

# Report of the Directors

## 董事會報告

The directors have pleasure in presenting their report together with the audited accounts of the Company and the Group for the year ended 31st March 2003.

### Principal activities and geographical analysis of operations

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in the retailing and wholesaling of a wide range of branded cosmetic products and the provision of beauty and health club services.

An analysis of the Group's turnover and profit before taxation for the year by principal activities and geographical areas of operation is set out in note 2 to the accounts.

### Results and appropriations

The results for the year are set out in the consolidated profit and loss account on page 72.

An interim dividend of 1.0 HK cent (2002: 1.0 HK cent) and a special dividend of 1.0 HK cent (2002: Nil) per share were paid on 8th January 2003. The directors recommend the payment of a final dividend of 4.0 HK cents (2002: 4.0 HK cents) per share. Total dividends paid and declared for the year ended 31st March 2003 amounted to HK\$76,001,000.

董事會欣然提呈本公司與本集團截至二零零三年三月三十一日止年度之報告及經審核賬目。

### 主要業務及按地區分析業務

本公司主要業務為投資控股，其附屬公司主要從事多種名牌化粧品之零售和批發及提供美容和健美中心服務。

本集團本年度按主要業務及經營地區劃分之營業額及除稅前溢利之分析載於賬目附註2。

### 業績及溢利分配

本集團本年度之業績載於第72頁綜合損益表內。

本公司已於二零零三年一月八日派發中期股息每股1.0港仙（二零零二年：1.0港仙）及特別股息每股1.0港仙（二零零二年：無）。董事會現建議派發末期股息每股4.0港仙（二零零二年：4.0港仙）。截至二零零三年三月三十一日止年度已派及擬派股息合共76,001,000港元。

# Report of the Directors (continued)

## 董事會報告 (續)

### Financial summary

A summary of the results, assets and liabilities of the Group for the last five financial years is set out as follows:

		2003 HK\$'000 千港元	2002 HK\$'000 千港元	2001 HK\$'000 千港元	2000 HK\$'000 千港元	1999 HK\$'000 千港元
Turnover	營業額	1,641,385	1,537,411	1,439,369	1,316,614	1,268,247
Profit/(loss) before taxation	除稅前溢利／(虧損)	92,787	(64,196)	(74,410)	79,012	(91,296)
Taxation	稅項	(36,237)	(9,652)	(7,746)	(5,516)	3,257
Minority interests	少數股東權益	8,913	2,673	(2,095)	–	–
Profit/(loss) attributable to shareholders	股東應佔溢利／(虧損)	65,463	(71,175)	(84,251)	73,496	(88,039)
Total assets	資產總值	1,098,259	1,094,152	1,175,472	1,228,456	1,202,865
Total liabilities	負債總值	(355,269)	(295,595)	(262,527)	(106,314)	(100,321)
Minority interests	少數股東權益	–	(6,379)	32,181	–	–
Net assets	資產淨值	742,990	792,178	945,126	1,122,142	1,102,544

### Major customers and suppliers

The aggregate percentage of sales and purchases attributable to the Group's five largest customers and suppliers respectively are less than 30% of the total sales and purchases for the year.

### Reserves

Details of the movements in reserves of the Group and the Company during the year are set out in note 21 to the accounts.

### Fixed assets

Details of the movements in fixed assets of the Group are set out in note 13 to the accounts.

### 財務摘要

本集團過去五個財政年度之業績、資產及負債摘要如下：

### 主要客戶及供應商

本集團五大客戶及供應商年內之銷售總額及採購總額分別佔本集團銷售總額及採購總額少於30%。

### 儲備

本集團及本公司儲備於年內之變動詳情載列於賬目附註21。

### 固定資產

本集團固定資產於年內之變動詳情載列於賬目附註13。

### Share capital

Details of the movements in share capital of the Company during the year are set out in note 20 to the accounts.

### Share options

#### (I) Share Option Scheme

The Company adopted a share option scheme on 22nd May 1997 (the "1997 Share Option Scheme"), a summary of which has been disclosed in the annual report of the Company for the year ended 31st March 2002. In view of the changes of Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") which governs the operation of share option schemes, the Company adopted a new share option scheme on 29th August 2002 (the "2002 Share Option Scheme") and the operation of the 1997 Share Option Scheme was terminated on the same day (such that no further options could be offered under the 1997 Share Option Scheme but the provisions of the 1997 Share Option Scheme continued to govern options granted under that scheme up to and including 28th August 2002).

#### 1997 Share Option Scheme

During the year, the Company has granted share options to the eligible employees (including an executive director) pursuant to the 1997 Share Option Scheme. Details of the share options which were granted to the eligible employees under the 1997 Share Option Scheme and remained outstanding as at 31st March 2003 are as follows:—

### 股本

本公司股本於年內之變動詳情載列於賬目附註20。

### 購股權

#### (I) 購股權計劃

本公司於一九九七年五月二十二日採納一項購股權計劃（「一九九七年購股權計劃」），有關摘要已於本公司截至二零零二年三月三十一日止年度之年報內披露。鑑於監管購股權計劃運作的香港聯合交易所有限公司證券上市規則（「上市規則」）第17章有所修訂，本公司於二零零二年八月二十九日採納一項新購股權計劃（「二零零二年購股權計劃」），而一九九七年購股權計劃的運作則於同日終止（故再無購股權可根據一九九七年購股權計劃予以授出，惟一九九七年購股權計劃的條文繼續對截至並包括二零零二年八月二十八日已授出的購股權具有約束力）。

#### 一九九七年購股權計劃

於年內，本公司根據一九九七年購股權計劃授予本公司合資格僱員（包括一名執行董事）購股權。按一九九七年購股權計劃授予合資格僱員，而於二零零三年三月三十一日尚未行使之購股權詳情如下：—

# Report of the Directors (continued)

## 董事會報告 (續)

### Share options (continued)

### 購股權 (續)

#### (I) Share Option Scheme (continued)

#### (I) 購股權計劃 (續)

Director 董事	Date of grant 授出日期	Subscription price per share 每股股份 認購價	Exercisable period 行使期	Vesting period	Options	Options	Options	Options	Options
				(from the	outstanding	Options	Options	Options	outstanding
				date of grant )	as at 1st April	granted	exercised	lapsed	as at 31st
					2002	during	during	during	March 2003
				行使前	於二零零二年	the year	the year	the year	於二零零三年
				持有期	四月一日	於年內	於年內	於年內	三月三十一日
				(自授出	未行使之	授出之	已獲行使之	失效之	未行使之
				日起計)	購股權	購股權	購股權	購股權	購股權
Mr. LOOK, Guy	24th April 2002	HK\$0.80	24th April 2003 to	1 year	–	4,000,000	–	–	4,000,000
陸楷先生	二零零二年	0.80港元	23rd April 2012	一年		notes (i) and (ii)			
	四月二十四日		二零零三年四月			附註(i)及(ii)			
			二十四日至二零一二年						
			四月二十三日						
	24th April 2002	HK\$0.80	24th April 2004 to	2 years	–	5,000,000	–	–	5,000,000
	二零零二年	0.80港元	23rd April 2012	二年		notes (i) and (ii)			
	四月二十四日		二零零四年四月			附註(i)及(ii)			
			二十四日至二零一二年						
			四月二十三日						
	24th April 2002	HK\$0.80	24th April 2005 to	3 years	–	4,116,285	–	–	4,116,285
	二零零二年	0.80港元	23rd April 2012	三年		notes (i) and (ii)			
	四月二十四日		二零零五年四月			附註(i)及(ii)			
			二十四日至二零一二年						
			四月二十三日						

# Report of the Directors (continued)

## 董事會報告 (續)

### Share options (continued)

#### (I) Share Option Scheme (continued)

##### 1997 Share Option Scheme (continued)

	Date of grant 授出日期	Subscription price per share 每股股份 認購價	Exercisable period 行使期	Vesting period (from the date of grant ) 行使前 持有期 (自授出 日起計)	Options outstanding as at 1st April 2002 於二零零二年 四月一日 未行使之 購股權	Options granted during the year 於年內 授出之 購股權	Options exercised during the year 於年內 已獲行使之 購股權	Options lapsed during the year 於年內 失效之 購股權	Options outstanding as at 31st March 2003 於二零零三年 三月三十一日 未行使之 購股權
<b>Employees</b>	9th September 1997	HK\$2.01	9th September 1997 to	–	1,808,000	–	–	–	1,808,000
<b>Under</b>	一九九七年	2.01港元	8th September 2007						note (iv)
<b>Continuous</b>	九月九日		一九九七年九月九日至						附註(iv)
<b>Employment</b>			二零零七年九月八日						
<b>Contract</b>									
<b>連續性合約僱員</b>	9th September 1997	HK\$2.01	9th September 1998 to	1 year	1,808,000	–	–	–	1,808,000
	一九九七年	2.01港元	8th September 2007	一年					note (v)
	九月九日		一九九八年九月九日至						附註(v)
			二零零七年九月八日						
	9th September 1997	HK\$1.90	9th September 1998 to	1 year	7,098,000	–	–	–	7,098,000
	一九九七年	1.90港元	8th September 2007	一年					note (vi)
	九月九日		一九九八年九月九日至						附註(vi)
			二零零七年九月八日						
	14th June 2000	HK\$0.96	14th June 2003 to	3 years	229,000	–	–	–	229,000
	二零零零年	0.96港元	13th June 2010	三年					
	六月十四日		二零零三年六月十四日至						
			二零一零年六月十三日						
	19th June 2000	HK\$0.94	19th June 2003 to	3 years	217,391	–	–	(217,391)	–
	二零零零年	0.94港元	18th June 2010	三年				note (iii)	
	六月十九日		二零零三年六月十九日至					附註(iii)	
			二零一零年六月十八日						

