applicable.

1. 主要會計政策 (續)

(q) 收入確認 (續)

- (iv) *互換銷售*
以本集團產品換取廣告服務被視為交換不同類產品，該等交易收入入賬列為收入。本集團按換出產品的公平價值計算有關收入。來自此種互換交易產生的毛利入賬列為遞延收益，並於有關廣告服務提供之同期在收益表確認。
- (v) *經營租賃之租金收益*
根據經營租賃應收之租金收益於租賃期涵蓋之會計期間，分期按固定金額於收益表確認，除非其他基準更能反映源自租賃資產利益模式。所授出租賃優惠於收益表列作應收租賃款項淨額其中部分。或然租金於賺取租金之會計期間確認為收益。
- (vi) *股利*
投資股利收益於股東獲取派發股利的權利確定時確認。
- (vii) *利息收益*
銀行存款之利息收益依據未償還本金及適用息率按時間比例基準累計。

Notes on the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Revenue recognition (continued)

(viii) Financial refunds

Government financial refunds are recognised when there is reasonable assurance that they will be received and that the group will comply with the conditions attaching to them. Financial refunds that compensate the group for expenses incurred are recognised as other revenue in the income statement on a systematic basis in the same periods in which the expenses are incurred.

(r) Translation of foreign currencies

Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. Exchange gains and losses are dealt with in the income statement.

The results of foreign enterprises are translated into Hong Kong dollars at the average exchange rates for the year; balance sheet items are translated into Hong Kong dollars at the rates of exchange ruling at the balance sheet date. The resulting exchange differences are dealt with as a movement in reserves.

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

1. 主要會計政策 (續)

(q) 收入確認 (續)

(viii) 財務退款

將可合理確定收取政府財務退款及本集團將符合有關條件時，方可確認政府財務退款。可彌補本集團所產生開支之財務退款，於產生有關開支期間有系統於收益表確認為其他收入。

(r) 外幣換算

年內之外幣交易按交易日之匯率換算為港元。以外幣計算之貨幣資產及負債按結算日之匯率換算為港元。換算盈虧撥入收益表處理。

海外企業之業績按年內平均匯率換算為港元，而資產負債表項目則按結算日之匯率換算為港元。匯兌差額均列為儲備之變動。

出售海外企業時，計算出售時產生之溢利或虧損時，包括有關該海外企業之匯兌差額累計款項。

Notes on the Financial Statements
財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

1. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

(s) Borrowing costs

Borrowing costs are expensed in the income statement in the period in which they are incurred.

(t) Related parties

For the purposes of these financial statements, parties are considered to be related to the group if the group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

(u) Segment reporting

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

In accordance with the group's internal financial reporting system, the group has chosen geographical segment information as the primary reporting format and business segment information as the secondary reporting format for the purposes of these financial statements.

1. **主要會計政策 (續)**

(s) 借貸成本

借貸成本乃於產生期間在收益表內列作開支。

(t) 關連人士

就此等財務報表而言，凡本集團可直接或間接控制，或於作出財務及經營決策時對其行使重大影響力之人士（或反之亦然），或本集團與其均受他人共同控制或行使共同重大影響力之人士，均被視為與本集團有關連。關連人士可為個人或其他實體。

(u) 分部報告

分部是指本集團從事提供產品或服務（業務分部），或在特定之經濟環境內提供產品或服務（地域分部）而可以區別的組成部分，其風險及報酬均有別於其他分部。

根據本集團內部財務報告制度，就財務報表而言，本集團選擇以地域分部資料為主要報告方式，而業務分部資料則為次要報告方式。

Notes on the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Segment reporting (continued)

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

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

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

1. 主要會計政策 (續)

(u) 分部報告 (續)

分部收入、開支、業績、資產及負債包括直接與該分部有關之項目，亦包括可合理列入有關分部之項目。例如，分部資產可包括存貨、應收賬款及不動產、廠房及設備。分部收入、開支、資產及負債在編製綜合財務報表時抵銷之集團內部往來結餘及交易前釐定，惟屬同一分部集團公司間之結餘及交易則除外。各分部間之定價乃根據向其他外界人士所獲之相若條款計算。

分部資本開支是指在期內購入預計可於超過一個期間使用之分部資產所產生之成本總額。

未撥配項目主要包括財務及公司資產、計息貸款、借款、集團及融資開支以及少數股東權益。

Notes on the Financial Statements
財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

2. TURNOVER

The principal activities of the group are manufacturing and selling of skin care, beauty and aromatherapeutic products, provision of skin treatments, beauty and SPA services and skin care consulting and beauty training.

Turnover represents the sales value of goods delivered to customers and service income from provision of skin treatments, beauty and SPA services and entrustment fee income. The amount of each significant category of revenue recognised in turnover during the year is as follows:

2. 營業額

本集團主要從事護膚品、彩粧品及芳香療法產品製造及銷售，提供肌膚護理、美容及SPA服務，以及肌膚護理顧問及美容培訓等業務。

營業額指交付客戶之貨品銷售價值及提供肌膚護理、美容及SPA服務之服務收入及委託經營收益。年內於營業額中確認的各主要類別收入如下：

Turnover

Sales of goods
Service income
Entrustment fee income

營業額

產品銷售
服務收入
委託經營收益

2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元
296,583	269,804
18,719	51,468
4,784	1,979
320,086	323,251

Notes on the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

3. OTHER REVENUE AND NET (LOSS)/INCOME

3. 其他收入及(虧損)/收益淨額

		2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元
Other revenue	其他收入		
Rental income from investment properties	來自投資物業之租金收入	3,693	2,228
Rental income from other properties	來自其他物業之租金收入	980	667
Bank interest income	銀行利息收益	930	1,903
Financial refunds (note)	財務退款(附註)	11,842	7,069
Others	其他收益	2,664	809
		20,109	12,676
Other net (loss)/income	其他(虧損)/收益淨額		
Gain on disposal of assets held for resale	出售持作轉售之資產收益	-	5,817
Loss on disposal of fixed assets	出售固定資產虧損	(1,752)	(158)
Net realised and unrealised gains on other securities carried at fair value	其他按公平值列賬證券之已變現及未變現收益淨額	1,841	2,445
Net exchange loss	匯兌虧損淨額	(672)	(123)
		(583)	7,981

Note: Pursuant to the local practice of the finance bureau of the provinces in which certain of the PRC subsidiaries operate, the PRC subsidiaries are entitled to financial refunds based on a percentage of the income and other taxes paid. These financial refunds are treated as tax exempted by such finance bureaus. However, the refunds and the tax exemption treatment thereof are subject to review annually, and could be treated differently in the future. It is therefore uncertain if these subsidiaries will continue to be eligible for such financial refunds and the tax exemption treatment thereof in the future.

附註：根據中國若干附屬公司經營所在地之省份財政部門的當地慣例，中國附屬公司有權按收益及其他已繳稅款某個百分比獲得財務退款。該等財務退款被當作該等財政部門作出之稅項豁免。然而，有關退款及稅項豁免待遇須每年審閱，故日後可能以不同方法處理。因此不能確定該等附屬公司日後將繼續有權取得該等財務退款及稅項豁免待遇。

Notes on the Financial Statements
財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

4. PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION

Profit from ordinary activities before taxation is arrived at charging:

4. 除稅前日常業務溢利

除稅前日常業務溢利經扣除下列各項後列賬：

		2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元
(a) Finance costs:	(a) 融資成本：		
Interest on bank overdrafts	銀行透支利息	<u>6</u>	<u>477</u>
(b) Staff costs* (excluding directors' remuneration (note 6):	(b) 員工成本* (不包括董事酬金) (附註6)：		
Contributions to defined contribution plans	定額供款計劃供款	4,478	4,208
Expenses recognised in respect of defined benefits plans (note 26)	定額福利計劃之已確認支出 (附註26)	<u>1,138</u>	<u>1,102</u>
Retirement costs	退休成本	5,616	5,310
Salaries, wages and other benefits	薪金、工資及其他福利	46,426	43,274
		<u>52,042</u>	<u>48,584</u>
(c) Other items:	(c) 其他項目：		
Cost of inventories sold*	已售存貨成本*	31,451	31,907
Auditors' remuneration (audit services)	核數師酬金 (核數服務)	1,898	1,372
Depreciation*	折舊*	23,084	20,590
Amortisation of goodwill	商譽攤銷	4,445	83
Amortisation of other intangible assets	其他無形資產攤銷	2,477	1,098
Operating leases charges on land and buildings* – Minimum lease payments	土地及樓宇之經營租賃支出* – 最低租金付款	15,664	17,283
– Contingent rentals	– 或然租金	5,206	4,442
Rentals receivable from investment properties less direct outgoings of \$443,000 (2002: \$595,000)	投資物業之應收租金減直接支銷 443,000元(二零零二年: 595,000元)	3,250	1,633
Rentals receivable from other properties less direct outgoings of \$49,000 (2002: \$33,000)	其他物業之應收租金減直接支銷 49,000元(二零零二年: 33,000元)	931	634
Research and development costs	研發成本	<u>157</u>	<u>592</u>

* Cost of inventories sold includes \$9,844,000 (2002: \$8,205,000) relating to staff costs, depreciation expenses and operating lease charges, which amount is also included in the respective total amounts disclosed separately above or in note 4(b) for each of these types of expenses.

* 已售存貨成本包括有關員工成本、折舊支出及經營租賃支出之9,844,000元(二零零二年: 8,205,000元)。該金額已計入上文之其他披露或附註4(b)該等類別支出各自之有關總額。

Notes on the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

5. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

5. 計入綜合收益表之所得稅

(a) 計入綜合收益表之稅項指：

		2003 二零零三年 \$'000 千元	2002 二零零二年 restated 重列 \$'000 千元
Current tax – Provision for Hong Kong Profits Tax	即期稅項 – 香港利得稅撥備		
Tax for the year	本年度稅項	—	—
Current tax – Outside Hong Kong	即期稅項 – 香港以外地區		
Tax for the year	本年度稅項	31,035	29,753
Over-provision in respect of prior years	以往年度超額撥備	(1,068)	(1,035)
		29,967	28,718
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時性差額產生及撥回	218	(1,544)
Effect of increase in tax rate on deferred tax balances at 1 January	調高稅率對一月一日遞延稅項結餘之影響	(101)	—
		117	(1,544)
		30,084	27,174

No Hong Kong Profits Tax has been provided, as the group did not earn any assessable profits in Hong Kong during the year ended 31 December 2003 (2002: \$Nil).

由於本集團於截至二零零三年十二月三十一日止年度並無在香港賺得任何應課稅溢利(二零零二年:零),故並無就香港利得稅提撥準備。

Notes on the Financial Statements
財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

5. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (continued)

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

Taxation for subsidiaries outside Hong Kong is charged at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

For subsidiaries in Taiwan, income tax is also charged on the unappropriated profits at a rate of 10% (2002: 10%) in the year when the shareholders have resolved that the unappropriated profits shall be retained.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates

5. 計入綜合收益表之所得稅(續)

(a) 計入綜合收益表之稅項指：(續)

香港以外地區附屬公司之稅項，已按有關稅項司法權區之適用現行稅率計算。

就台灣附屬公司而言，於股東議決保留未撥配溢利的年度，所得稅亦按10%的稅率(二零零二年：10%)對未撥配溢利作扣除。

(b) 按適用稅率計算之稅項支出與會計溢利之對賬

		2003 二零零三年 \$'000 千元	2002 二零零二年 restated 重列 \$'000 千元
Profit before tax	除稅前溢利	83,525	94,097
Notional tax on profit before tax, calculated at the rates applicable to profits in the tax jurisdictions concerned	除稅前溢利之名義稅項，按有關稅項司法權區就溢利適用之稅率計算	26,434	21,246
Tax effect of non-deductible expenses	不扣稅支出之稅務影響	4,221	6,356
Tax effect of non-taxable revenue	非課稅收入之稅務影響	(4,137)	(3,127)
Tax effect of unused tax losses not recognised	未動用未確認稅項虧損之稅務影響	4,735	3,734
Effect on opening deferred tax balances resulting from an increase in tax rate during the year	年內調高稅率對遞延稅項期初結餘之影響	(101)	-
Over-provision in prior years	以往年度超額撥備	(1,068)	(1,035)
Actual tax expense	實際稅項支出	30,084	27,174

Notes on the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

6. DIRECTORS' REMUNERATION

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

Fees	袍金
Salaries and other emoluments	薪金及其他酬金
Discretionary bonuses	酌情花紅
Retirement scheme contributions	退休計劃供款

Included in directors' remuneration were fees of \$40,000 (2002: \$32,000) paid to the independent non-executive directors during the year.

Four of the directors have waived their entitlement to certain remuneration of \$2,109,000 (2002: \$Nil) during the year ended 31 December 2003.