# Report of the Directors (continued)

## 董事會報告 (續)

### Share options (continued)

#### (I) Share Option Scheme (continued)

##### 1997 Share Option Scheme (continued)

					Options				Options
				Vesting period	outstanding	Options	Options	Options	outstanding
				(from the	as at 1st April	granted	exercised	lapsed	as at 31st
				date of grant )	2002	during	during	during	March 2003
	Subscription			行使前	於二零零二年	the year	the year	the year	於二零零三年
	price per share			持有期	四月一日	於年內	於年內	於年內	三月三十一日
	Date of grant	每股股份	Exercisable period	(自授出	未行使之	授出之	已獲行使之	失效之	未行使之
	授出日期	認購價	行使期	日起計)	購股權	購股權	購股權	購股權	購股權
Employees	21st June 2000	HK\$0.93	21st June 2001 to	1 year	412,000	–	–	(38,000)	374,000
Under	二零零零年	0.93港元	20th June 2010	一年				note (iii)	
Continuous	六月二十一日		二零零一年六月二十一日至					附註(iii)	
Employment			二零一零年六月二十日						
Contract									
連續性合約僱員	21st June 2000	HK\$0.93	21st June 2002 to	2 years	412,000	–	–	(38,000)	374,000
	二零零零年	0.93港元	20th June 2010	二年				note (iii)	
	六月二十一日		二零零二年六月二十一日至					附註(iii)	
			二零一零年六月二十日						
	4th June 2001	HK\$0.68	4th June 2002 to	1 year	196,078	–	–	–	196,078
	二零零一年	0.68港元	3rd June 2011	一年					
	六月四日		二零零二年六月四日至						
			二零一一年六月三日						
	4th June 2001	HK\$0.68	4th June 2003 to	2 years	196,078	–	–	–	196,078
	二零零一年	0.68港元	3rd June 2011	二年					
	六月四日		二零零三年六月四日至						
			二零一一年六月三日						

### 購股權 (續)

#### (I) 購股權計劃 (續)

##### 一九九七年購股權計劃 (續)

# Report of the Directors (continued)

## 董事會報告 (續)

### Share options (continued)

#### (I) Share Option Scheme (continued)

##### 1997 Share Option Scheme (continued)

	Date of grant 授出日期	Subscription price per share 每股股份 認購價	Exercisable period 行使期	Vesting period (from the date of grant ) 行使前 持有期 (自授出 日起計)	Options		Options granted during the year 於年內 授出之 購股權	Options exercised during the year 於年內 已獲行使之 購股權	Options lapsed during the year 於年內 失效之 購股權	Options	
					outstanding as at 1st April 2002 於二零零二年 四月一日 未行使之 購股權	Options granted during the year 於年內 授出之 購股權				Options outstanding as at 31st March 2003 於二零零三年 三月三十一日 未行使之 購股權	Options outstanding as at 31st March 2003 於二零零三年 三月三十一日 未行使之 購股權
Employees	4th June 2001	HK\$0.68	4th June 2004 to	3 years	196,079	–	–	–	–	196,079	
Under	二零零一年	0.68港元	3rd June 2011	三年							
Continuous	六月四日		二零零四年六月四日至								
Employment			二零一一年六月三日								
Contract											
連續性合約僱員	24th April 2002	HK\$0.80	24th April 2005 to	3 years	–	675,000	–	–	–	675,000	
	二零零二年	0.80港元	23rd April 2012	三年		note (ii)					
	四月二十四日		二零零五年四月二十四日至			附註(ii)					
			二零一二年四月二十三日								
					12,572,626	13,791,285	–	(293,391)		26,070,520	

### 購股權 (續)

#### (I) 購股權計劃 (續)

##### 一九九七年購股權計劃 (續)

### Share options (continued)

#### (I) Share Option Scheme (continued)

##### 1997 Share Option Scheme (continued)

Notes:

- (i) On 24th April 2002, 13,116,285 shares options were granted to an employee of the Company. The employee was subsequently appointed as an Executive Director of the Company on 10th September 2002.
- (ii) The closing price of the shares immediately before the date on which the options were granted was HK\$0.79.
- (iii) During the year, a total of 293,391 share options lapsed upon the resignation of two employees.
- (iv) Subsequent to the year end, 418,000 share options lapsed upon the resignation of an employee.
- (v) Subsequent to the year end, 418,000 share options lapsed upon the resignation of an employee.
- (vi) Subsequent to the year end, 108,000 share options each lapsed upon the resignation of an employee and the termination of employment of an employee respectively.

##### 2002 Share Option Scheme

A summary of the 2002 Share Option Scheme is set out below:—

#### (a) Purpose

To provide Participants (as defined below) with the opportunity to acquire proprietary interests in the Company and to encourage Participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole.

### 購股權 (續)

#### (I) 購股權計劃 (續)

##### 一九九七年購股權計劃 (續)

附註:

- (i) 於二零零二年四月二十四日，本公司授予一名僱員 13,116,285 股購股權。該名僱員及後於二零零二年九月十日獲委任為執行董事。
- (ii) 授出購股權前一天股份之收市價為 0.79 港元。
- (iii) 於年內，共有 293,391 股購股權因兩名僱員辭職而失效。
- (iv) 年結日後，418,000 股購股權因一名僱員辭職而失效。
- (v) 年結日後，418,000 股購股權因一名僱員辭職而失效。
- (vi) 年結日後，108,000 股購股權各因一名僱員辭職及一名僱員被終止僱用而分別失效。

##### 二零零二年購股權計劃

二零零二年購股權計劃摘要詳列如下：—

#### (a) 目的

旨在為參與者（定義見下文）提供機會購入本公司之專有權益及鼓勵參與者為本公司及其股東之整體利益而致力提高本公司及其股份之價值。



### Share options (continued)

#### (I) Share Option Scheme (continued)

##### 2002 Share Option Scheme (continued)

###### (b) Participants

Any directors (including executive, non-executive directors and independent non-executive directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters and service providers of any member of the Group whom the board of directors or a duly authorised committee thereof (the "Board") considers, in its sole discretion, have contributed to the Group.

###### (c) Total number of shares available for issue

- (i) The maximum number of shares in respect of which options may be granted under the 2002 Share Option Scheme shall not (when aggregated with any shares subject to any other share option scheme(s) of the Company) exceed 126,830,117 being 10% of the issued share capital of the Company on 29th August 2002, the date on which the 2002 Share Option Scheme was adopted (the "Scheme Mandate Limit"). Options lapsed in accordance with the terms of the 2002 Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.
- (ii) The Scheme Mandate Limit may be renewed at any time subject to prior shareholders' approval but in any event shall not exceed 10% of the issued share capital of the Company as at the date of approval of the renewal of the Scheme Mandate Limit. Options previously granted under the 2002 Share Option Scheme or any other share option schemes (including those outstanding, cancelled, lapsed in accordance with the terms or exercised options) will not be counted for the purpose of calculating the refreshed Scheme Mandate Limit.

### 購股權 (續)

#### (I) 購股權計劃 (續)

##### 二零零二年購股權計劃 (續)

###### (b) 參與者

本集團任何董事 (包括執行董事、非執行董事及獨立非執行董事) 及本集團之僱員及董事會或獲其恰當授權的委員會 (「董事會」) 酌情認為曾經為本集團作出貢獻之任何諮詢人員、顧問、分銷商、承包商、供應商、代理商、客戶、業務夥伴、合營夥伴、促銷人員及服務供應商。

###### (c) 可予發行之股份總數

- (i) 根據二零零二年購股權計劃所授購股權涉及之股份數目上限 (在與本公司任何其他購股權計劃涉及之任何股份合併計算時) 不得超過126,830,117股相等於本公司採納購股權計劃之日期即二零零二年八月二十九日已發行股本之10% (「計劃授權限額」)。在計算計劃授權限額時, 根據二零零二年購股權計劃之條款失效之購股權將不予計算。
- (ii) 計劃授權限額可在事先獲股東批准之情況下隨時予以更新, 惟無論如何不得超過本公司於批准更新計劃授權限額當日已發行股本之10%。在計算更新後之計劃授權限額時, 以往根據二零零二年購股權計劃或任何其他購股權計劃所授予之購股權 (包括尚未行使、已註銷、根據有關條款經已失效或已行使之購股權) 將不予計算。

Share options (continued)

(I) Share Option Scheme (continued)

2002 Share Option Scheme (continued)

(c) Total number of shares available for issue (continued)

(iii) The maximum number of shares in respect of which options may be granted to grantees under the 2002 Share Option Scheme and other share option schemes of the Company shall not exceed 30% of the issued share capital of the Company from time to time.

(iv) As at 25th June 2003, the total number of shares available for issue under the 2002 Share Option Scheme was 100,759,597 shares, which represented 8% of the total issued share capital of the Company at that date.

(d) Maximum entitlement of each Participant

The maximum number of shares in respect of which options may be granted under the 2002 Share Option Scheme to a specifically identified single grantee shall not (when aggregated with any shares subject to any other share option scheme(s) of the Company) in any 12-month period exceed 1 % of the shares of the Company in issue (the "Individual Limit").

The Company may grant options beyond the Individual Limit to a Participant if (i) the Company has first sent a circular to shareholders containing the identity of the Participant in question, the number and terms of the options granted and to be granted and other relevant information as required under the Listing Rules; and (ii) separate shareholders' approval has been obtained.

購股權 (續)

(I) 購股權計劃 (續)

二零零二年購股權計劃 (續)

(c) 可予發行之股份總數 (續)

(iii) 根據二零零二年購股權計劃及本公司其他購股權計劃所授購股權涉及之股份數目上限不得超過本公司不時已發行股本之30%。

(iv) 於二零零三年六月二十五日，根據二零零二年購股權計劃可予發行的股份總數為100,759,597股，佔本公司當時已發行股本的8%。

(d) 各參與者之限額

於任何12個月期間內根據二零零二年購股權計劃授予單一特定承授人之購股權所涉及之股份數目上限（在與本公司任何其他購股權計劃涉及之股份合併計算時），不得超過本公司不時發行之股份的1%（「個別限額」）。

本公司可在(i)本公司已先行向股東寄發一份通函，列載有關參與者之身份、即將授予及以往曾授予該參與者之購股權數目及條款，及上市規則所規定之其他有關資料；及(ii)已獲得股東另行批准的情況下，向參與者授予超出個別限額之購股權。

Share options (continued)

(I) Share Option Scheme (continued)

2002 Share Option Scheme (continued)

(e) Option Period

The period within which the shares must be taken up under an option shall be notified by the Board to each grantee at the time of making an offer which shall not expire later than 10 years from the date of grant of the relevant option.

(f) Minimum period for which an option must be held before it can be exercised

The minimum period, if any, for which an option must be held before it can be exercised shall be determined by the Board in its absolute discretion. The 2002 Share Option Scheme itself does not specify any minimum holding period.

(g) Consideration on acceptance of the option

HK\$1.00 is required to be paid by the grantee to the Company on acceptance of the option offer. An offer must be accepted within 30 days from the date on which the letter containing the offer is delivered to the Participant.

購股權 (續)

(I) 購股權計劃 (續)

二零零二年購股權計劃 (續)

(e) 購股權行使期限

購股權所涉及之股份必須接納的期限須由董事會在提呈要約時通知每位承授人而有關期限自授予日期起計不得超過10年。

(f) 行使購股權前必須持有之最低期限

行使購股權前必須持有之最低期限 (如有) 乃由董事會酌情決定。購股權計劃本身並不設立任何最低持有期限。

(g) 接納購股權須付款項

承授人接納購股權要約時須向本公司支付1港元。購股權必須於載有購股權要約之函件送達參與者之日期起計三十日內被接納。

Share options (continued)

(I) Share Option Scheme (continued)

2002 Share Option Scheme (continued)

(h) Basis of determining the subscription price

The subscription price shall be determined by the Board in its absolute discretion but in any event shall not be less than the higher of:—

- (i) the closing price of the shares of the Company as stated in the daily quotations sheets issued by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of grant;
- (ii) the average closing price of the shares of the Company as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a share.

(i) Remaining life of the 2002 Share Option Scheme

The 2002 Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date of adoption and will expire on 29th August 2012.

購股權 (續)

(I) 購股權計劃 (續)

二零零二年購股權計劃 (續)

(h) 購股價之釐定基準

購股價乃由董事會酌情決定，惟不得低於以下各項中之較高款額：—

- (i) 本公司股份於授予日期之收市價（以香港聯合交易所有限公司（「聯交所」）發出之每日成交報價表所載為準）；
- (ii) 股份於授予日期之前五個營業日之平均收市價（以聯交所發出之每日成交報價表所載為準）；及
- (iii) 股份之面值。

(i) 二零零二年購股權計劃之餘下年期

二零零二年購股權計劃由採納日期起計十年內有效，並將於二零一二年八月二十九日失效。

# Report of the Directors (continued)

## 董事會報告 (續)

### Share options (continued)

#### (I) Share Option Scheme (continued)

##### 2002 Share Option Scheme (continued)

During the year, the Company has granted share options to the eligible Participants (including three independent non-executive directors) pursuant to the 2002 Share Option Scheme. Details of the share options which were granted to the eligible Participants under the 2002 Share Option Scheme and remained outstanding as at 31st March 2003 are as follows:—

### 購股權 (續)

#### (I) 購股權計劃 (續)

##### 二零零二年購股權計劃 (續)

年內本公司根據二零零二年購股權計劃授予合資格參與者(包括三名獨立非執行董事)購股權。按二零零二年購股權計劃授予合資格參與者,而於二零零三年三月三十一日尚未行使之購股權詳情如下:—

Director	Date of grant	Subscription price per share	Exercisable period	Vesting period	Options		Options		Options	
					outstanding	Options	Options	Options	Options	Options
				(from the date of grant)	as at 1st April 2002	granted during the year	exercised during the year	lapsed during the year	as at 31st March 2003	as at 31st March 2003
	授出日期	每股股份認購價	行使期	行使前持有期(自授出日起計)	於二零零二年四月一日未行使之購股權	於期內授出之購股權	於期內已獲行使之購股權	於期內失效之購股權	於二零零三年三月三十一日未行使之購股權	於二零零三年三月三十一日未行使之購股權
<b>Director</b>										
<b>董事</b>										
Professor CHAN, Yuk Shee	16th December 2002	HK\$0.76	16th December 2003 to 15th December 2012	1 year	—	1,000,000	—	—	1,000,000	
陳玉樹教授	二零零二年十二月十六日	0.76港元	二零零三年十二月十六日至二零零二年十二月十五日	一年		note (i) 附註(i)				
Mrs. LEE LOOK, Ngan Kwan, Christina	16th December 2002	HK\$0.76	16th December 2003 to 15th December 2012	1 year	—	1,000,000	—	—	1,000,000	
利陸雁群女士	二零零二年十二月十六日	0.76港元	二零零三年十二月十六日至二零零二年十二月十五日	一年		note (i) 附註(i)				
Dr. LEUNG, Kwok Fai, Thomas	16th December 2002	HK\$0.76	16th December 2003 to 15th December 2012	1 year	—	1,000,000	—	—	1,000,000	
梁國輝博士	二零零二年十二月十六日	0.76港元	二零零三年十二月十六日至二零零二年十二月十五日	一年		note (i) 附註(i)				