The remuneration of the directors is within the following bands:

\$	元
Nil – 1,000,000	零 – 1,000,000

6. 董事酬金

根據香港公司條例第161條須予披露之董事酬金如下：

2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元
–	–
1,318	2,862
–	–
12	11
1,330	2,873

董事酬金包括年內支付予獨立非執行董事之袍金40,000元(二零零二年: 32,000元)。

截至二零零三年十二月三十一日止年度內,四名董事已豁免彼等之若干酬金,為數達2,109,000元(二零零二年: 無)。

董事酬金介乎以下組別:

Number of directors 董事人數	
2003 二零零三年	2002 二零零二年
6	6

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(Expressed in Hong Kong dollars) (以港元為單位)

7. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, two (2002: four) are directors whose emoluments are disclosed in note 6. The aggregate of the emoluments in respect of the other three (2002: one) individuals are as follows:

Salaries and other emoluments	薪金及其他酬金
Discretionary bonuses	酌情花紅
Retirement scheme contributions	退休計劃供款

The emoluments of the three (2002: one) individuals with the highest emoluments are within the following band:

\$	元
Nil – 1,000,000	零 – 1,000,000

7. 最高薪酬人士

五名最高薪酬人士包括兩名(二零零二年:四名)董事,其薪酬已於附註6披露。其餘三名(二零零二年:一名)人士之薪酬總額如下:

2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元
2,192	349
—	—
33	—
2,225	349

三名(二零零二年:一名)最高薪酬人士之酬金介乎以下組別:

Number of individuals
人數

2003 二零零三年	2002 二零零二年
3	1

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(Expressed in Hong Kong dollars) (以港元為單位)

8. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The consolidated profit attributable to shareholders includes a profit of \$25,148,000 (2002: \$34,094,000) which has been dealt with in the financial statements of the company.

Reconciliation of the above amount to the company's profit for the year:

8. 股東應佔溢利

股東應佔綜合溢利包括一項已計入本公司財務報表的溢利25,148,000元(二零零二年:34,094,000元)。

上述金額與本公司年內溢利對賬如下:

		2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元
Amount of consolidated profit attributable to shareholders dealt with in the company's financial statements	計入本公司財務報表的股東應佔綜合溢利	25,148	34,094
Final dividends from subsidiaries attributable to the profits of the previous financial year, approved and paid during the year	年內批准及派付附屬公司因上一個財政年度溢利而宣派之末期股利	50,298	4,573
Company's profit for the year (note 30)	本公司年內溢利(附註30)	75,446	38,667

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9. DIVIDENDS

(a) Dividends attributable to the year

Interim dividend declared and paid of \$0.006 per share (2002: \$0.0075 per share)	已宣派及派付之中期股利每股0.006元(二零零二年:每股0.0075元)
Final dividend proposed after the balance sheet date of \$0.015 per share (2002: \$0.02 per share)	結算日後擬派之末期股利每股0.015元(二零零二年:每股0.02元)

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

(b) Dividends attributable to the previous financial year, approved and paid during the year

Final dividend in respect of the previous financial year, approved and paid during the year, of \$0.02 per share (2002: \$0.01148 per share)	年內批准及派付有關上一個財政年度之末期股利每股0.02元(二零零二年:每股0.01148元)
--	--

9. 股利

(a) 年內應佔股利

2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元
12,000	15,000
<u>30,000</u>	<u>40,000</u>
<u>42,000</u>	<u>55,000</u>

於結算日後建議之末期股利並無於結算日確認為負債。

(b) 年內批准及派付有關上一個財政年度之股利

2003 二零零三年 \$'000 千港元	2002 二零零二年 \$'000 千港元
40,000	22,960

Notes on the Financial Statements 財務報表附註

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10. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the group's profit attributable to shareholders of \$54,142,000 (2002 restated: \$68,258,000) and the number of 2,000,000,000 ordinary shares (2002: proforma weighted average of 1,882,192,000 ordinary shares) in issue during the year.

No diluted earnings per share is presented, as the company has no dilutive potential shares outstanding.

11. CHANGES IN ACCOUNTING POLICY

In prior years, deferred tax liabilities were provided using the liability method in respect of the taxation effect arising from all material timing differences between the accounting and tax treatment of income and expenditure, which were expected with reasonable probability to crystallise in the foreseeable future. Deferred tax assets were not recognised unless their realisation was assured beyond reasonable doubt. With effect from 1 January 2003, in order to comply with Statement of Standard Accounting Practice 12 (revised) issued by the Hong Kong Society of Accountants, the group adopted a new policy for deferred tax as set out in note 1(o). As a result of the adoption of this accounting policy, the group's profit for the year has been decreased by \$1,804,000 (2002: increased by \$1,786,000) and the group's net assets as at the year end have been increased by \$6,371,000 (2002: increased by \$9,684,000).

The new accounting policy has been adopted retrospectively, with the opening balance of retained profits and reserves and the comparative information adjusted for the amounts relating to prior periods as disclosed in the statement of changes in equity.

12. SEGMENT REPORTING

Segment information is presented in respect of the group's geographical and business segments. Geographical segment information is chosen as the primary reporting format because this is more relevant to the group's internal financial reporting.

10. 每股盈利

每股基本盈利乃根據本集團股東應佔溢利54,142,000元(二零零二年重列: 68,258,000元)及年內已發行普通股數目2,000,000,000股(二零零二年: 備考加權平均股數1,882,192,000股普通股)計算。

由於本公司並無具潛在攤薄影響的股份,故並無呈列每股攤薄盈利。

11. 會計政策變動

於過往年度,遞延稅項負債按負債法就收入及開支會計與稅項處理方法間之所有重大時差所產生稅項影響作出撥備,而合理預期有關時差將可能於可見未來出現。除非遞延稅項資產毫無合理疑問可予變現,否則不會確認遞延稅項資產。自二零零三年一月一日起,為遵守香港會計師公會頒佈之會計實務準則第12號(經修訂),誠如附註1(o)所載,本集團就遞延稅項採納一項新會計政策。由於採納此項會計政策,本集團於本年度之溢利減少1,804,000元(二零零二年:增加1,786,000元),而本集團於本年度年結日之資產淨值則增加6,371,000元(二零零二年:增加9,684,000元)。

該新會計政策已追溯應用,而年初之保留溢利及儲備與比較資料已就權益變動表所披露過往期間之數額作出調整。

12. 分部報告

分部資料已按本集團地域及業務分部呈列,並以地域分部資料作為主要分部報告方式,原因為地域分部更切合本集團之內部財務報告。

Notes on the Financial Statements
財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

12. SEGMENT REPORTING (continued)

(i) Geographical segments

The group conducts the majority of its business activities in three geographical areas, the PRC, Taiwan and Hong Kong. Segment information is based on the area in which the customers are located. Segment assets and capital expenditure are further analysed by the geographical location of the assets. An analysis by geographical segment is as follows:

12. 分部報告 (續)

(i) 地域分部

本集團業務主要在中國大陸、台灣及香港三地經營。分部資料按客戶所在地劃分，而分部資產及資本開支則按資產所在地進一步分析。按地域分部的分析如下：

		2003 二零零三年				Total
		PRC	Taiwan	Hong Kong	Other region	Total
		中國大陸	台灣	香港	其他地區	總計
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Revenue from external customers	來自外界客戶收入	200,618	118,084	141	1,243	320,086
Other revenue	其他收入	14,224	5,419	396	70	20,109
Total revenue	總收入	<u>214,842</u>	<u>123,503</u>	<u>537</u>	<u>1,313</u>	<u>340,195</u>
Segment result	分部業績	55,126	38,393	(3,285)	279	90,513
Unallocated operating income and expenses	未撥配業務收益及支出					(6,982)
Profit from operations	經營溢利					83,531
Finance costs	融資成本					(6)
Income tax	所得稅					(30,084)
Minority interests	少數股東權益					701
Profit attributable to shareholders	股東應佔溢利					<u>54,142</u>
Segment assets	分部資產	416,304	347,663	14,857	1,177	780,001
Unallocated assets	未撥配資產					61,414
Total assets	總資產					<u>841,415</u>
Segment liabilities	分部負債	35,637	30,328	-	142	66,107
Unallocated liabilities	未撥配負債					14,720
Total liabilities	總負債					<u>80,827</u>
Capital expenditure	資本開支	9,600	1,328	440	-	11,368
Depreciation and amortisation	折舊及攤銷	21,268	7,463	1,275	-	30,006

Notes on the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

12. SEGMENT REPORTING (continued)

(i) Geographical segments (continued)

12. 分部報告 (續)

(i) 地域分部 (續)

		2002 (restated) 二零零二年 (重列)			
		PRC 中國大陸	Taiwan 台灣	Hong Kong 香港	Total 總計
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Revenue from external customers	來自外界客戶收入	197,613	122,522	3,116	323,251
Other revenue	其他收入	8,943	2,349	1,384	12,676
Total revenue	總收入	<u>206,556</u>	<u>124,871</u>	<u>4,500</u>	<u>335,927</u>
Segment result	分部業績	61,877	50,303	(9,516)	102,664
Unallocated operating income and expenses	未撥配業務收益及支出				<u>(8,090)</u>
Profit from operations	經營溢利				94,574
Finance costs	融資成本	(428)	(49)	-	(477)
Income tax	所得稅				(27,174)
Minority interests	少數股東權益				<u>1,335</u>
Profit attributable to shareholders	股東應佔溢利				<u>68,258</u>
Segment assets	分部資產	413,180	364,657	13,599	791,436
Unallocated assets	未撥配資產				<u>79,734</u>
Total assets	總資產				<u>871,170</u>
Segment liabilities	分部負債	52,080	38,583	2,581	93,244
Unallocated liabilities	未撥配負債				<u>13,790</u>
Total liabilities	總負債				<u>107,034</u>
Capital expenditure	資本開支	21,160	4,319	6,717	32,196
Depreciation and amortisation	折舊及攤銷	14,347	6,603	821	21,771

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12. SEGMENT REPORTING (continued)

(ii) Business segments

The group comprises the following main business segments:

- sale of cosmetic products and provision of beauty services
- leasing of investment properties

12. 分部報告(續)

(ii) 業務分部

本集團包括以下主要業務分部：

- 銷售美容產品及提供美容服務
- 出租投資物業

		2003 二零零三年			
		Turnover	Other revenue	Segment assets	Capital expenditure
		營業額	其他收入	分類資產	資本開支
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
Cosmetic products and beauty services	美容產品及美容服務	320,086	16,416	634,328	11,368
Investment properties	投資物業	-	3,693	145,673	-
		320,086	20,109	780,001	11,368
		2002 (restated) 二零零二年(重列)			
		Turnover	Other revenue	Segment assets	Capital expenditure
		營業額	其他收入	分類資產	資本開支
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
Cosmetic products and beauty services	美容產品及美容服務	323,251	10,448	650,956	32,196
Investment properties	投資物業	-	2,228	140,480	-
		323,251	12,676	791,436	32,196

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(Expressed in Hong Kong dollars) (以港元為單位)

13. FIXED ASSETS

The group

		Properties under construction 在建物業	Land and buildings 土地及 房屋建築物	Leasehold improvements 租賃改良	Machinery and equipment 機器設備	Motor vehicles 汽車設備	Furniture and fixtures 傢具及裝置	Sub-total 小計	Freehold investment properties 具有永久業權 之投資物業	Total 合計
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Cost or valuation:	成本或估值:									
At 1 January 2003	於二零零三年一月一日	1,513	148,229	53,396	10,975	5,275	56,286	275,674	140,480	416,154
Exchange adjustments	匯兌調整	-	-	32	(3)	-	(7)	22	(42)	(20)
Additions	添置									
- others	- 其他	12	-	7,129	2,674	-	1,553	11,368	-	11,368
- through acquisition of subsidiary	- 透過收購附屬公司	-	-	-	2,057	42	365	2,464	-	2,464
Disposals	出售	(37)	-	(4,609)	(303)	-	(243)	(5,192)	-	(5,192)
Surplus on revaluation	重估盈餘	-	-	-	-	-	-	-	5,235	5,235
Reclassification	重新分類	(1,488)	-	1,488	-	-	-	-	-	-
At 31 December 2003	於二零零三年 十二月三十一日	-	148,229	57,436	15,400	5,317	57,954	284,336	145,673	430,009
Representing:	代表:									
Cost	成本	-	148,229	57,436	15,400	5,317	57,954	284,336	-	284,336
Valuation - 2003 (note (b))	估值 - 二零零三年 (附註(b))	-	-	-	-	-	-	-	145,673	145,673
		-	148,229	57,436	15,400	5,317	57,954	284,336	145,673	430,009
Accumulated depreciation:	累計折舊:									
At 1 January 2003	於二零零三年一月一日	-	12,810	12,089	5,874	2,051	21,144	53,968	-	53,968
Exchange adjustments	匯兌調整	-	(5)	(10)	(1)	(1)	(20)	(37)	-	(37)
Charge for the year	本年度折舊	-	2,985	9,511	1,262	809	8,517	23,084	-	23,084
Through acquisition of subsidiary	透過收購附屬公司	-	-	-	1,367	25	316	1,708	-	1,708
Written back on disposal	出售時撥回	-	-	(1,028)	(180)	-	(33)	(1,241)	-	(1,241)
At 31 December 2003	於二零零三年 十二月三十一日	-	15,790	20,562	8,322	2,884	29,924	77,482	-	77,482
Net book value:	賬面淨值:									
At 31 December 2003	於二零零三年 十二月三十一日	-	132,439	36,874	7,078	2,433	28,030	206,854	145,673	352,527
At 31 December 2002	於二零零二年 十二月三十一日	1,513	135,419	41,307	5,101	3,224	35,142	221,706	140,480	362,186

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13. **FIXED ASSETS** (continued)

- (a) The analysis of net book value of properties is as follows:

Outside Hong Kong, held on	於香港境外以下列方式持有
– freehold	– 永久業權
– medium-term lease	– 中期租賃

(b) **Investment properties**

Investment properties of the group were revalued at 31 December 2003 by an independent firm of surveyors, Vigers Landmart Taiwai Limited, on an open market value basis calculated by reference to net rental income allowing for reversionary income potential. The revaluation surplus of \$5,235,000 has been transferred to investment properties revaluation reserve (note 30).