# Report of the Directors (continued)

## 董事會報告 (續)

### Share options (continued)

#### (I) Share Option Scheme (continued)

##### 2002 Share Option Scheme (continued)

	Date of grant 授出日期	Subscription price per share 每股股份 認購價	Exercisable period 行使期	Vesting period	Options	Options granted during the year 於期內 授出之 購股權	Options exercised during the year 於期內 已獲行使之 購股權	Options lapsed during the year 於期內 失效之 購股權	Options
				(from the date of grant) 行使前 持有期 (自授出 日起計)	outstanding as at 1st April 2002 於二零零二年 四月一日 未行使之 購股權				outstanding as at 31st March 2003 於二零零三年 三月三十一日 未行使之 購股權
Employees	6th January 2003	HK\$0.77	6th January 2005 to	2 years	–	500,000	–	–	500,000
Under Continuous Employment Contract 連續性合約僱員	二零零三年一月六日	0.77港元	5th January 2013 二零零五年一月六日至 二零一三年一月五日	二年		note (ii) 附註(ii)			
	7th March 2003 二零零三年三月七日	HK\$0.91 0.91港元	5th March 2004 to 6th March 2013 二零零四年三月五日至 二零一三年三月六日	1 year from the date of employment 僱用日期 起計一年	–	1,333,334 note (iii) 附註(iii)	–	–	1,333,334
	7th March 2003 二零零三年三月七日	HK\$0.91 0.91港元	note (iv) 附註(iv)	note (iv) 附註(iv)	–	1,000,000 note (iii) 附註(iii)	–	–	1,000,000
	7th March 2003 二零零三年三月七日	HK\$0.91 0.91港元	note (iv) 附註(iv)	note (iv) 附註(iv)	–	1,000,000 note (iii) 附註(iii)	–	–	1,000,000
	7th March 2003 二零零三年三月七日	HK\$0.91 0.91港元	note (v) 附註(v)	note (v) 附註(v)	–	333,333 note (iii) 附註(iii)	–	–	333,333
	7th March 2003 二零零三年三月七日	HK\$0.91 0.91港元	note (v) 附註(v)	note (v) 附註(v)	–	333,333 note (iii) 附註(iii)	–	–	333,333
					–	7,500,000	–	–	7,500,000

### 購股權 (續)

#### (I) 購股權計劃 (續)

##### 二零零二年購股權計劃 (續)

### Share options (continued)

#### (I) Share Option Scheme (continued)

##### 2002 Share Option Scheme (continued)

Notes:

- (i) The closing price of the shares immediately before the date on which the options were granted was HK\$0.77.
- (ii) The closing price of the shares immediately before the date on which the options were granted was HK\$0.77.
- (iii) The closing price of the shares immediately before the date on which the options were granted was HK\$0.90.
- (iv) The exercise of the share options is subject to certain performance targets that must be reached by the employee on or before 31st March 2006. A minimum of 800,000 shares shall be vested in the employee one month from the date the employee achieves the performance target specified in the share option offer letter to the employee. The number of shares vested in the employee shall be increased proportionately up to a maximum of 1,000,000 shares depending on the percentage of the performance target being achieved.
- (v) The exercise of the share options is subject to certain performance targets that must be reached by the employee on or before 31st March 2006. A minimum of 266,666 shares shall be vested in the employee one month from the date the employee achieves the performance target specified in the share option offer letter to the employee. The number of shares vested in the employee shall be increased proportionately up to a maximum of 333,333 shares depending on the percentage of the performance target being achieved.

### 購股權 (續)

#### (I) 購股權計劃 (續)

##### 二零零二年購股權計劃 (續)

附註:

- (i) 授出購股權前一天股份之收市價為0.77港元。
- (ii) 授出購股權前一天股份之收市價為0.77港元。
- (iii) 授出購股權前一天股份之收市價為0.90港元。
- (iv) 該名僱員必須於二零零六年三月三十一日或以前達到若干表現指標才符合資格行使購股權。在該名僱員達到要約指定的表現指標之日期一個月後，不少於800,000購股權可獲行使。該名僱員可以行使的購股權數目將按達到表現指標的百分比，按比例達至1,000,000股之上限。
- (v) 該名僱員必須於二零零六年三月三十一日或以前達到若干表現指標才符合資格行使購股權。在該名僱員達到要約指定的表現指標之日期一個月後，不少於266,666購股權可獲行使。該名僱員可以行使的購股權數目將按達到表現指標的百分比，按比例達至333,333股之上限。

### Share options (continued)

#### (II) Share options under an ex-director's service agreement

The Company has granted to Mr. KING, Roger ("Mr. KING"), an ex-director of the Company, share options in accordance with the terms set out in a service agreement between the Company and Mr. KING on 2nd August 1999 ("Service Agreement") which was approved by the shareholders of the Company at an extraordinary general meeting held on 14th September 1999. The details of the share options outstanding as at 31st March 2003 which were granted to Mr. KING are set out as follows:—

Date of grant	Subscription price per share	Closing price per share immediately before the date of grant	Exercisable period	Vesting period	Options				Options outstanding as at 31st March 2003
					Options outstanding as at 1st April 2002	Options granted during the year	Options exercised during the year	Options lapsed during the year	
授出日期	每股股份認購價	前一天之股份收市價	行使期	行使前持有期	於二零零二年四月一日未行使之購股權	於年內授出之購股權	於年內已獲行使之購股權	於年內失效之購股權	於二零零三年三月三十一日未行使之購股權
14th September 1999 to 9th May 2002	HK\$0.928	HK\$0.64	14th September 1999 to 2nd February 2007	—	23,692,246	3,821,341	—	—	27,513,587
note (i)	0.928港元	to HK\$0.80	note (ii)	—	—	—	—	—	—
一九九九年九月十四日至二零零二年五月九日	0.64港元至0.80港元	附註(ii)	一九九九年九月十四日至二零零七年二月二日	—	—	—	—	—	—
附註(i)	—	—	—	—	—	—	—	—	—

### 購股權 (續)

#### (II) 一位前董事之服務協議之購股權

本公司根據於一九九九年八月二日與本公司一名前董事金樂琦先生(「金先生」)簽訂一份服務協議(「服務協議」)之條款授予金先生一批購股權而服務協議於一九九九年九月十四日經本公司股東特別大會通過。本公司授予金先生而於二零零三年三月三十一日尚未行使之購股權詳情如下:—



# Report of the Directors (continued)

## 董事會報告 (續)

### Share options (continued)

#### (II) Share options under an ex-director's service agreement (continued)

Note:

- (i) Due to the large number of monthly grants of options under the Service Agreement, the dates of grant are shown in a summarised manner.
- (ii) During the year, options were granted to Mr. KING on 2nd April, 2nd May and 9th May 2002 and the closing price per share immediately before the date of grant were HK\$0.64, HK\$0.79 and HK\$0.80 respectively.

The financial impact of options granted will not be recorded in the Group's accounts until such time when the options are exercised. Upon the exercise of the options, the resulting shares issued will be recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares will be recorded by the Company in the share premium account. Options which have lapsed prior to their exercise date will be deleted from the outstanding options.

The directors do not consider it appropriate to state the value of the options granted during the year as a number of variables which are crucial for the calculation of the value of the options have not been determined. The directors believe that any calculation of the value of the options based on a great number of speculative assumptions would not be meaningful and would be misleading.

### Pre-emptive rights

There are no provisions for pre-emptive rights under the Company's Articles of Association and there are no restrictions against such rights under the laws in the Cayman Islands.

### 購股權 (續)

#### (II) 一位前董事之服務協議之購股權 (續)

附註：

- (i) 由於根據服務協議每月授出的購股權為數眾多，故授出日期以摘要列出。
- (ii) 於年內，金先生分別於二零零二年四月二日、五月二日及五月九日獲授予購股權，授出購股權前一天股份之收市價分別為0.64港元、0.79港元及0.80港元。

直至行使前已授出的購股權之財務影響將不會列於本集團的賬目內。該等購股權被行使後，本公司將會把因此而發行的股份按其面值列為額外股本，而每股行使價較股份面值高出的金額則將列入股份溢價帳內。於行使日期前失效的購股權將在尚未行使的購股權中刪除。

由於計算有關購股權價值的多項重要因素尚未決定，故董事認為就本年度內計算購股權價值並不恰當。而根據各項揣測假設作出的任何購股權估值均無意義且可能引起誤導。

### 優先購買權

本公司組織細則並無有關優先購買權之任何規定，而開曼群島法例亦無有關該權利之任何限制。

## Repurchase, sale or redemption of shares

During the year, the Company applied an aggregate sum of HK\$39,520,743 for the repurchase of a total of its 52,820,000 fully paid up shares on the Stock Exchange, all of which had been duly cancelled. The details are as follows:—

Month of Repurchase	購回股份月份	No. of shares repurchased 購回股份數量	Total consideration (Note) 總金額(附註) HK\$ (港元)	Purchase price per share 每股購入價	
				Highest 最高 HK\$ (港元)	Lowest 最低 HK\$ (港元)
2002	二零零二年				
April	四月	10,888,000	8,366,239	0.80	0.66
May	五月	11,550,000	8,904,789	0.79	0.72
June	六月	24,700,000	18,942,204	0.78	0.75
July	七月	700,000	390,640	0.57	0.55
August	八月	3,360,000	1,984,510	0.59	0.58
September	九月	350,000	201,319	0.58	0.56
October	十月	472,000	271,900	0.59	0.55
November	十一月	800,000	459,142	0.57	0.57
		52,820,000	39,520,743		

The directors considered that the share purchases would lead to an enhancement of the Group's future earnings per share.