(c) **Leases**

The group leases out investment properties and certain land and buildings under operating leases. The leases typically run for an initial period of one to five years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments are usually increased annually to reflect market rentals.

13. **固定資產 (續)**

- (a) 物業之賬面淨值分析如下：

2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元
185,883	181,263
92,229	94,636
278,112	275,899

(b) **投資物業**

於二零零三年十二月三十一日，本集團之投資物業由獨立測量師行威格斯國際不動產顧問有限公司按公開市值基準重估，且參考可撥回可能產生之收入的租金收入淨額計算。重估盈餘5,235,000元已轉撥至投資物業重估儲備（附註30）。

(c) **租賃**

本集團根據經營租賃出租投資物業和若干土地及房屋建築物。該等租賃之初步年期一般為一至五年，並可選擇於重新磋商所有條款當日續租。租金一般會每年增加，以反映市場租金。

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(Expressed in Hong Kong dollars) (以港元為單位)

13. FIXED ASSETS (continued)

(c) Leases (continued)

The gross carrying amounts of investment properties of the group held for use in operating leases were \$145,673,000 (2002: \$140,480,000). The gross carrying amount of land and buildings of the group held for use in operating leases was \$12,817,000 (2002: \$9,908,000) and the related accumulated depreciation charge was \$937,000 (2002: \$502,000).

The group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

Within 1 year	一年內
After 1 year but within 5 years	一年後但五年內

- (d) Certain freehold investment properties of the group with a carrying amount of \$141,627,000 (2002: \$137,581,000) are pledged to a bank. The banking facilities granted by the bank were terminated in 2002 but the charge has not been released to facilitate application of banking facilities in the future.
- (e) Certain fixed assets with a total carrying amount of \$22,655,000 (2002: \$10,940,000) were entrusted to the operators of the group's subsidiaries (note 16(c)).

13. 固定資產(續)

(c) 租賃(續)

本集團持有作經營租賃用途之投資物業賬面總值為145,673,000元(二零零二年: 140,480,000元), 而本集團持有作經營租賃用途之土地及房屋建築物賬面總值為12,817,000元(二零零二年: 9,908,000元), 而相關累積折舊開支則為937,000元(二零零二年: 502,000元)。

本集團根據不可撤銷經營租賃於日後應收的最低租賃款項總額如下:

2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元
5,102	2,752
7,939	3,248
13,041	6,000

- (d) 本集團賬面值141,627,000元(二零零二年: 137,581,000元)之若干具有永久業權之投資物業已抵押予一家銀行。由該家銀行授出之銀行融資已於二零零二年終止, 惟有關抵押尚未解除, 以便日後申請銀行融資。
- (e) 總賬面值22,655,000元(二零零二年: 10,940,000元)之若干固定資產由本集團旗下附屬公司經營者託管(附註16(c))。

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(Expressed in Hong Kong dollars) (以港元為單位)

14. INTANGIBLE ASSETS

14. 無形資產

		Patents and trademarks 專利及商標	Web site development costs 網站開發成本	Software costs 軟件成本	Total 總計
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Costs:	成本:				
At 1 January 2003	於二零零三年一月一日	1,266	4,551	644	6,461
Exchange adjustments	匯兌調整	(3)	-	-	(3)
Additions	添置	372	-	33	405
		<u>1,635</u>	<u>4,551</u>	<u>677</u>	<u>6,863</u>
At 31 December 2003	於二零零三年 十二月三十一日	<u>1,635</u>	<u>4,551</u>	<u>677</u>	<u>6,863</u>
Accumulated amortisation:	累計攤銷:				
At 1 January 2003	於二零零三年一月一日	182	910	103	1,195
Exchange adjustments	匯兌調整	(12)	-	-	(12)
Charge for the year	本年度攤銷	1,465	910	102	2,477
		<u>1,635</u>	<u>1,820</u>	<u>205</u>	<u>3,660</u>
At 31 December 2003	於二零零三年 十二月三十一日	<u>1,635</u>	<u>1,820</u>	<u>205</u>	<u>3,660</u>
Net book value:	賬面淨值:				
At 31 December 2003	於二零零三年 十二月三十一日	<u>-</u>	<u>2,731</u>	<u>472</u>	<u>3,203</u>
At 31 December 2002	於二零零二年 十二月三十一日	<u>1,084</u>	<u>3,641</u>	<u>541</u>	<u>5,266</u>

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(Expressed in Hong Kong dollars) (以港元為單位)

15. GOODWILL

15. 商譽

	Positive goodwill
	正商譽
	\$'000
	千元
Cost:	成本:
At 1 January 2003	於二零零三年一月一日 11,360
Exchange adjustments	匯兌調整 (2)
Additions	添置
– acquisition of subsidiary (note 31)	– 收購附屬公司 (附註31) 6,114
– acquisition of additional equity interests in non-wholly owned subsidiaries (note 16(b))	– 收購非全資附屬公司額外股本權益 (附註16(b)) 10,756
	<hr/>
At 31 December 2003	於二零零三年十二月三十一日 <u>28,228</u>
Accumulated depreciation:	累積折舊:
At 1 January 2003	於二零零三年一月一日 160
Exchange adjustments	匯兌調整 (2)
Amortisation for the year	本年度攤銷 4,445
	<hr/>
At 31 December 2003	於二零零三年十二月三十一日 <u>4,603</u>
Carrying amount:	賬面值:
At 31 December 2003	於二零零三年十二月三十一日 <u>23,625</u>
At 31 December 2002	於二零零二年十二月三十一日 <u>11,200</u>

Goodwill is amortised to the consolidated income statement on a straight-line basis over its estimated useful life of five years. The amortisation of positive goodwill for the year is included in “administrative expenses” in the consolidated income statement.

商譽以直線法於其估計可使用年期五年於綜合收益表攤銷。本年度之正商譽攤銷則計入綜合收益表「行政開支」內。

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16. INTEREST IN SUBSIDIARIES

16. 於附屬公司之權益

		The company 本公司	
		2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元
Unlisted shares, at cost	非上市股份·按成本值	286,719	286,328
Amounts due from subsidiaries	應收附屬公司款項	259,903	185,199
		546,622	471,527

Amounts due from subsidiaries are unsecured, interest free and have no fixed terms of repayment.

應收附屬公司款項為無抵押、免息及無固定還款期。

The following list contains the particulars of subsidiaries which principally affected the results, assets or liabilities of the group. The class of shares held is ordinary unless otherwise stated. All of these are controlled subsidiaries as defined under note 1(c) and have been consolidated into the group financial statements.

下表載列對本集團業績、資產或負債有重大影響之附屬公司詳情。除非另有指明，否則所持股份類別均為普通股。所有該等公司均為附註1(c)所界定之所控制附屬公司，並已綜合計入本集團財務報表。

Notes on the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

16. INTEREST IN SUBSIDIARIES (continued)

16. 於附屬公司之權益 (續)

Name of company 公司名稱	Note 附註	Place of incorporation and operation 註冊成立 及經營地點	Particular of issued and fully paid up capital/ registered capital 已發行繳足股本/ 註冊資本詳情	Proportion of ownership interest 擁有權益比例			Principal activity 主要業務
				group's effective interest 本集團 實際權益	held by the company 所持權益	held by subsidiary 所持權益	
Shanghai Natural Beauty Cosmetics Company Limited 上海自然美化妝品有限公司		PRC 中國大陸	US\$29,980,000 美金29,980,000元	100%	–	100%	Production and sale of skin care and beauty products 生產及銷售護膚及 美容產品
Shanghai Natural Beauty Sanlian Cosmetics Company Limited ("NB Sanlian") 上海自然美三聯化妝品有限公司 (「自然美三聯」)	(a)	PRC 中國大陸	RMB8,000,000 人民幣8,000,000元	90%	–	90%	Wholesale and retail of skin care and beauty products; provision of beauty treatments 批發及零售護膚及 美容產品; 提供美容 護理服務
Shanghai Natural Beauty Qingbo Cosmetics Company Limited ("NB Qingbo") 上海自然美清波化妝品有限公司 (「自然美清波」)	(a)	PRC 中國大陸	RMB5,000,000 人民幣5,000,000元	90%	–	90%	Wholesale and retail of skin care and beauty products 批發及零售護膚及 美容產品
Shanghai Natural Beauty Fansi Jewellery Company Limited* 上海自然美梵斯珠寶有限公司*		PRC 中國大陸	RMB5,000,000 人民幣5,000,000元	51%	–	51%	Sale of jewellery, craftwork, adornment, leather and horologe 銷售珠寶、工藝品、 裝飾品、皮革及鐘錶

Notes on the Financial Statements
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(Expressed in Hong Kong dollars) (以港元為單位)

16. INTEREST IN SUBSIDIARIES (continued)

16. 於附屬公司之權益 (續)

Name of company 公司名稱	Note 附註	Place of incorporation and operation 註冊成立 及經營地點	Particular of issued and fully paid up capital/ registered capital 已發行繳足股本/ 註冊資本詳情	Proportion of ownership interest 擁有權益比例			Principal activity 主要業務
				group's effective interest 本集團 實際權益	held by the company 本公司 所持權益	held by subsidiary 附屬公司 所持權益	
Xi An Natural Beauty Mingyu Cosmetics Company Limited* 西安自然美明宇化粧品有限公司*	(b)	PRC 中國大陸	RMB3,000,000 人民幣3,000,000元	81%	-	90%	Sale of skin care and beauty products and related instruments; provision of skin care and beauty consulting 銷售護膚及美容產品及 美容器材等; 提供皮膚 護理及美容諮詢
Qingdao Natural Beauty Ornaments Company Limited* 青島自然美飾品有限公司*	(b)	PRC 中國大陸	RMB4,000,000 人民幣4,000,000元	81%	-	90%	Sale of skin care and beauty products and adornment 銷售護膚及美容產品 及裝飾品
Nanjing Natural Beauty Cosmetics Company Limited* 南京自然美化粧品有限責任公司*	(b), (c)	PRC 中國大陸	RMB2,000,000 人民幣2,000,000元	81%	-	90%	Sale of cosmetic products and provision of beauty treatments 銷售美容產品及提供 美容護理
Chengdu Natural Beauty Cosmetics Company Limited* 成都自然美化粧品有限公司*	(b)	PRC 中國大陸	RMB2,500,000 人民幣2,500,000元	81%	-	90%	Sale of skin care and beauty products; provision of beauty treatments and skin care and beauty consulting and training 銷售護膚及美容產品; 提供美容護理和護膚 及美容諮詢及培訓

Notes on the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

16. INTEREST IN SUBSIDIARIES (continued)

16. 於附屬公司之權益 (續)