On 8th February 2002, upon the application by the Company, the Stock Exchange granted to the Company a waiver pursuant to Rule 10.06(2)(g) of the Listing Rules in respect of the 25 percent monthly share repurchases restriction set out in Rule 10.06(2)(a) of the Listing Rules. The waiver was effective for a period of six months from 8th February 2002 to 7th August 2002. On 18th October 2002, upon the application by the Company, the Stock Exchange granted a new waiver to the Company. The new waiver was effective for a period of six months from 18th October 2002 to 17th April 2003.

Apart from the above, neither the Company nor any of its subsidiaries has repurchased, sold or redeemed any of the Company's listed securities during the year.

## 購回、出售或贖回股份

本公司年內於聯交所購回本公司已繳足股份合共 52,820,000 股，金額為 39,520,743 港元，該批股份已悉數註銷。詳情如下：—

董事認為購回股份可提高本集團將來之每股盈利。

於二零零二年二月八日，聯交所應本公司根據上市規則第 10.06(2)(g) 條之申請就上市規則第 10.06(2)(a) 條所載每月只准購回股份 25% 之限制給予本公司豁免權。該豁免權有效期六個月，由二零零二年二月八日起至二零零二年八月七日止。於二零零二年十月十八日，聯交所再應本公司之申請給予本公司豁免權。該豁免權有效期六個月，由二零零二年十月十八日起至二零零三年四月十七日止。

除上述者外，本公司及其任何附屬公司於年內概無購回、出售或贖回本公司任何上市證券。

# Report of the Directors (continued)

## 董事會報告 (續)

### Repurchase, sale or redemption of shares (continued)

Note:

The total consideration included the purchase price, brokerage, transaction levy, trading fee, contract stamp, stock withdrawal fee and CCASS charge.

### Subsidiaries

Details of the Company's principal subsidiaries as at 31st March 2003 are set out in note 32 to the accounts.

### Bank loans and overdrafts

As at 31st March 2003, the Group has no bank loans nor overdrafts.

### Capitalised interests

No interest was capitalised by the Group during the year.

### Distributable reserves

As at 31st March 2003, the reserves of the Company available for distribution amounted to HK\$853,196,000.

### Directors and service contracts

The directors who held office during the year and up to the date of this report were:—

#### Executive Directors

Mr. KWOK, Siu Ming, Simon

Mrs. KWOK LAW, Kwai Chun, Eleanor

Mr. LOOK, Guy

— appointed on 10th September 2002

Mr. KING, Roger

— service agreement completed on 10th May 2002

### 購回、出售或贖回股份 (續)

附註:

總金額包括購股價、經紀佣金、交易徵費、交易費、印花稅、提倉手續費及中央結算收費。

### 附屬公司

本公司於二零零三年三月三十一日之主要附屬公司詳情載於賬目附註32。

### 銀行貸款及透支

於二零零三年三月三十一日，本集團並無銀行貸款及透支。

### 利息資本化

本集團於年內並無將利息資本化。

### 可分派儲備

於二零零三年三月三十一日，本公司可供分派之儲備達853,196,000港元。

### 董事及服務合約

年內及截至本報告簽發日期止擔任董事職務之人士如下：

#### 執行董事

郭少明先生

郭羅桂珍女士

陸楷先生

— 於二零零二年九月十日獲委任

金樂琦先生

— 其服務協議已於二零零二年五月十日完成

# Report of the Directors (continued)

## 董事會報告 (續)

### Directors and service contracts (continued)

#### Independent Non-Executive Directors

Mrs. LEE LOOK, Ngan Kwan, Christina

Professor CHAN, Yuk Shee

- term of directorship extended for a further term of three years commencing 1st November 2002

Dr. LEUNG, Kwok Fai, Thomas

- term of directorship extended for a further term of three years commencing 1st January 2003

Mr. CHENG, Ming Fun, Paul JP

- retired at the Annual General Meeting held on 29th August 2002

In accordance with Article 99 of the Company's Articles of Association, Mr. LOOK, Guy will retire from office at the forthcoming annual general meeting and, being eligible, offer himself for re-election.

In accordance with Article 116 of the Company's Articles of Association, Mrs. KWOK LAW, Kwai Chun, Eleanor will retire by rotation at the forthcoming annual general meeting and, being eligible, offer herself for re-election.

None of the directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

#### Directors' interests in contracts

No contracts of significance in relation to the Company's business to which the Company, its holding company or its subsidiaries was a party, and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### 董事及服務合約 (續)

#### 獨立非執行董事

利陸雁群女士

陳玉樹教授

- 董事任期由二零零二年十一月一日起計延長三年

梁國輝博士

- 董事任期由二零零三年一月一日起計延長三年

鄭明訓先生 JP

- 已於二零零二年八月二十九日舉行之股東週年大會上退任

根據本公司組織細則第99條之規定，陸楷先生會於即將舉行之股東週年大會上退任，惟陸先生有資格並願膺選連任。

根據本公司組織細則第116條之規定，郭羅桂珍女士會於即將舉行之股東週年大會上輪換退任。郭羅桂珍女士有資格並願膺選連任。

除上文所披露者外，擬於即將舉行之股東週年大會上候選連任之董事並無擁有與本公司訂立本公司不可於一年內沒有賠償（法定賠償除外）而終止其服務之合約。

#### 董事享有權益之合約

於本年度結算日或本年度內任何時間，本公司、其控股公司或附屬公司概無參與訂立任何董事於其中享有重大利益且與本公司業務有關連而有效之重要合約。

# Report of the Directors (continued)

## 董事會報告 (續)

### Interests in shares and options held by directors, chief executive and associates

#### (I) Shares

As at 31st March 2003, the directors, chief executive and their associates had the following interests in the share capital of the Company or any of its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance")) which require notification pursuant to Section 28 of the SDI Ordinance or the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") or as recorded in the register maintained pursuant to Section 29 of the SDI Ordinance:

#### The Company

Name of Director	董事名稱	Number of shares beneficially held 實益持有之股份數目			
		Personal interest 個人權益	Corporate interest 法團權益	Family interest 家屬權益	Other interest 其他權益
Mr. KWOK, Siu Ming, Simon	郭少明先生	20,364,000	898,506,400 (Note) (附註)	—	—
Mrs. KWOK LAW, Kwai Chun, Eleanor	郭羅桂珍女士	—	898,506,400 (Note) (附註)	—	—
Mrs. LEE LOOK, Ngan Kwan, Christina	利陸雁群女士	148,000	—	—	—

Note:

These shares are held as to 696,780,000 shares by Sunrise Height Incorporated and as to 201,726,400 shares by Green Ravine Limited. Both Sunrise Height Incorporated and Green Ravine Limited are owned as to 50% each by Mr. KWOK, Siu Ming, Simon and Mrs. KWOK LAW, Kwai Chun, Eleanor.

### 董事、最高行政人員及聯繫人士享有權益之股份及購股權

#### (I) 股份

於二零零三年三月三十一日，各董事、主要行政人員及彼等之聯繫人士於本公司或其任何相聯法團（定義見證券（披露權益）條例（「披露權益條例」））股本中擁有以下根據披露權益條例第28條或上市公司董事進行證券交易之標準守則（「標準守則」）須予知會之權益，或根據披露權益條例第29條須列入該條例所指之登記冊之權益：

#### 本公司

附註：

該等股份其中696,780,000股由Sunrise Height Incorporated持有而201,726,400股由Green Ravine Limited持有。郭少明先生及郭羅桂珍女士各持有Sunrise Height Incorporated 50% 權益，亦各持有Green Ravine Limited 50% 權益。

# Report of the Directors (continued)

## 董事會報告 (續)

### Interests in shares and options held by directors, chief executive and associates (continued)

### 董事、最高行政人員及聯繫人士享有權益之股份及購股權 (續)

#### (I) Shares (continued)

#### (I) 股份 (續)

#### Associated Corporations

#### 相聯法團

Name of Company 公司名稱	Name of Director 董事名稱	Number of non-voting deferred shares beneficially held 實益持有無投票權之遞延股份數目			
		Personal interest 個人權益	Corporate interest 法團權益	Family interest 家屬權益	Other interest 其他權益
Base Sun Investment Limited (note (i)) 鵬日投資有限公司 (附註(i))	Mr. KWOK, Siu Ming, Simon 郭少明先生	—	2 note (ii) 附註(ii)	—	—
	Mrs. KWOK LAW, Kwai Chun, Eleanor 郭羅桂珍女士	—	2 note (ii) 附註(ii)	—	—
Matford Trading Limited (note (i)) 美福貿易有限公司 (附註(i))	Mr. KWOK, Siu Ming, Simon 郭少明先生	—	—	—	3 note (iii) 附註(iii)
	Mrs. KWOK LAW, Kwai Chun, Eleanor 郭羅桂珍女士	—	—	—	3 note (iv) 附註(iv)
Sa Sa Cosmetic Company Limited (note (i)) 莎莎化粧品有限公司 (附註(i))	Mr. KWOK, Siu Ming, Simon 郭少明先生	1	—	—	—
	Mrs. KWOK LAW, Kwai Chun, Eleanor 郭羅桂珍女士	1	—	—	—