Name of company 公司名稱	Note 附註	Place of incorporation and operation 註冊成立 及經營地點	Particular of issued and fully paid up capital/ registered capital 已發行繳足股本/ 註冊資本詳情	Proportion of ownership interest 擁有權益比例			Principal activity 主要業務
				group's effective interest 本集團 實際權益	held by the company 本公司 所持權益	held by subsidiary 附屬公司 所持權益	
Hainan Natural Beauty Cosmetics Company Limited* 海南自然美化粧品有限公司*	(b)	PRC 中國大陸	RMB2,500,000 人民幣2,500,000元	81%	-	90%	Sale of skin care and beauty products; provision of beauty treatments and beauty consulting and training 銷售護膚及美容產品; 提供美容護理和 美容諮詢及培訓
Shenzhen Natural Beauty Cosmetics Company Limited 深圳市自然美化粧品有限公司	(b), (c)	PRC 中國大陸	RMB4,000,000 人民幣4,000,000元	81%	-	90%	Sale of cosmetic products and provision of beauty treatments 銷售美容產品及提供 美容護理
Haerbin Sanlian Natural Beauty Cosmetics Company Limited ("NB Haerbin")* 哈爾濱三聯自然美化粧品 有限公司 ("自然美哈爾濱")*	(b), (c)	PRC 中國大陸	RMB1,000,000 人民幣1,000,000元	72%	-	80%	Sale of cosmetic products and provision of beauty treatments 銷售美容產品及提供 美容護理
Ningbo Hai Shu Natural Beauty Cosmetics Company Limited* 寧波海曙自然美化粧品有限公司*	(b), (c)	PRC 中國大陸	RMB3,500,000 人民幣3,500,000元	81%	-	90%	Sale of cosmetic products and provision of beauty treatments 銷售美容產品及提供 美容護理

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(Expressed in Hong Kong dollars) (以港元為單位)

16. INTEREST IN SUBSIDIARIES (continued)

16. 於附屬公司之權益 (續)

Name of company 公司名稱	Note 附註	Place of incorporation and operation 註冊成立 及經營地點	Particular of issued and fully paid up capital/ registered capital 已發行繳足股本/ 註冊資本詳情	Proportion of ownership interest 擁有權益比例			Principal activity 主要業務
				group's effective interest 本集團 實際權益	held by the company 本公司 所持權益	held by subsidiary 附屬公司 所持權益	
Wuhan Natural Beauty Cultural Development Company Limited* 武漢自然美容文化發展 有限公司*	(b), (c)	PRC 中國大陸	RMB2,500,000 人民幣2,500,000元	81%	-	90%	Sale of cosmetic products and provision of beauty treatments 銷售美容產品及提供 美容護理
Jiangxi Natural Beauty Sanlian Cosmetics Company Limited* 江西自然美三聯化粧品有限公司*	(b)	PRC 中國大陸	RMB3,000,000 人民幣3,000,000元	81%	-	90%	Sale of skin care and beauty products; provision of beauty treatments and skin care and beauty consulting and training 銷售護膚及美容產品; 提供美容護理和護膚 及美容諮詢及培訓
Tianjin Natural Beauty Cosmetics Company Limited* 天津自然美化粧品有限公司*	(b), (c)	PRC 中國大陸	RMB2,000,000 人民幣2,000,000元	81%	-	90%	Sale of cosmetic products and provision of beauty treatments 銷售美容產品及提供 美容護理
Wenzhou Natural Beauty Cosmetics Company Limited* 溫州市自然美化粧品有限公司*	(b), (c)	PRC 中國大陸	RMB2,000,000 人民幣2,000,000元	81%	-	90%	Sale of cosmetic products and provision of beauty treatments 銷售美容產品及提供 美容護理

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16. INTEREST IN SUBSIDIARIES (continued)

16. 於附屬公司之權益 (續)

Name of company 公司名稱	Note 附註	Place of incorporation and operation 註冊成立 及經營地點	Particular of issued and fully paid up capital/ registered capital 已發行繳足股本/ 註冊資本詳情	Proportion of ownership interest 擁有權益比例			Principal activity 主要業務
				group's effective interest 本集團 實際權益	held by the company 本公司 所持權益	held by subsidiary 附屬公司 所持權益	
Beijing Natural Beauty Cosmetics Company Limited ("NB Beijing") 北京自然美化粧品有限公司 (「自然美北京」)	(b), (c)	PRC 中國大陸	RMB20,000,000 人民幣20,000,000元	72%	-	80%	Sale of cosmetic products and provision of beauty treatments 銷售美容產品及提供 美容護理
Kunshan Natural Beauty Sanlian Cosmetics Company Limited* 昆山自然美三聯化妝品有限公司*	(b), (c)	PRC 中國大陸	RMB1,500,000 人民幣1,500,000元	81%	-	90%	Sale of cosmetic products and provision of beauty treatments 銷售美容產品及提供 美容護理
Longyan Natural Beauty Cosmetics Company Limited* 龍岩自然美化粧品有限公司*	(b)	PRC 中國大陸	RMB800,000 人民幣800,000元	81%	-	90%	Sale of skin care and beauty products and related instruments; provision of skin care and beauty consulting 銷售護膚及美容產品及 美容器材; 提供護膚及 美容諮詢
Xiangfan Natural Beauty Cosmetics Company Limited* 襄樊自然美化粧品有限公司*	(b), (c)	PRC 中國大陸	RMB1,000,000 人民幣1,000,000元	81%	-	90%	Sale of cosmetic products and provision of beauty treatments 銷售美容產品及提供 美容護理

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16. INTEREST IN SUBSIDIARIES (continued)

16. 於附屬公司之權益 (續)

Name of company 公司名稱	Note 附註	Place of incorporation and operation 註冊成立 及經營地點	Particular of issued and fully paid up capital/ registered capital 已發行繳足股本/ 註冊資本詳情	Proportion of ownership interest 擁有權益比例			Principal activity 主要業務
				group's effective interest 本集團 實際權益	held by the company 本公司 所持權益	held by subsidiary 附屬公司 所持權益	
Taiyuan Natural Beauty Cosmetics Company Limited* 太原市自然美化粧品有限公司*	(b)	PRC 中國大陸	RMB1,000,000 人民幣1,000,000元	81%	-	90%	Wholesale and retail of skin care and beauty products; provision of beauty treatments and skin care and beauty consulting 批發及零售護膚及美容 產品; 提供美容護理 服務和護膚及美容 諮詢
Changchun Natural Beauty Cosmetics Company Limited* 長春自然美化粧品有限公司*	(b)	PRC 中國大陸	RMB1,500,000 人民幣1,500,000元	81%	-	90%	Sale of skin care and beauty products; provision of beauty treatments and skin care and beauty consulting 銷售護膚及美容產品; 提供美容護理服務和 護膚及美容諮詢
Mudanjiang Natural Beauty Cosmetics Company Limited* 牡丹江市自然美化粧品有限公司*	(b), (c)	PRC 中國大陸	RMB800,000 人民幣800,000元	81%	-	90%	Sale of cosmetic products and provision of beauty treatments 銷售美容產品及提供 美容護理
Lanzhou Natural Beauty Cosmetics Company Limited* 蘭州自然美化粧品有限公司*	(b), (c)	PRC 中國大陸	RMB1,000,000 人民幣1,000,000元	81%	-	90%	Sale of cosmetic products and provision of beauty treatments 銷售美容產品及提供 美容護理

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16. INTEREST IN SUBSIDIARIES (continued)

16. 於附屬公司之權益 (續)

Name of company 公司名稱	Note 附註	Place of incorporation and operation 註冊成立 及經營地點	Particular of issued and fully paid up capital/ registered capital 已發行繳足股本/ 註冊資本詳情	Proportion of ownership interest 擁有權益比例			Principal activity 主要業務
				group's effective interest 本集團 實際權益	held by the company 本公司 所持權益	held by subsidiary 附屬公司 所持權益	
Anshan Natural Beauty Cosmetics Company Limited* 鞍山市自然美化粧品有限公司*	(b)	PRC 中國大陸	RMB1,000,000 人民幣1,000,000元	81%	-	90%	Sale of skin care and beauty products and related instruments; provision of skin care and beauty consulting 銷售護膚及美容產品及 美容器材; 提供護膚及 美容諮詢
Henan Natural Beauty Cosmetics Company Limited* 河南自然美化粧品有限公司*	(b), (c)	PRC 中國大陸	RMB3,000,000 人民幣3,000,000元	81%	-	90%	Sale of cosmetic products and provision of beauty treatments 銷售美容產品及提供 美容護理
Suzhou Natural Beauty Cosmetics Company Limited* 蘇州自然美化粧品有限公司*	(b)	PRC 中國大陸	RMB1,200,000 人民幣1,200,000元	81%	-	90%	Sale of skin care and beauty products and related instruments 銷售護膚及美容產品及 美容器材
Kunming Natural Beauty Cosmetics Company Limited* 昆明自然美化粧品有限公司*	(b)	PRC 中國大陸	RMB1,000,000 人民幣1,000,000元	81%	-	90%	Wholesale and retail of skin care and beauty products; provision of beauty treatments and skin care and beauty consulting 批發及零售護膚及美容 產品; 提供美容護理和 護膚及美容諮詢

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(Expressed in Hong Kong dollars) (以港元為單位)

16. INTEREST IN SUBSIDIARIES (continued)

16. 於附屬公司之權益 (續)

Name of company 公司名稱	Note 附註	Place of incorporation and operation 註冊成立 及經營地點	Particular of issued and fully paid up capital/ registered capital 已發行繳足股本/ 註冊資本詳情	Proportion of ownership interest 擁有權益比例			Principal activity 主要業務
				group's effective interest 本集團 實際權益	held by the company 本公司 所持權益	held by subsidiary 附屬公司 所持權益	
Fuzhou Natural Beauty Cosmetics Company Limited* 福州自然美化粧品有限公司*	(b)	PRC 中國大陸	RMB1,500,000 人民幣1,500,000元	81%	-	90%	Wholesale and retail of skin care and beauty products and related instruments; provision of skin care and beauty consulting 批發及零售護膚及美容 產品及美容器材; 提供 護膚及美容諮詢
上海自然美富農化粧品有限公司		PRC 中國大陸	RMB500,000 人民幣500,000元	81%	-	90%	Wholesale and retail of skin care and beauty products 批發及零售護膚及美容 產品
Shanghai Full-Beauty Cosmetics Company Limited* 上海富麗化粧品有限公司*		PRC 中國大陸	US\$1,408,000 美金1,408,000元	100%	-	100%	Production and sale of skin care and beauty products 生產及銷售護膚及美容 產品
Tsai Yen Ping Natural Beauty Cosmetics (Shanghai) Company Limited* 蔡燕萍自然美化粧品(上海)有限公司*		PRC 中國大陸	US\$180,000 美金180,000元	100%	-	100%	Investment holding 投資控股
Natural Beauty Cosmetics Company Limited ("NB Taiwan") 自然美化粧品股份有限公司(「自然美台灣」)		Taiwan 台灣	NT\$670,000,000 新台幣 670,000,000元	100%	-	100%	Production and sale of skin care and beauty products 生產及銷售護膚及美容 產品

Notes on the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

16. INTEREST IN SUBSIDIARIES (continued)

16. 於附屬公司之權益 (續)

Name of company 公司名稱	Note 附註	Place of incorporation and operation 註冊成立 及經營地點	Particular of issued and fully paid up capital/ registered capital 已發行繳足股本/ 註冊資本詳情	Proportion of ownership interest 擁有權益比例			Principal activity 主要業務
				group's effective interest 本集團 實際權益	held by the company 本公司 所持權益	held by subsidiary 附屬公司 所持權益	
Tian Ran Mei Bio-Technology Company Limited 天然美生物科技股份有限公司		Taiwan 台灣	NT\$32,000,000 新台幣 32,000,000元	100%	-	100%	Production and sale of skin care and beauty products 生產及銷售護膚及美容 產品
Da Shun Development Company Limited 達順開發股份有限公司		Taiwan 台灣	NT\$90,000,000 新台幣 90,000,000元	100%	-	100%	Investment holding 投資控股
Jiun Yuh Investment Company Limited 駿鈺投資股份有限公司		Taiwan 台灣	NT\$174,681,140 新台幣 174,681,140元	100%	-	100%	Investment holding 投資控股
Huei Yao Investment Company Limited 輝耀投資股份有限公司		Taiwan 台灣	NT\$234,681,140 新台幣 234,681,140元	100%	-	100%	Investment holding 投資控股
Wan Fang Investment Company Limited 萬方投資股份有限公司		Taiwan 台灣	NT\$242,681,140 新台幣 242,681,140元	100%	-	100%	Investment holding 投資控股
Belem Holdings Sdn. Bhd.		Malaysia 馬來西亞	MYR123,235,408 Class B shares MYR10,000 Class A shares B股馬來西亞幣 123,235,408元 A股馬來西亞幣 10,000元	100%	100%	-	Investment holding 投資控股
Billion Synergy Sdn. Bhd*		Malaysia 馬來西亞	MYR2 2馬來西亞幣	100%	-	100%	Wholesale of skin care and beauty products 批發護膚及美容產品

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(Expressed in Hong Kong dollars) (以港元為單位)

16. INTEREST IN SUBSIDIARIES (continued)

16. 於附屬公司之權益 (續)

Name of company 公司名稱	Note 附註	Place of incorporation and operation 註冊成立 及經營地點	Particular of issued and fully paid up capital/ registered capital 已發行繳足股本/ 註冊資本詳情	Proportion of ownership interest 擁有權益比例			Principal activity 主要業務
				group's effective interest 本集團 實際權益	held by the company 本公司 所持權益	held by subsidiary 附屬公司 所持權益	
Ice Crystal Management Limited* 水晶管理有限公司*		British Virgin Islands ("BVI") 英屬維京群島 (「英屬維京群島」)	US\$52,000 美金52,000元	100%	100%	-	Investment holding 投資控股
Great Glamour Company Limited*		BVI 英屬維京群島	US\$50,000 美金50,000元	100%	100%	-	Investment holding 投資控股
Next Success International Limited*		BVI 英屬維京群島	US\$50,000 美金50,000元	100%	100%	-	Investment holding 投資控股
Fortune Investment Global Limited*		BVI 英屬維京群島	US\$50,000 美金50,000元	100%	100%	-	Investment holding 投資控股
Natural Beauty Bio-Technology (Hong Kong) Company Limited ("NB Hong Kong") 自然美生物科技(香港)有限公司 (「香港自然美」)	(c)	Hong Kong 香港	HK\$10,000 10,000港元	100%	-	100%	Sale of cosmetic products and provision of beauty treatments 銷售美容產品及提供 美容護理

* Company not audited by KPMG.

* 並非由畢馬威會計師事務所審核之公司。

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(Expressed in Hong Kong dollars) (以港元為單位)

16. INTEREST IN SUBSIDIARIES (continued)

Notes:

- (a) The group has entered into agreements with the minority shareholders of NB Sanlian and NB Qingbo to the effect that each of these minority shareholders receive a fixed amount per annum and the group is entitled to/responsible for the entire profits/losses of the relevant subsidiaries for the whole duration of the operating periods of the subsidiaries. The fixed amounts paid/payable to these minority shareholders of the subsidiaries as set out below are recognised as minority interests in the consolidated income statement.

Name 名稱		Fixed amount per annum 每年預設固定分利 RMB'000 人民幣千元	Commencement date 開始日期
NB Sanlian	自然美三聯	200	20 December 2001 二零零一年十二月二十日
NB Qingbo	自然美清波	125	30 September 2002 二零零二年九月三十日

(b) Acquisition of additional equity interests in non-wholly owned subsidiaries

On 10 September 2002, 8 October 2002 and 28 October 2002, NB Sanlian and Chong Ming Sanlian Investment Development Company ("Chong Ming Sanlian"), an independent third party, entered into 25 Sales and Purchase Agreements ("S&P Agreements") with the respective minority shareholders ("Vendors") of the group's subsidiaries in the PRC (the "PRC subsidiaries") to acquire the equity interests of the PRC subsidiaries owned by the vendors for a total consideration of \$57,921,000 (of which the portion relating to the equity interests to be acquired by the group amounted to \$41,106,000), and to assume all management and operation rights of the PRC subsidiaries.

As of 31 December 2002, the acquisition of 11 PRC subsidiaries at a total consideration of \$21,217,000 was completed. The acquisition of the remaining 14 PRC subsidiaries, was completed during the year ended 31 December 2003 at a total consideration of \$19,889,000.

16. 於附屬公司之權益 (續)

附註:

- (a) 本集團與自然美三聯及自然美清波之少數股東訂立協議，根據該等協議，該等少數股東每年收取定額款項，而於有關附屬公司整個營業期間，本集團有權／負責附屬公司全部溢利／虧損。下列已付予／應付予該等附屬公司少數股東定額款項於綜合收益表確認為少數股東權益。

Name 名稱		Fixed amount per annum 每年預設固定分利 RMB'000 人民幣千元	Commencement date 開始日期
NB Sanlian	自然美三聯	200	20 December 2001 二零零一年十二月二十日
NB Qingbo	自然美清波	125	30 September 2002 二零零二年九月三十日

(b) 收購非全資附屬公司之額外股本權益

於二零零二年九月十日、二零零二年十月八日及二零零二年十月二十八日，自然美三聯及獨立第三方崇明縣三聯投資發展公司（「崇明三聯」）與本集團旗下中國大陸附屬公司（「中國大陸附屬公司」）各自之少數股東（「賣方」）訂立25項買賣協議（「買賣協議」），以收購賣方擁有之中國大陸附屬公司股本權益，總代價為57,921,000元（當中涉及本集團將予收購之股本權益合共41,106,000元），並承擔中國大陸附屬公司全部管理及經營權。

於二零零二年十二月三十一日，已完成收購11間中國大陸附屬公司，總代價為21,217,000元。收購其餘14間中國大陸附屬公司，已於截至二零零三年十二月三十一日止年度完成，總代價為19,889,000元。

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16. INTEREST IN SUBSIDIARIES (continued)

Notes: (continued)

(b) Acquisition of additional equity interests in non-wholly owned subsidiaries (continued)

Following these acquisitions, NB Sanlian owns 80% of NB Beijing and NB Haerbin and 90% of the other 23 PRC subsidiaries, and Chong Ming Sanlian owns the remaining 20% of NB Beijing and NB Haerbin and 10% of the other 23 PRC subsidiaries.

Each of the 25 acquisitions was negotiated with the 25 minority shareholders independently on an arm's length basis and on normal commercial terms. The consideration was determined based on 200% of the net asset value of the respective PRC subsidiary attributable to the equity interest acquired as at 1 July 2002 as verified by a firm of PRC certified public accountants.

In accordance with the S&P Agreements, NB Sanlian started to share the results of the PRC subsidiaries according to the new shareholding percentages from 1 July 2002.

(c) Assets entrustment agreements

In July 2002, NB Beijing entered into an Assets Entrustment Agreement with Ms Wang On Cheung (the "Operator"). Pursuant to the agreement, NB Beijing appointed the Operator to manage and operate its entire business (the "Entrusted Assets"), including the provision of SPA and beauty services, the sale of beauty and skin care products, the provision of beauty training courses and the provision of assistance to NB Beijing in the development of the franchise network. The appointment of the Operator is effective for a period of five years and the operator is required to pay NB Beijing an annual fee which is determined with reference to the net asset value of NB Beijing at the date of the agreement. The Operator is entitled to retain any profits and is obligated to bear any losses, excluding the depreciation of fixed assets, arising from the Entrusted Assets under the Operator's management and operation. NB Beijing retains the title to the fixed assets. As security for the Operator's obligations under the agreement, the Operator is required to place a security deposit with NB Beijing. Ms Wang On Cheung was a director of NB Beijing until her resignation on 15 September 2002.

16. 於附屬公司之權益 (續)

附註: (續)

(b) 收購非全資附屬公司之額外股本權益 (續)

於收購後，自然美三聯擁有自然美北京及自然美哈爾濱之80%權益及其他23間中國大陸附屬公司之90%權益，而崇明三聯擁有自然美北京及自然美哈爾濱其餘20%權益及其他23間中國大陸附屬公司其餘10%權益。

本公司已就該25項收購與25名少數股東按公平磋商基準及一般商業條款獨立磋商。代價根據各中國大陸附屬公司應佔所收購股本權益於二零零二年七月一日的資產淨值（經中國大陸執業會計師核實）的200%釐定。

根據買賣協議，由二零零二年七月一日起，自然美三聯開始按照其新股權比例分享中國大陸附屬公司的業績。

(c) 資產委託經營協議

於二零零二年七月，自然美北京與王安祥女士（「經營者」）訂立資產委託經營協議。根據該協議，自然美北京委任經營者管理及經營其全部業務（「受託管資產」），包括提供SPA及美容服務、銷售美容及護膚產品、提供美容培訓課程及就發展加盟經營網絡向自然美北京提供支援。經營者任期為期五年，而經營者須向自然美北京支付年費，有關年費經參考自然美北京於協議日期之資產淨值釐定。經營者有權保留產生自經營者管理及經營之受託管資產的任何溢利，亦須承擔任何有關虧損，惟不包括固定資產折舊。自然美北京保留固定資產所有權。作為經營者根據該協議須承擔責任之抵押，經營者須向自然美北京提供保證金。王安祥女士為自然美北京董事，直至彼於二零零二年九月十五日辭任為止。

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(Expressed in Hong Kong dollars) (以港元為單位)

16. INTEREST IN SUBSIDIARIES (continued)

Notes: (continued)

(c) Assets entrustment agreements (continued)

In addition to the above, certain other subsidiaries have also entered into Assets Entrustment Agreements with various operators on terms similar to those described above. Some of the operators were the former minority shareholders of the subsidiaries concerned. In addition to the annual entrustment fees, certain assets of the subsidiaries such as inventories, trade receivables etc at the date of the agreement were transferred to the operators for a total consideration of approximately \$19,379,000 payable in instalments over the next five years.

The Operator of NB Hong Kong was Ms Niu Jia Lin, a former general manager of NB Hong Kong. In March 2004, the assets entrustment agreement was assumed by Ms Wang On Cheung, the operator of NB Beijing.

The impact of the assets entrustment agreements on the financial statements are summarised as follows:

Net book value of fixed assets entrusted	受託管固定資產之賬面淨值
Assets transferred to operators	轉讓予經營者之資產
Entrustment fee income for the year	本年度委託經營收益

As at 31 December, the following outstanding balances arising from the assets entrustment agreements with operators are included as other receivables in the balance sheet:

Entrustment fees receivable	應收委託經營收益
Consideration receivable for transfer of assets to operators included under other receivables	轉讓資產予經營者之應收代價(列作其他應收賬款)
– due within one year	– 一年內到期
– due after more than one year	– 一年後到期

16. 於附屬公司之權益 (續)

附註：(續)

(c) 資產委託經營協議 (續)

除上述者外，若干其他附屬公司亦按與上述相若之條款與多名經營者訂立資產委託經營協議。若干經營者為有關附屬公司的前少數股東。除年度委託經營收益外，該等附屬公司於協議日期之存貨及貿易應收賬款等若干資產已轉讓予經營者，總代價約為19,379,000元，將於未來五年分期支付。

香港自然美之經營者為香港自然美前總經理牛嘉林女士。於二零零四年三月，資產委託經營協議由自然美北京經營者王安祥女士承擔。

資產委託經營協議對財務報表之影響概述如下：

2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元
22,655	10,940
19,379	–
4,784	1,979

於十二月三十一日，以下產生自資產委託經營協議之經營者未償還結餘已計入資產負債表列作其他應收賬款：

2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元
4,732	1,979
6,134	–
8,739	–
19,605	1,979

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(Expressed in Hong Kong dollars) (以港元為單位)

17. INTEREST IN ASSOCIATE

17. 於聯營公司之權益

		2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元
Share of net assets	應佔資產淨值	942	942

The particulars of the associate, which is an unlisted corporate entity, are as follows:

聯營公司為非上市企業實體，詳情如下：

Name of associate 聯營公司名稱	Form of business structure 業務結構模式	Place of incorporation and operation 註冊成立及經營地點	Particulars of paid-in capital 繳入資本詳情	Interest held indirectly 間接持有權益	Principal activity 主要業務
Shanghai Rui Mei Medical and Health-care Company Limited 上海瑞美醫療保健有限公司	Incorporated 註冊成立	PRC 中國大陸	RMB5,000,000 人民幣 5,000,000元	20%	Provision of health care services 提供健康護理服務

18. INVESTMENT SECURITIES

18. 投資證券

		The group 本集團		The company 本公司	
		2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元	2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元
Unlisted equity securities	非上市股本證券	11,282	11,282	6,786	6,786

The directors have reviewed the carrying amounts of these investments and consider that provisions are not required.

董事已審閱該等投資的賬面值，並認為毋須作出撥備。

Notes on the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

19. OTHER ASSETS

Other assets represent the consideration paid for acquisition of additional equity interests in certain non-wholly owned subsidiaries at 31 December 2002 (note 16(b)). The acquisitions were completed in 2003 and the amounts capitalised as investments in subsidiaries.

20. CURRENT INVESTMENTS

Other securities (at market value)	其他證券(按市值)
Listed equity securities	香港以外地區之
outside Hong Kong	上市股本證券

21. INVENTORIES

Raw materials	原材料
Work in progress	在產品
Finished goods	產成品

Included in the above balance are inventories of \$8,934,000 (2002: \$8,107,000), stated net of a general provision, made in order to state these inventories at the lower of their cost and estimated net realisable value.