# Report of the Directors (continued)

## 董事會報告 (續)

### Interests in shares and options held by directors, chief executive and associates (continued)

#### (I) Shares (continued)

##### Associated Corporations (continued)

Name of Company 公司名稱	Name of Director 董事名稱	Number of non-voting deferred shares beneficially held 實益持有無投票權之遞延股份數目			
		Personal interest 個人權益	Corporate interest 法團權益	Family interest 家屬權益	Other interest 其他權益
Sa Sa Investment Limited (note (i)) 莎莎投資有限公司 (附註(i))	Mr. KWOK, Siu Ming, Simon 郭少明先生	1	—	—	—
	Mrs. KWOK LAW, Kwai Chun, Eleanor 郭羅桂珍女士	1	—	—	—
Vance Trading Limited (note (i)) 榮森貿易有限公司 (附註(i))	Mrs. KWOK LAW, Kwai Chun, Eleanor 郭羅桂珍女士	1,600,000	—	—	—

#### Notes:

- (i) These companies are wholly-owned subsidiaries of the Company.
- (ii) These non-voting deferred shares are held as to 1 share by Link Capital Investment Limited and 1 share by Modern Capital Investment Limited. Both Link Capital Investment Limited and Modern Capital Investment Limited are companies owned as to 50% each by Mr. KWOK, Siu Ming, Simon and Mrs. KWOK LAW, Kwai Chun, Eleanor.
- (iii) These non-voting deferred shares are deemed interests held by Mr. KWOK Siu Ming, Simon through a nominee, Mr. YUNG, Leung Wai.
- (iv) These non-voting deferred shares are deemed interests held by Mrs. KWOK LAW, Kwai Chun, Eleanor through a nominee, Ms. KWOK, Lai Yee, Mable.

### 董事、最高行政人員及聯繫人士享有權益之股份及購股權 (續)

#### (I) 股份 (續)

##### 相聯法團 (續)

- (i) 該等公司為本公司全資附屬公司。
- (ii) 該等無投票權之遞延股份其中1股由凌佳投資有限公司持有，1股由茂傑投資有限公司持有。郭少明先生及郭羅桂珍女士各持有凌佳投資有限公司50%權益，亦各持有茂傑投資有限公司50%權益。
- (iii) 郭少明先生被視作透過容良偉先生持有該等無投票權之遞延股份的權益。
- (iv) 郭羅桂珍女士被視作透過郭麗儀女士持有該等無投票權之遞延股份的權益。

### Interests in shares and options held by directors, chief executive and associates (continued)

#### (I) Shares (continued)

Save as disclosed above, no directors, chief executive and their associates have any beneficial or non-beneficial interests in the share capital of the Company and associated corporations required to be disclosed pursuant to the SDI Ordinance and the Model Code.

#### (II) Options

As at 31st March 2003, details of options granted under the 1997 Share Option Scheme and the 2002 Share Option Scheme to the directors and an ex-director of the Company who held office during the year were stated in the "Share Options" and "Connected Transactions" sections of this report.

Save as disclosed under the "Share Options" and "Connected Transactions" sections, at no time during the year was the Company, its holding company or its subsidiaries a party to any arrangements which enabled the directors of the Company (including their spouses or children under 18 years of age) to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

### Connected transactions

During the year, certain members and ex-members of the Group entered into the following transactions defined by the Listing Rules as "connected transactions". All the transactions below are also considered to be related party transactions under the Hong Kong Statement of Standard Accounting Practice No. 20 "Related Party Disclosures". On 23rd September 2002, the Stock Exchange granted the Group a waiver from strict compliance with the requirements set out in Chapter 14 of the Listing Rules in respect of items (I) to (V) below (the "Waiver Transactions") subject to certain conditions which had been duly complied with by the Company. The independent non-executive directors have reviewed the Waiver Transactions and confirmed that the respective amounts of the Waiver Transactions had not exceeded 3% of the audited consolidated net tangible asset of the Company as at 31st March 2003 and that the Waiver Transactions were entered into on normal commercial terms in the ordinary and usual course of business of the Group which were fair and reasonable so far as the shareholders of the Company are concerned and were entered into either in accordance with the terms of the agreements governing the Waiver Transactions or, where there are no such agreements, on terms no less/more favourable than terms available from/to independent third parties.

### 董事、最高行政人員及聯繫人士享有權益之股份及購股權 (續)

#### (I) 股份 (續)

除上文所披露者外，各董事、最高行政人員及彼等之聯繫人士概無在本公司或其相聯法團之股本中，擁有按披露權益條例及標準守則規定須予披露之任何其他實益或非實益權益。

#### (II) 購股權

於二零零三年三月三十一日，根據一九九七年購股權計劃及二零零二年購股權計劃授予本年度任內之本公司董事及一名前董事之購股權詳情載於本報告「購股權」及「關連交易」項下。

除於「購股權」及「關連交易」項下披露者外，本公司、其控股公司或其附屬公司於年內任何時間概無參與訂立任何協議，令本公司董事（包括彼等之配偶或十八歲以下之子女）可藉收購本公司或任何其他法人團體之股份或債券而獲取利益。

### 關連交易

年內，本集團若干成員及前成員公司曾進行以下屬於上市規則所界定之「關連交易」，而根據香港會計師公會會計準則第二十號「披露有關連人士」之規定，下列各項交易亦屬有關連人士之交易。聯交所於二零零二年九月二十三日有條件地就下列(I)至(V)項豁免本集團遵守上市規則第14章之規定（「豁免交易」）而本集團亦已謹遵此等條件進行豁免交易。本公司之獨立非執行董事已參閱過所有豁免交易並確認各豁免交易之有關金額均沒有超越本集團於二零零三年三月三十一日經審核綜合有形資產賬面淨值之3%而所有豁免交易均在日常業務中按一般商務條款所達成及根據執行豁免交易之協議條款進行，如無該等協議，則根據並無較與獨立第三者交易優惠之條款進行，因此對本公司股東而言是公平及合理的。



### Connected transactions (continued)

#### (I) Sa Sa Cosmetic Company Limited and Lisbeth Enterprises Limited#

During the year ended 31st March 2003, Sa Sa Cosmetic Company Limited ("Sa Sa Cosmetic"), a wholly owned subsidiary of the Company, sold goods to Lisbeth Enterprises Limited ("Lisbeth"), a 58.33% owned subsidiary of the Company which became a wholly owned subsidiary of the Company on 10th March 2003, in its ordinary course of business and on normal commercial terms. The total sales from Sa Sa Cosmetic to Lisbeth for the period up to 10th March 2003 immediately before Lisbeth became a wholly owned subsidiary of the Company was approximately HK\$1,722,000 (for the year ended 31st March 2002: the net sales from Sa Sa Cosmetic to Lisbeth was approximately HK\$2,221,000). As at 10th March 2003, the net amount due from Lisbeth to Sa Sa Cosmetic was approximately HK\$1,079,000 (as at 31st March 2002: HK\$1,620,000).

#### (II) Sa Sa Cosmetic Co. (S) Pte. Ltd. and Phillip Wain International (Singapore) Pte. Ltd.#

During the year ended 31st March 2003, Sa Sa Cosmetic Co. (S) Pte. Ltd. ("Sa Sa Singapore"), a wholly owned subsidiary of the Company, sold goods to Phillip Wain International (Singapore) Pte. Ltd. ("Phillip Wain Singapore"), a 58.33% owned subsidiary of the Company which became a wholly owned subsidiary of the Company on 10th March 2003, in its ordinary course of business and on normal commercial terms. The total sales from Sa Sa Singapore to Phillip Wain Singapore for the period up to 10th March 2003 immediately before Phillip Wain Singapore became a wholly owned subsidiary of the Company was approximately HK\$461,000 (for the year ended 31st March 2002: the net sales from Sa Sa Singapore to Phillip Wain Singapore was approximately HK\$332,000). As at 10th March 2003, the net amount due from Phillip Wain Singapore to Sa Sa Singapore was approximately HK\$5,000 (as at 31st March 2002: HK\$379,000).