19. 其他資產

其他資產指於二零零二年十二月三十一日收購若干非全資附屬公司之額外股本權益之所付代價(附註16(b))。該等收購已於二零零三年完成,有關款項撥充資本,列為於附屬公司之投資。

20. 現有投資

2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元
67,642	88,133

21. 存貨

2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元
30,139	24,778
2,738	2,065
29,829	25,875
62,706	52,718

上述結餘包括存貨8,934,000元(二零零二年:8,107,000元),乃按有關存貨成本及估計可變現淨值之較低者,經扣除一段撥備數額列賬。

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22. TRADE AND OTHER RECEIVABLES

22. 貿易及其他應收賬款

		The group 本集團		The company 本公司	
		2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元	2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元
Trade receivables	貿易應收賬款	68,254	47,962	-	-
Prepayments and deposits	預付款項及押金	27,405	29,894	-	-
Advances to third parties	墊款予第三方	208	6,841	-	-
Financial refunds receivable (note 3)	應收財務退款 (附註3)	11,839	3,299	-	-
Other receivables	其他應收賬款	22,953	13,136	1,836	424
		130,659	101,132	1,836	424

The ageing analysis of trade receivables is as follows:

貿易應收賬款賬齡分析如下:

		2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元
Within 6 months	6個月內	63,249	47,962
6 to 12 months	6至12個月	4,171	-
1 to 2 years	1至2年	669	-
Over 2 years	2年以上	165	-
		68,254	47,962

Trade receivables, which generally have terms of one to six months, are recognised in the balance sheet at original invoice amounts less provisions for overdue debts which are considered by the directors as doubtful.

貿易應收賬款一般信貸期為一至六個月，乃按原發票值減董事認為屬呆賬之逾期債務撥備，於資產負債表確認。

Notes on the Financial Statements 財務報表附註

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23. CASH AND CASH EQUIVALENTS

Deposits with banks and other financial institutions	銀行及其他財務機構存款
Cash at bank and in hand	銀行及手頭現金

23. 現金及現金等價物

The group 本集團		The company 本公司	
2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元	2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元
7,967	60,144	7,967	60,144
162,298	156,634	-	-
170,265	216,778	7,967	60,144

24. TRADE AND OTHER PAYABLES

Amounts due to subsidiaries	應付附屬公司賬款
Amounts due to related parties	應付關連公司賬款
Trade payable	貿易應付賬款
Deposits from customers	客戶按金
Other taxes payables	其他應付稅項開支
Other payables	其他應付賬款

24. 貿易及其他應付賬款

The group 本集團		The company 本公司	
2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元	2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元
-	-	523	-
29	716	-	716
7,423	15,001	-	-
7,568	11,675	-	-
9,640	9,323	-	-
29,015	32,772	1,777	700
53,675	69,487	2,300	1,416

Amounts due to subsidiaries and related parties are unsecured, interest free and repayable on demand.

All of the other trade and other payables are expected to be settled within one year.

應付附屬公司及關連公司賬款為無抵押、免息並須按要要求還款。

預期所有其他貿易及其他應付賬款將於一年內清還。

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24. TRADE AND OTHER PAYABLES (continued)

The ageing analysis of trade payables is as follows:

Within 6 months	6個月內
6 months to 1 year	6個月至1年
1 to 2 years	1至2年

24. 貿易及其他應付賬款 (續)

貿易應付賬款之賬齡分析如下:

2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元
7,301	14,998
103	3
19	–
7,423	15,001

25. DEFERRED INCOME

Prepaid treatment fees	預付療程費
Gross profit from barter transactions (note 1(q)(iv))	互換交易之毛利 (附註 1(q)(iv))

25. 遞延收益

2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元
4,771	13,326
473	5,320
5,244	18,646

26. EMPLOYEE RETIREMENT BENEFITS

(a) Defined benefit retirement plan

The group's Taiwan subsidiaries participate in a central pension scheme providing benefits to all employees in accordance with the Labour Standards Law (as amended) in Taiwan. The Group has an obligation to ensure that there are sufficient funds in the scheme to pay the benefits earned. The Group currently contributes at 2% of the total salaries as determined and approved by the relevant government authorities.

26. 僱員退休福利

(a) 定額福利退休計劃

本集團台灣附屬公司根據台灣勞動基準法(經修訂)參加中央退休金計劃,向全體僱員提供福利。本集團有責任保證計劃有充裕資金支付僱員應獲得之福利。本集團現按有關政府當局釐定及批准之百分比就全部薪金作出2%供款。

Notes on the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

26. EMPLOYEE RETIREMENT BENEFITS (continued)

(a) Defined benefit retirement plan (continued)

The group's net obligation in respect of the pension scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value, and the fair value of any plan assets is deducted. The calculation is performed by a qualified actuary using the projected unit credit method. An actuarial valuation as at 31 December 2003 was carried out by a qualified staff member of PricewaterhouseCoopers Taiwan, who is a member of the Taiwan Enrolled Pension Actuary. The actuarial valuation indicates that the group's obligations under this defined benefit retirement scheme are 21% (2002: 22%) covered by the deposits paid with the Central Trust of China, a government institution.

(i) The amounts recognised in the balance sheet are as follows:

Present value of obligations	債務現值
Fair value of plan assets	計劃資產公平值
Net unrecognised actuarial gains/(losses)	未確認精算收益／ (虧損)淨額

26. 僱員退休福利(續)

(a) 定額福利退休計劃(續)

本集團就退休金計劃承擔之債務淨額，乃按僱員現時及過往期間就提供服務應獲得之日後福利估計金額計算，有關福利會折算以釐訂現值，而任何計劃資產之公平值則會被扣減。有關計算由合資格精算師採用預計單位給付成本法計算。於二零零三年十二月三十一日之精算估值由資誠會計師事務所之合資格員工進行，彼為Taiwan Enrolled Pension Actuary之會員。精算估值顯示，定額福利退休計劃項下之集團債務為21%（二零零二年：22%），由已付政府機構中央信託局之按金填補。

(i) 於資產負債表已確認之金額如下：

2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元
9,755	10,313
(2,001)	(2,222)
622	(493)
8,376	7,598

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財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

26. EMPLOYEE RETIREMENT BENEFITS (continued)

(a) Defined benefit retirement plan (continued)

(i) (continued)

A portion of the above liability is expected to be settled after more than one year. However, it is not practicable to segregate this amount from the amounts payable in the next twelve months, as future contributions will also relate to future services rendered and future changes in actuarial assumptions and market conditions.

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

26. 僱員退休福利(續)

(a) 定額福利退休計劃(續)

(i) (續)

上述部分負債預期於一年後支付。然而，分開處理該等金額以及未來十二個月之應付金額並不切實際，原因為日後供款亦將與日後提供之服務、精算假設之未來變動及市況有關。

(ii) 於資產負債表確認之負債淨額變動如下：

		2003	2002
		二零零三年	二零零二年
		\$'000	\$'000
		千元	千元
At 1 January	於一月一日	7,598	6,776
Contributions paid to scheme	已付計劃供款	(360)	(351)
Expenses recognised in the income statement (<i>note 4(b)</i>)	於收益表確認之開支 (附註4(b))	1,138	1,102
Exchange adjustments	匯兌調整	-	71
At 31 December	於十二月三十一日	8,376	7,598

Notes on the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

26. EMPLOYEE RETIREMENT BENEFITS (continued)

(a) Defined benefit retirement plan (continued)

- (iii) Expenses recognised in the consolidated income statement are as follows:

Current service cost	現時服務成本
Interest cost	利息成本
Actuarial expected return on plan assets	計劃資產之精算 預期回報
Net actuarial losses recognised	已確認精算虧損淨額

The expenses are recognised in the following line items in the consolidated income statement:

Cost of sales	銷售成本
Distribution costs	分銷成本
Administrative expenses	行政開支

The actual return on plan assets (taking into account all changes in the fair value of the plan assets excluding contributions paid and received) was net income of \$29,000 (2002: \$31,000).

26. 僱員退休福利(續)

(a) 定額福利退休計劃(續)

- (iii) 於綜合收益表確認之開支如下:

2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元
1,086	867
384	327
(72)	(45)
(260)	(47)
1,138	1,102

於綜合收益表確認之以下項目開支:

2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元
781	718
317	265
40	119
1,138	1,102

計劃資產之實際回報(經計及計劃資產公平值之所有變動,惟不包括已付及已收供款)為收入淨額29,000元(二零零二年:31,000元)。

Notes on the Financial Statements
財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

26. EMPLOYEE RETIREMENT BENEFITS (continued)

(a) Defined benefit retirement plan (continued)

- (iv) The principal actuarial assumptions used were as at 31 December 2003 (expressed as weighted averages) are as follows:

Discount rate	折讓率
Expected rate of return on plan assets	計劃資產預期回報率
Future salary increases	未來薪金增加

(b) Defined contribution retirement plans

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

26. 僱員退休福利(續)

(a) 定額福利退休計劃(續)

- (iv) 於二零零三年十二月三十一日採用之主要精算假設(以加權平均數列示)如下:

2003 二零零三年	2002 二零零二年
3.50%	3.75%
2.75%	3.75%
2.50%	2.50%

(b) 定額供款退休計劃

- (i) 本集團亦根據香港強制性公積金計劃條例為於香港僱傭條例內所列司法權區所聘用之員工設立強制性公積金計劃(「強積金計劃」)。強積金計劃為由獨立信託人管理之定額供款退休計劃。根據強積金計劃,僱主及僱員各自須向計劃作出佔僱員有關收入5%之供款,每月有關收入上限為20,000元。計劃供款即時撥歸僱員所有。

Notes on the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

26. EMPLOYEE RETIREMENT BENEFITS (continued)

(b) Defined contribution retirement plans

(continued)

- (ii) As stipulated by the regulations of the PRC, the group participates in various defined contribution retirement plans organised by the relevant authorities for its PRC employees. The group is required to make contributions to the retirement plans which are calculated based on certain prescribed rates and the salaries, bonuses and certain allowances of its PRC employees. The group has no other material obligation for the payment of pension benefits associated with these plans beyond the annual contributions described above.

27. EQUITY COMPENSATION BENEFITS

Pursuant to the company's share option scheme approved by a resolution of the shareholders of the company dated 11 March 2002 (the "Share Option Scheme"), the company may grant options to full-time employees (including executive or non-executive directors) of the company or its subsidiaries to subscribe for the shares at a consideration of HK\$1 for each lot of share options granted. The Share Option Scheme will remain valid for a period of 10 years commencing on 11 March 2002. Options granted may be exercised during such period as would be determined by the board of directors of the company and notified to each grantee upon grant of the option, but in any event not later than 10 years from the date of grant of the option. The subscription price for shares under the Share Option Scheme may be determined by the board of directors at its absolute discretion but in any event will not be less than the higher of (a) the closing price of the shares as stated in the SEHK's daily quotations sheet on the date of grant of the option, which must be a business day; and (b) the average of the closing price of the shares as stated in the SEHK's daily quotations sheets for the five business days immediately preceding the date of grant of the relevant option.

No options have been granted by the company under the share option scheme since its adoption.

26. 僱員退休福利(續)

(b) 定額供款退休計劃

(續)

- (ii) 本集團已根據中國法規規定為其中國僱員參加各個由有關當局組成之定額供款退休計劃。本集團須按若干指定比率及其中國僱員之薪金、花紅與若干津貼向退休計劃供款。除上述之年度供款外，本集團並無與該等計劃有關之其他退休福利供款重大責任。

27. 股本補償福利

根據本公司股東通過日期為二零零二年三月十一日之決議案所批准本公司購股權計劃(「購股權計劃」)，本公司可向本公司或其附屬公司全職僱員(包括執行或非執行董事)授出購股權，就每份獲授之購股權按每股1港元之代價認購股份。購股權計劃自二零零二年三月十一日起10年期間內仍然有效。已授出之購股權可於本公司董事會釐訂之該等期間予以行使，並於授出購股權時知會各承授人，惟於任何情況下不得遲於購股權授出日期起計10年。購股權計劃項下之股份認購價可由董事會全權酌情釐訂，惟於任何情況下不得低於以下最高者：(a)授出購股權當日(必須為營業日)香港聯交所每日報價表所報股份收市價；及(b)緊接授出有關購股權日期前五個營業日香港聯交所每日報價表所報股份平均收市價。

自採納購股權計劃起，本公司並無根據該計劃授出任何購股權。

Notes on the Financial Statements
財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

28. INCOME TAX IN THE BALANCE SHEET

(a) Current taxation in the balance sheet represents:

28. 資產負債表之所得稅

(a) 資產負債表之即期稅項指：

		The group	
		本集團	
		2003	2002
		二零零三年	二零零二年
		\$'000	\$'000
		千元	千元
Provision for Hong Kong Profits Tax	香港利得稅撥備	-	-
Taxation outside Hong Kong	香港境外稅項	13,532	11,303
		13,532	11,303

Notes on the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

28. INCOME TAX IN THE BALANCE SHEET (continued)

(b) Deferred tax assets and liabilities recognised:

The group

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

	Provision for bad and doubtful debts 呆壞賬撥備 \$'000 千元	Revaluation of properties 重估物業 \$'000 千元	Tax losses brought forward 承前 稅項虧損 \$'000 千元	Defined benefit liability 界定 福利負債 \$'000 千元	Unrealised profits on inventories 未變現 存貨溢利 \$'000 千元	Other short-term temporary differences 其他短期 暫時差額 \$'000 千元	Total 總計 \$'000 千元
Deferred tax arising from:	遞延稅項源自:						
At 1 January 2002	於二零零二年一月一日						
- as previously reported	- 如以往呈報						
- prior period adjustments	-	1,022	-	(1,694)	-	(348)	(1,020)
	(199)	294	-	-	(7,799)	17	(7,687)
- as restated	(199)	1,316	-	(1,694)	(7,799)	(331)	(8,707)
Charged/(credited) to consolidated income statement	(142)	101	(126)	(195)	(1,185)	3	(1,544)
Credited to reserves (note 30)	-	(211)	-	-	-	-	(211)
Exchange adjustments	-	-	-	(19)	-	(9)	(28)
At 31 December 2002 (restated)	(341)	1,206	(126)	(1,908)	(8,984)	(337)	(10,490)
At 1 January 2003	於二零零三年一月一日						
- as previously reported	- 如早前呈報						
- prior period adjustments	-	1,280	(126)	(1,908)	-	(52)	(806)
	(341)	(74)	-	-	(8,984)	(285)	(9,684)
- as restated	(341)	1,206	(126)	(1,908)	(8,984)	(337)	(10,490)
Charged/(credited) to consolidated income statement	(405)	102	-	(186)	1,582	(976)	117
Charged to reserves (note 30)	-	539	-	-	-	-	539
Exchange adjustments	-	-	-	-	-	9	9
At 31 December 2003	(746)	1,847	(126)	(2,094)	(7,402)	(1,304)	(9,825)

28. 資產負債表之所得稅 (續)

(b) 已確認之遞延稅項資產及負債:

本集團

於資產負債表確認之遞延稅項(資產)/負債組成部分及年內變動如下:

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(Expressed in Hong Kong dollars) (以港元為單位)

28. INCOME TAX IN THE BALANCE SHEET (continued)

- (b) Deferred tax assets and liabilities recognised:
(continued)

Net deferred tax asset recognised on the balance sheet	於資產負債表確認之遞延稅項資產淨值
Net deferred tax liability recognised on the balance sheet	於資產負債表確認之遞延稅項負債淨值

- (c) Deferred tax assets not recognised:
The group has not recognised deferred tax assets in respect of tax losses of \$50,742,000 (2002: \$26,696,000). The Hong Kong tax losses of \$14,859,000 (2002: \$12,120,000) do not expire under the current tax legislation in Hong Kong and all other tax losses will expire in 2004 to 2008.

28. 資產負債表之所得稅 (續)

- (b) 已確認之遞延稅項資產及負債: (續)

The group 本集團	
2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元
(11,672)	(11,696)
1,847	1,206
(9,825)	(10,490)

- (c) 未確認遞延稅項資產:
本集團並無就稅項虧損50,742,000元(二零零二年: 26,696,000元)確認遞延稅項資產。根據香港現行稅務法例, 香港稅項虧損14,859,000元(二零零二年: 12,120,000元)並未屆滿, 而所有其他稅項虧損則將於二零零四年至二零零八年屆滿。

Notes on the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

29. SHARE CAPITAL

29. 股本

		2003 二零零三年		2002 二零零二年	
		No. of shares 股份數目	\$ 元	No. of shares 股份數目	\$ 元
Authorised:	法定股本:				
Ordinary shares of \$0.1 each	每股面值0.1元 之普通股	4,000,000,000	400,000,000	4,000,000,000	400,000,000
Issued and fully paid:	已發行及繳足:				
At 1 January/incorporation	於一月一日/ 註冊成立	2,000,000,000	200,000,000	1	0.10
Capitalisation issue (note (a))	資本化發行 (附註(a))	-	-	1,499,999,999	149,999,999.90
New issue on public offer (note (b))	公開發售時發行新股 (附註(b))	-	-	500,000,000	50,000,000.00
At 31 December	於十二月三十一日	2,000,000,000	200,000,000	2,000,000,000	200,000,000.00

Notes:

(a) Pursuant to a written resolution of the sole shareholder of the company passed on 11 March 2002, the authorised share capital of the company was increased from \$390,000 to \$400,000,000 by the creation of an additional 3,996,100,000 new shares. On the same date, pursuant to a group reorganisation in connection with the listing of the company's shares on SEHK, the company allotted and issued:

- (i) 1,118,595 shares, credited as fully paid at par, to Efficient Market Investments Limited ("Efficient Market") in consideration for the acquisition of 45,500 shares and 6,500 shares of US\$1 each in Ice Crystal Management Limited ("Ice Crystal"), representing the entire issued share capital of Ice Crystal, from Dr Tsai Yen Yu and Su Chien-Cheng respectively;

附註:

(a) 根據本公司唯一股東於二零零二年三月十一日通過的書面決議案，本公司法定股本藉新增3,996,100,000股新股份由390,000元增至400,000,000元。同日，根據就本公司股份於香港聯交所上市而進行之集團重組，本公司配發及發行：

- (i) 1,118,595股按面值入賬列為繳足之股份予 Efficient Market Investments Limited (「Efficient Market」)，作為向蔡燕玉博士及蘇建誠分別收購水晶管理有限公司(「水晶管理」)每股面值美金1元的股份45,500股及6,500股(相當於水晶管理全部已發行股本)的代價；

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(Expressed in Hong Kong dollars) (以港元為單位)

29. SHARE CAPITAL (continued)

Notes: (continued)

- (ii) 2,781,403 shares, credited as fully paid at par, to Efficient Market in consideration for the conversion of 123,235,408 issued shares in the capital of Belem held by Efficient Market to Class B shares;
- (iii) 1 share credited as fully paid, to Efficient Market at the direction of Dr Tsai, Lee Ming-Ta, Su Chien-Cheng and Su Sh-Hsyu in consideration for the transfer of 12,500 shares of US\$1 each in Great Glamour Company Limited ("Great Glamour"), representing the entire issued share capital of Great Glamour, from each of Dr Tsai, Lee Ming-Ta, Su Chien-Cheng and Su Sh-Hsyu to the company; and
- (iv) 1,496,100,000 shares credited as fully paid to Efficient Market by capitalising the share premium account of the company.

The value of shares of the subsidiaries received as determined by the directors in excess of the par value of shares issued to Efficient Market amounting to \$136,328,000 was capitalised as share premium.

- (b) On 28 March 2002, 450,000,000 shares were issued under private placement and 50,000,000 shares were issued to public, all at a premium of \$0.45 each.

29. 股本 (續)

附註: (續)

- (ii) 2,781,403股按面值入賬列為繳足之股份予 Efficient Market，作為將 Efficient Market 所持有 Belem 股本中的 123,235,408 股已發行股份兌換為 B 股的代價；
- (iii) 按蔡博士、李明達、蘇建誠及蘇詩琇的指示配發及發行一股入賬列為繳足之股份予 Efficient Market，作為由蔡博士、李明達、蘇建誠及蘇詩琇各自將 12,500 股每股面值美金 1 元的 Great Glamour Company Limited (「Great Glamour」) 股份 (相當於 Great Glamour 全部已發行股本) 轉讓予本公司的代價；及
- (iv) 藉將本公司股份溢價賬撥充資本，向 Efficient Market 配發及發行 1,496,100,000 股入賬列為繳足之股份。

由附屬公司收取，並經董事釐定為超出發行予 Efficient Market 之股份面值之 136,328,000 元股份價值已經撥充股份溢價。

- (b) 於二零零二年三月二十八日，本公司以私人配售形式發行 450,000,000 股股份，以及向公眾人士發行 50,000,000 股股份，全部股份以溢價每股 0.45 元配發。

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(Expressed in Hong Kong dollars) (以港元為單位)

30. RESERVES

The group

30. 儲備

本集團

		Capital surplus	Share premium	Investment properties revaluation reserve	Statutory reserve	Exchange reserves	Retained profits	Total
		資本盈餘	股份溢價	投資物業 重估儲備	法定儲備	外匯儲備	保留溢利	總計
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元
At 1 January 2002	於二零零二年一月一日							
- as previously reported	- 如以往呈報	42,554	-	12,243	28,402	(20,796)	105,612	168,015
- prior period adjustments in respect of deferred tax (note 11)	- 有關遞延稅項之 過往期間調整 (附註11)	-	-	(869)	-	-	8,556	7,687
- as restated	- 重列	42,554	-	11,374	28,402	(20,796)	114,168	175,702
Exchange difference on translation of financial statements of overseas subsidiaries	海外附屬公司之財務 報表匯兌折算差額	-	-	-	-	2,890	-	2,890
Premium arising from new shares issued on 11 March 2002 (note 29)	於二零零二年三月十一日 發行新股份所產生溢價 (附註29)	-	136,328	-	-	-	-	136,328
Premium arising from new shares issued on 28 March 2002 (note 29)	於二零零二年三月二十八日 發行新股份所產生溢價 (附註29)	-	225,000	-	-	-	-	225,000
Share issuance expenses	發行股份費用	-	(24,570)	-	-	-	-	(24,570)
Revaluation deficits, net of \$211,000 deferred tax (note 28)	重估虧絀·已扣除遞延稅項 211,000元(附註28)	-	-	(1,834)	-	-	-	(1,834)
Profit for the year (as restated)	本年度溢利(重列)	-	-	-	-	-	68,258	68,258
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	15,932	-	(15,932)	-
Dividends declared in respect of the current year (note 9)	本年度已宣派股利 (附註9)	-	-	-	-	-	(37,960)	(37,960)
At 31 December 2002	於二零零二年 十二月三十一日	42,554	336,758	9,540	44,334	(17,906)	128,534	543,814

Notes on the Financial Statements
財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

30. RESERVES (continued)

The group (continued)

30. 儲備 (續)

本集團 (續)

		Capital surplus	Share premium	Investment properties revaluation reserve	Statutory reserve	Exchange reserves	Retained profits	Total
		資本盈餘	股份溢價	投資物業重估儲備	法定儲備	外匯儲備	保留溢利	總計
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元
At 1 January 2003	於二零零三年一月一日							
- as previously reported	- 如以往呈報	42,554	336,758	10,198	44,334	(17,906)	118,192	534,130
- prior period adjustments in respect of deferred tax (note 11)	- 有關遞延稅項之過往期間調整 (附註11)	-	-	(658)	-	-	10,342	9,684
- as restated	- 重列	42,554	336,758	9,540	44,334	(17,906)	128,534	543,814
Dividends approved in respect of the previous year (note 9)	上年度已批准股利 (附註9)	-	-	-	-	-	(40,000)	(40,000)
Exchange difference on translation of financial statements of overseas subsidiaries	海外附屬公司之財務報表匯率折算差額	-	-	-	-	(263)	-	(263)
Revaluation surplus (note 13(b)), net of \$539,000 deferred tax (note 28)	重估盈餘 (附註13(b))，已扣除遞延稅項539,000元 (附註28)	-	-	4,696	-	-	-	4,696
Profit for the year	本年度溢利	-	-	-	-	-	54,142	54,142
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	22,368	-	(22,368)	-
Dividends declared in respect of the current year (note 9)	本年度已宣派股利 (附註9)	-	-	-	-	-	(12,000)	(12,000)
At 31 December 2003	於二零零三年十二月三十一日	42,554	336,758	14,236	66,702	(18,169)	108,308	550,389

Notes on the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

30. RESERVES (continued)

The company

		Share premium 股份溢價 \$'000 千元	Retained profits 保留溢利 \$'000 千元	Total 總計 \$'000 千元
At 1 January 2002	於二零零二年一月一日	-	-	-
Premium arising from new shares issued on 11 March 2002 (note 29)	於二零零二年三月十一日 發行新股份所產生溢價 (附註29)	136,328	-	136,328
Premium arising from new shares issued on 28 March 2002 (note 29)	於二零零二年三月二十八日 發行新股份所產生溢價 (附註29)	225,000	-	225,000
Share issuance expenses	股份發行費用	(24,570)	-	(24,570)
Profit for the year	本年度溢利	-	38,667	38,667
Dividends declared in respect of the current year (note 9)	已宣派本年度股利 (附註9)	-	(37,960)	(37,960)
		<u>336,758</u>	<u>707</u>	<u>337,465</u>
At 31 December 2002	於二零零二年 十二月三十一日	336,758	707	337,465
At 1 January 2003	於二零零三年一月一日	336,758	707	337,465
Dividends approved in respect of the previous year (note 9)	已批准去年股利 (附註9)	-	(40,000)	(40,000)
Profit for the year	本年度溢利	-	75,446	75,446
Dividends declared in respect of the current year (note 9)	已宣派本年度股利 (附註9)	-	(12,000)	(12,000)
		<u>336,758</u>	<u>24,153</u>	<u>360,911</u>
At 31 December 2003	於二零零三年 十二月三十一日	336,758	24,153	360,911