### 關連交易 (續)

#### (I) 莎莎化粧品有限公司與Lisbeth Enterprises Limited #

於截至二零零三年三月三十一日止年度內，本公司之全資附屬公司莎莎化粧品有限公司（「莎莎化粧品」），在日常業務過程中按一般商業條款向本公司擁有58.33%權益而於二零零三年三月十日擁有100%權益之附屬公司Lisbeth Enterprises Limited（「Lisbeth」）銷售貨品。於截至二零零三年三月十日止期間即Lisbeth成為本公司全資附屬公司前，莎莎化粧品向Lisbeth出售貨品之總銷售額約為1,722,000港元。於截至二零零二年三月三十一日止年度內：莎莎化粧品向Lisbeth出售貨品之淨銷售額約為2,221,000港元。於二零零三年三月十日，Lisbeth欠付莎莎化粧品之款項淨額約為1,079,000港元（於二零零二年三月三十一日：1,620,000港元）。

#### (II) Sa Sa Cosmetic Co. (S) Pte. Ltd.及Phillip Wain International (Singapore) Pte. Ltd. #

於截至二零零三年三月三十一日止年度內，本公司之全資附屬公司Sa Sa Cosmetic Co. (S) Pte. Ltd.（「新加坡莎莎」），在日常業務過程中按一般商業條款向本公司擁有58.33%權益而於二零零三年三月十日擁有100%權益之附屬公司Phillip Wain International (Singapore) Pte. Ltd.（「新加坡PW」）銷售貨品。於截至二零零三年三月十日止期間即新加坡PW成為本公司全資附屬公司前，新加坡莎莎向新加坡PW出售貨品之總銷售額約為461,000港元（於截至二零零二年三月三十一日止年度內：新加坡莎莎向新加坡PW出售貨品之淨銷售額約為332,000港元）。於二零零三年三月十日，新加坡PW欠付新加坡莎莎之款項淨額約為5,000港元（於二零零二年三月三十一日：379,000港元）。

### Connected transactions (continued)

#### (III) Hong Kong Sa Sa (M) Sdn. Bhd. and Phillip Wain (M) Sdn. Bhd.#

During the year ended 31st March 2003, Hong Kong Sa Sa (M) Sdn. Bhd. ("Sa Sa Malaysia"), a wholly owned subsidiary of the Company, sold goods to Phillip Wain (M) Sdn. Bhd. ("Phillip Wain Malaysia"), a 58.33% owned subsidiary of the Company which became a wholly owned subsidiary of the Company on 10th March 2003, in its ordinary course of business and on normal commercial terms. The total sales from Sa Sa Malaysia to Phillip Wain Malaysia for the period up to 10th March 2003 immediately before Phillip Wain Malaysia became a wholly owned subsidiary of the Company was approximately HK\$69,000 (for the year ended 31st March 2002: the net sales from Sa Sa Malaysia to Phillip Wain Malaysia was approximately HK\$24,000). As at 10th March 2003, the net amount due from Phillip Wain Malaysia to Sa Sa Malaysia was approximately HK\$30,000 (as at 31st March 2002: HK\$11,000).

#### (IV) Sa Sa Cosmetic Company Limited and Ebeca Cosmetic (Holding) Limited#

During the year ended 31st March 2003, Sa Sa Cosmetic Company Limited ("Sa Sa Cosmetic"), a wholly owned subsidiary of the Company, sold goods to Ebeca Cosmetic (Holding) Limited ("Ebeca") in its ordinary course of business and on normal commercial terms. Ebeca is a wholly owned subsidiary of Shenzhen Sa Sa Ebeca Enterprise Ltd ("Shenzhen Sa Sa Ebeca") which was a 55% owned subsidiary of Sa Sa (China) Holdings Limited ("Sa Sa China"). Sa Sa China was a wholly owned subsidiary of the Company, the entire interest of which was disposed of by the Company on 28th March 2003. The total sales from Sa Sa Cosmetic to Ebeca for the year ended 31st March 2003 was approximately HK\$921,000 (for the year ended 31st March 2002: HK\$578,000).

### 關連交易 (續)

#### (III) Hong Kong Sa Sa (M) Sdn. Bhd. 及 Phillip Wain (M) Sdn. Bhd.#

於截至二零零三年三月三十一日止年度內，本公司之全資附屬公司Hong Kong Sa Sa (M) Sdn. Bhd. (「馬來西亞莎莎」)，在日常業務過程中按一般商業條款向本公司擁有58.33%權益而於二零零三年三月十日擁有100%權益之附屬公司Phillip Wain (M) Sdn. Bhd. (「馬來西亞PW」)銷售貨品。於截至二零零三年三月十日止期間即馬來西亞PW成為本公司全資附屬公司前，馬來西亞莎莎向馬來西亞PW出售貨品之總銷售額約為69,000港元(於截至二零零二年三月三十一日止年度內：馬來西亞莎莎向馬來西亞PW出售貨品之淨銷售額約為24,000港元)。於二零零三年三月十日，馬來西亞PW欠付馬來西亞莎莎之款項淨額約為30,000港元(於二零零二年三月三十一日：11,000港元)。

#### (IV) 莎莎化粧品有限公司與依貝佳化粧品集團有限公司#

於截至二零零三年三月三十一日止年度內，莎莎化粧品在日常業務過程中按一般商業條款向依貝佳化粧品集團有限公司(「依貝佳」)銷售貨品。依貝佳乃深圳莎莎依貝佳實業有限公司(「深圳莎莎依貝佳」)的全資附屬公司而莎莎(中國)控股有限公司(「莎莎中國」)擁有深圳莎莎依貝佳55%權益。莎莎中國在本公司於二零零三年三月二十八日出售其股份前乃本公司之全資附屬公司。於截至二零零三年三月三十一日止年度內，莎莎化粧品向依貝佳出售貨品之總銷售額約為921,000港元(截至二零零二年三月三十一日止年度內：578,000港元)。

### Connected transactions (continued)

#### (IV) Sa Sa Cosmetic Company Limited and Ebeca Cosmetic (Holding) Limited# (continued)

During the year ended 31st March 2003, Ebeca sold goods to Sa Sa Cosmetic in its ordinary course of business and on normal commercial terms. The total sales from Ebeca to Sa Sa Cosmetic for the year ended 31st March 2003 was approximately HK\$412,000 (for the year ended 31st March 2002: HK\$635,000). As at 31st March 2003, the net amount due from Ebeca to Sa Sa Cosmetic was approximately HK\$412,000 (as at 31st March 2002: the net amount due from Sa Sa Cosmetic to Ebeca was approximately HK\$105,000).

According to the Stock Exchange, although the Company disposed of its interest in Sa Sa China on 28th March 2003, any transactions between the Group and Ebeca for the 12 months period from 28th March 2003 will still be considered as connected transactions pursuant to Rule 14.03(2) (c) of the Listing Rules.

# The above transactions were entered into as Lisbeth, its subsidiaries and Ebeca were, at the time of the transactions, viewed as an extension of retail outlets of Sa Sa Cosmetic and its subsidiaries.

### 關連交易 (續)

#### (IV) 莎莎化粧品有限公司與依貝佳化粧品集團有限公司# (續)

於截至二零零三年三月三十一日止年度內，依貝佳在日常業務過程中按一般商業條款向莎莎化粧品銷售貨品。於截至二零零三年三月三十一日止年度內，依貝佳向莎莎化粧品出售貨品之總銷售額約為412,000港元（截至二零零二年三月三十一日止年度內：635,000港元）。於二零零三年三月三十一日，依貝佳欠付莎莎化粧品之款項淨額約為412,000港元（於二零零二年三月三十一日：莎莎化粧品欠付依貝佳之款項淨額約為105,000港元）。

根據聯交所指示，按上市規則第14.03(2)(c)條規定，雖然本公司已於二零零三年三月二十八日出售莎莎中國100%之股權，依貝佳與本集團於二零零三年三月二十八日起十二個月內之任何交易仍被視為關連交易。

# 上述交易乃因當時Lisbeth、其附屬公司及依貝佳被視為莎莎化粧品及其附屬公司零售店舖的伸延。

### Connected transactions (continued)

#### (V) Loans to Lisbeth Enterprises Limited and its subsidiaries

On 11th June 2002, Sa Sa Cosmetic, Sa Sa Singapore and Sa Sa Malaysia (the "Lenders") advanced loans (the "Previous Loans") in the principal sum of HK\$1,000,000, S\$700,000 (equivalent to approximately HK\$3,096,000) and RM1,000,000 (equivalent to approximately HK\$2,052,000) to Lisbeth, Phillip Wain Singapore and Phillip Wain Malaysia, wholly owned subsidiaries of Lisbeth in Singapore and Malaysia respectively (together the "Borrowers"). The Previous Loans bear annual interests at rates equal to the prime lending rate quoted by The Hongkong and Shanghai Banking Corporation Limited at its principal office at Hong Kong for the loan to Lisbeth, the prime lending rate quoted by The Hongkong and Shanghai Banking Corporation Limited at its principal office in Singapore for the loan to Phillip Wain Singapore and the base lending rate quoted by Malayan Banking Berhad Limited at its principal office in Kuala Lumpur for the loan to Phillip Wain Malaysia and the Previous Loans are repayable on demand (the "Terms"). The purpose of the Previous Loans is to support the business of the Borrowers.