30. 儲備 (續)

本公司

		Share premium 股份溢價 \$'000 千元	Retained profits 保留溢利 \$'000 千元	Total 總計 \$'000 千元
At 1 January 2002	於二零零二年一月一日	-	-	-
Premium arising from new shares issued on 11 March 2002 (note 29)	於二零零二年三月十一日 發行新股份所產生溢價 (附註29)	136,328	-	136,328
Premium arising from new shares issued on 28 March 2002 (note 29)	於二零零二年三月二十八日 發行新股份所產生溢價 (附註29)	225,000	-	225,000
Share issuance expenses	股份發行費用	(24,570)	-	(24,570)
Profit for the year	本年度溢利	-	38,667	38,667
Dividends declared in respect of the current year (note 9)	已宣派本年度股利 (附註9)	-	(37,960)	(37,960)
		<u>336,758</u>	<u>707</u>	<u>337,465</u>
At 31 December 2002	於二零零二年 十二月三十一日	336,758	707	337,465
At 1 January 2003	於二零零三年一月一日	336,758	707	337,465
Dividends approved in respect of the previous year (note 9)	已批准去年股利 (附註9)	-	(40,000)	(40,000)
Profit for the year	本年度溢利	-	75,446	75,446
Dividends declared in respect of the current year (note 9)	已宣派本年度股利 (附註9)	-	(12,000)	(12,000)
		<u>336,758</u>	<u>24,153</u>	<u>360,911</u>
At 31 December 2003	於二零零三年 十二月三十一日	336,758	24,153	360,911

Notes on the Financial Statements
財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

30. RESERVES (continued)

The company (continued)

- (a) According to the laws and regulations of the PRC, PRC companies with foreign investment are required to transfer a certain percentage of its profit after tax, as determined under PRC accounting regulations (the "net profit under PRC GAAP"), to the general reserve fund, enterprise expansion fund and staff and workers' bonus and welfare fund. Distribution of these reserves shall be made in accordance with the Article of Association and approved by the board of directors each year. Other PRC companies are required to transfer a certain percentage of their net profit under PRC GAAP to the statutory surplus reserve fund until the reserve balance reaches 50% of their paid-in capital, and to transfer a certain percentage of its net profit under PRC GAAP to the statutory public welfare fund.

According to the laws and regulations of Taiwan, Taiwan companies shall set aside 10% of their statutory net income each year for legal reserve, until the reserve balance has reached the paid-in share capital amount.

These above-mentioned reserves and funds cannot be used for purposes other than those for which they were created and are not distributable as cash dividends.

- (b) The revaluation reserve in respect of investment properties has been set up and will be dealt with in accordance with the accounting policy adopted for the revaluation of investment properties (note 1(g)).
- (c) In accordance with the Companies Law of the Cayman Islands, the share premium account is distributable to the shareholders of the company provided that immediately following the date on which the dividend is proposed to be distributed, the company will be in a position to pay off its debts as they fall due in the ordinary course of business.

30. 儲備 (續)

本公司 (續)

- (a) 根據中國法例及規例，中國外商投資公司須按中國會計規例（「中國公認會計原則項下純利」）釐訂之除稅後溢利若干百分比轉撥至一般儲備基金、企業發展基金以及職工獎勵及福利基金。儲備分派須根據公司組織章程細則之規定，並經董事會每年批准。其他中國公司須按中國公認會計原則將純利若干百分比轉撥至法定盈餘公積金，法定盈餘公積金達到實收資本的50%時，可以不再轉撥；另須按中國公認會計原則預留純利若干百分比作為法定公益金。

根據台灣的法例及規例，台灣公司每年須預留其法定收入淨額的10%作為法定盈餘公積，直至結餘達到實收股本金額為止。

上述儲備及基金不得用於其成立目的以外的其他用途，且不得用作派付現金股利。

- (b) 已就投資物業設立重估儲備，並將根據重估投資物業採納之會計政策處理（附註1(g)）。
- (c) 根據開曼群島公司法，股份溢價賬可分派予本公司股東，惟緊隨擬分派股利日期後，本公司能償還其於日常業務中到期之債務。

Notes on the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

30. RESERVES (continued)

The company (continued)

(d) At 31 December 2003, the aggregate amount of reserves available for distribution to shareholders of the company was \$360,911,000 (2002: \$337,465,000). After the balance sheet date the directors proposed a final dividend of \$0.015 per share, amounting to \$30,000,000. This dividend has not been recognised as a liability at the balance sheet date.

31. ACQUISITION OF SUBSIDIARY

On 31 August 2003, the group acquired 100% interest in Shanghai Full Beauty Cosmetics Company Limited for \$7,176,000.

30. 儲備(續)

本公司(續)

(d) 於二零零三年十二月三十一日，可分派予本公司股東之儲備總額為360,911,000元(二零零二年：337,465,000元)。於結算日後，董事建議派分末期股利每股0.015元，合共30,000,000元。於結算日，股利並無確認為負債。

31. 收購附屬公司

於二零零三年八月三十一日，本集團購入上海富麗化粧品有限公司100%權益，作價7,176,000元。

		2003 二零零三年 \$'000 千元
Net assets acquired	購入資產淨值	
Fixed assets	固定資產	756
Inventories	存貨	1,361
Debtors, bills receivable, deposits and prepayments	應收賬款、應收票據、押金及預付款項	46
Cash at bank and in hand	銀行及手頭現金	26
Trade and other payables	貿易與其他應付賬款	(1,109)
Tax payable	應付稅項	(18)
		<hr/>
Net identifiable assets and liabilities	可資識別資產及負債淨額	1,062
Positive goodwill arising on consolidation	綜合賬目時產生之正商譽	6,114
		<hr/>
Total purchase price paid, satisfied in cash	已付購買價總額，以現金支付	7,176
Less: cash of the subsidiary acquired	減：購入附屬公司之現金	(26)
		<hr/>
Net cash outflow in respect of the purchase of subsidiary	購入附屬公司之現金流出淨額	7,150

Notes on the Financial Statements
財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

32. COMMITMENTS

(a) Capital commitments

Capital commitments outstanding at 31 December 2003 not provided in the financial statements were as follows:

Contracted	已訂約
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(b) Commitments under operating leases

At 31 December 2003, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

Within 1 year	1年內
After 1 year but within 5 years	1年後5年內
After 5 years	5年後

The group leases a number of properties under operating leases. The leases typically run for an initial period of one to ten years, with an option to renew the leases when all terms are renegotiated. Leases payments are usually increased annually to reflect market rentals.

32. 承擔

(a) 資本承擔

於二零零三年十二月三十一日，並無於財務報表作出撥備之未償還資本承擔如下：

The group 本集團	
2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元
381	-

(b) 融資租賃承擔

於二零零三年十二月三十一日，根據不可撤銷經營租賃應付之日後最低租賃款項總額如下：

The group 本集團	
2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元
8,318	19,038
21,222	20,957
3,959	7,448
33,499	47,443

本集團按經營租約租用多個物業。租約之初步期限一般為一至十年不等，可於重新磋商有關條款後選擇重續。租金通常每年增加，以反映市場租金。

Notes on the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

32. COMMITMENTS (continued)

(b) Commitments under operating leases

(continued)

In addition to the minimum lease payments disclosed above, the PRC subsidiaries have commitments to make rental payments at a percentage of turnover for certain leased properties.

Furthermore, there are commitments of \$42,322,000 (2002: \$39,586,000) in respect of future minimum lease payments under non-cancellable operating leases entered into by the group. The business operations at these premises have been entrusted to operators (note 16(c)) who are responsible for the payment of the rentals to the respective landlords. New lease agreements will be entered into between the landlords and operators on expiry of the current lease agreements.

- (c) At 31 December 2002, the group had commitments of \$8,846,000 for the acquisition of additional equity interests in non-wholly owned subsidiaries from the minority shareholders (note 16(b)). There were no such commitments at 31 December 2003 as all acquisitions have been completed.

32. 承擔 (續)

(b) 經營租賃承擔

(續)

除上文披露之最低租賃付款外，中國附屬公司因就若干租賃物業以營業額某一百分比支付租金而有承擔。

此外，本集團所訂立之不可撤銷經營租賃項下最低日後租賃付款承擔為42,322,000元（二零零二年：39,586,000元）。該等物業之業務營運已委託予負責向各業主支付租金之經營者（附註16(c)）。新租賃協議將會於現有租賃協議屆滿時由業主與經營者訂立。

- (c) 於二零零二年十二月三十一日，本集團因向少數股東購入非全資附屬公司之額外股本權益而有8,846,000元之承擔（附註16(b)）。於二零零三年十二月三十一日，由於所有收購已完成，因此並無該等承擔。

Notes on the Financial Statements
財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

33. CONTINGENT LIABILITIES

Under the terms of the Sale and Purchase Agreements referred to note 16(b), in the event that Chong Ming Sanlian fails to settle the amounts owed to the minority shareholders for the acquisition of the equity interests in the PRC subsidiaries, NB Sanlian has undertaken to settle the outstanding amounts on behalf of Chong Ming Sanlian. At 31 December 2003, in respect of the purchase consideration, Chong Ming Sanlian owes to the minority shareholders a total amount of \$6,123,000 (2002: \$9,626,000).

34. MATERIAL RELATED PARTY TRANSACTIONS

Apart from transactions and balances disclosed in notes 16 and 24, the group had the following material transactions with related parties which in the opinion of the directors of the company, were carried out on normal commercial terms and in the ordinary course of the business of the group.

33. 或然負債

根據附註16(b)所述買賣協議之條款，倘崇明三聯未能就收購中國附屬公司之股本權益向少數股東清付有關款項，自然美三聯承諾代表崇明三聯清付未償還款項。於二零零三年十二月三十一日，崇明三聯就購買代價結欠少數股東合共6,123,000元（二零零二年：9,626,000元）。

34. 重大關連人士交易

除附註16及24披露之交易及結餘外，本集團與關連人士訂立以下本公司董事認為乃按一般商業條款及於本集團日常業務中進行之重大交易。

		2003 二零零三年 \$'000 千元	2002 二零零二年 \$'000 千元
(a)	Rental income receivable from the associate company and directors	756	483
(b)	Rental expenses payable to directors	190	190
(c)	Purchases of finished goods from related companies	791	-

(a) 應收聯營公司及董事之租金收入

(b) 應付董事之租金費用

(c) 向關連公司購入之製成品

Notes on the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

34. MATERIAL RELATED PARTY TRANSACTIONS

(continued)

- (d) Under a licensing agreement, a director of the company granted to NB Taiwan a license to use a skin test software from 1 January 1997 to 31 December 2011 for a nominal consideration of NT\$1.
- (e) On 5 October 2001, NB Taiwan entered into two separate licensing agreements with two directors of the company. Under the agreements, the directors agreed to license a number of trademarks to NB Taiwan, on an exclusive basis, for a nominal consideration of NT\$1. The licensing agreements will be effective till the expiry of the registration of the respective trademarks.

35. COMPARATIVE FIGURES

Certain comparative figures have been adjusted as a result of the change in accounting policy for deferred taxation, details of which are set out in note 11. In addition, the presentation of certain comparative items in the consolidated income statement has been revised. The directors are of the opinion this revised presentation is more appropriate after considering the nature of the items. The major changes are the reclassification of entrustment fee of \$1,979,000 and revenue arising from barter transactions of \$14,994,000 from other revenue to turnover and the financial refunds of \$7,069,000 from taxation to other revenue.

36. ULTIMATE HOLDING COMPANY

The directors consider the ultimate holding company at 31 December 2003 to be Knightcote Enterprises Limited, which is incorporated in BVI.

34. 重大關連人士交易

(續)

- (d) 根據許可權協議，本公司董事以象徵式代價新台幣1元，向自然美台灣授出可自一九九七年一月一日至二零一一年十二月三十一日期間使用皮膚測試軟件之許可權。
- (e) 於二零零一年十月五日，自然美台灣與本公司兩名董事訂立兩份許可權協議。根據協議，董事同意以象徵式代價新台幣1元，按獨家基準向自然美台灣授出若干商標之許可權。許可權協議於各商標之註冊屆滿前仍然有效。

35. 比較數字

由於有關遞延稅項之會計政策變動，若干比較數字已作出調整，詳情載於附註11。此外，於綜合收益表呈列之若干比較項目已作出修訂。經考慮項目性質後，董事認為作出有關修訂更為合適。主要變動包括將委託經營收益1,979,000元重新分類，並將互換交易所產生之14,994,000元收入從其他收入撥往營業額，以及將稅項之財務退款7,069,000元轉撥至其他收入。

36. 最終控股公司

於二零零三年十二月三十一日，董事認為最終控股公司是於英屬維京群島註冊成立之Knightcote Enterprises Limited。