On 17th March 2003, Sa Sa Singapore advanced a further loan ("Singapore New Loan") in the principal sum of S\$1,000,000 (equivalent to approximately HK\$4,424,000) to Phillip Wain Singapore and on 24th March 2003, Sa Sa Malaysia advanced a further loan ("Malaysia New Loan") in the principal sum of RM200,000 (equivalent to approximately HK\$411,000) to Phillip Wain Malaysia under terms same as the Terms. Subsequent to the year end, Sa Sa Cosmetic advanced a further loan ("Hong Kong New Loan") in the principal sum of HK\$1,000,000 to Lisbeth on 22nd April 2003, also under terms same as the Terms. The Singapore New Loan, the Malaysia New Loan and the Hong Kong New Loan were advanced to Phillip Wain Singapore, Phillip Wain Malaysia and Lisbeth to provide working capital for the said companies. A deed of charge over all assets of the Borrowers as security of the Previous Loans, the Singapore New Loan, the Malaysia New Loan and the Hong Kong New Loan were executed by the Borrowers in favour of the Lenders on 28th April 2003.

### 關連交易 (續)

#### (V) 向Lisbeth Enterprises Limited 及其附屬公司提供之貸款

於二零零二年六月十一日，莎莎化粧品、新加坡莎莎及馬來西亞莎莎（「放款人」）分別貸款（「前貸款」）予Lisbeth、新加坡PW及馬來西亞PW（Lisbeth分別在香港、新加坡及馬來西亞擁有之全資附屬公司）（「借款人」），貸款本金額分別為1,000,000港元、700,000新加坡元（約相等於3,096,000港元）及1,000,000馬幣（約相等於2,052,000港元）。前貸款為計息貸款，就Lisbeth的貸款而言，年利率為香港上海滙豐銀行有限公司香港總行所報的最優惠放款利率；就新加坡PW的貸款而言，年利率為香港上海滙豐銀行有限公司新加坡總行所報的最優惠放款利率；就馬來西亞PW的貸款而言，年利率為Malayan Banking Berhad Limited 吉隆坡總行所報的基本放款利率（「該條款」）。有關貸款用作支援借款人之業務運作。

於二零零三年三月十七日，新加坡莎莎再貸款1,000,000新加坡元（約相等於4,424,000港元）予新加坡PW（「新加坡新貸款」），而於二零零三年三月二十四日，馬來西亞莎莎再貸款200,000馬幣（約相等於411,000港元）予馬來西亞PW（「馬來西亞新貸款」），兩者均按該條款借貸。年結日後，莎莎化粧品於二零零三年四月二十二日再貸款1,000,000港元予Lisbeth（「香港新貸款」），貸款條款亦相同。新加坡新貸款、馬來西亞新貸款及香港新貸款之目的是為提供新加坡PW、馬來西亞PW及Lisbeth流動資金之用。借款人於二零零三年四月二十八日簽署了一份以放款人為受益人的抵押契約，將借款人之資產作為前貸款、新加坡新貸款、馬來西亞新貸款及香港新貸款之還款保證。

### Connected transactions (continued)

#### (VI) The Company, Lisbeth Enterprises Limited, Mr. PHILLIPS, Edwin John and Mr. WAIN, Barry Richard

On 19th February 2003, the Company, Lisbeth, Mr. PHILLIPS, Edwin John ("Mr. PHILLIPS") and Mr. WAIN, Barry Richard ("Mr. WAIN"), former shareholders and directors of Lisbeth, entered into an agreement (the "Settlement Agreement") pursuant to which, inter alia, Lisbeth became a wholly owned subsidiary of the Company. The net payment made by the Company under the Settlement Agreement was HK\$3,687,945.

Pursuant to the terms of the Settlement Agreement all shares of Lisbeth under the name of Mr. PHILLIPS representing 41.67% of the shareholding of Lisbeth were transferred to the Company or its nominee whereby the Company became a 100% shareholder of Lisbeth on 10th March 2003.

As part of the terms of the Settlement Agreement, two promissory notes in favour of Lisbeth in the aggregate amount of HK\$12,024,573 issued by Mr. PHILLIPS and two promissory notes in favour of Lisbeth in the aggregate sum of HK\$12,014,472 issued by Mr. WAIN, all in respect of indebtedness owed by companies beneficially owned by Mr. WAIN and Mr. PHILLIPS to Lisbeth were cancelled. Certain sums owed by Mr. WAIN to Lisbeth in the aggregate amount of HK\$1,368,000 and certain sums in the aggregate amount of HK\$2,964,000 owed by Mr. PHILLIPS to Lisbeth as at 31st December 2002 were settled. A total of 5 separate sets of legal proceedings between the Company, Lisbeth, Mr. PHILLIPS and Mr. WAIN as described in the Notes to the Accounts of Annual Report of the Company for the year ended 31st March 2002 were also settled.

### 關連交易 (續)

#### (VI) 本公司, Lisbeth Enterprises Limited, PHILLIPS, Edwin John先生 及 WAIN, Barry Richard 先生

於二零零三年二月十九日, 本公司、Lisbeth及 Lisbeth兩位前董事及股東PHILLIPS, Edwin John先生(「PHILLIPS先生」)及 WAIN, Barry Richard先生(「WAIN先生」)共同簽署了一份協議書(「和解協議書」), 而Lisbeth按和解協議書其中條款規定成為本公司之全資附屬公司。本公司按和解協議書支付之款項淨額為3,687,945港元。

按和解協議書之條款規定, 在PHILLIPS先生名下之41.67% Lisbeth股權已全數轉讓給本公司或其指定之公司, 從而使本公司於二零零三年三月十日起成為擁有Lisbeth 100%股權之股東。

作為和解協議書之部份條款, 由PHILLIPS先生簽署以Lisbeth為受益人之兩張有關PHILLIPS先生及 WAIN先生共同擁有之公司欠Lisbeth共12,024,573港元之承付票及由WAIN先生簽署以Lisbeth為受益人之兩張有關PHILLIPS先生及WAIN先生共同擁有之公司所欠Lisbeth共12,014,472港元之承付票均被取消。另WAIN先生於二零零二年十二月三十一日欠Lisbeth共1,368,000港元及PHILLIPS先生於二零零二年十二月三十一日欠Lisbeth共2,964,000港元亦被償付。而五宗牽涉本公司、Lisbeth、PHILLIPS先生及WAIN先生之訴訟亦得以和解(訴訟詳情可參閱本公司截至二零零二年三月三十一日止年報之賬目附註)。

### Connected transactions (continued)

#### (VII) Disposal of shares in Sa Sa (China) Holdings Limited to Forerun International Limited

On 6th March 2003, New Image International Limited ("New Image"), a wholly owned subsidiary of the Company, entered into an agreement (the "Agreement") with Forerun International Limited ("Forerun"), a company owned by Mr. OU, Shaoxiong and Ms. CHEN, Lijuan, directors of Shenzhen Sa Sa Ebeca, a subsidiary of the Company as at the date of the Agreement. Shenzhen Sa Sa Ebeca was owned as to 55% by Sa Sa China, a wholly owned subsidiary of the Company as at the date of the Agreement.

Pursuant to the Agreement, inter alia, New Image disposed of its entire shareholding in Sa Sa China to Forerun and Forerun paid HK\$3,000,000 to New Image as consideration on 28th March 2003.

#### (VIII) Management fee charged by Sa Sa Cosmetic Company Limited to Lisbeth Enterprises Limited

During the year and for the period ended 10th March 2003, immediately before Lisbeth became a wholly owned subsidiary of the Company, Sa Sa Cosmetic charged management fee in the sum of HK\$838,000 to Lisbeth on cost reimbursement basis for the provision of staff and administrative services.

### 關連交易 (續)

#### (VII) 出售莎莎(中國)控股有限公司股份予Forerun International Limited

於二零零三年三月六日，本公司全資附屬公司New Image International Limited（「New Image」）與Forerun International Limited（「Forerun」）簽署合約（「該合約」）。Forerun為區紹雄先生及陳麗娟女士共同擁有之公司而區紹雄先生及陳麗娟女士亦為深圳莎莎依貝佳之董事。深圳莎莎依貝佳於簽約之日乃本公司之附屬公司，因該日本公司之全資附屬公司莎莎中國擁有深圳莎莎依貝佳55%之股權。

按該合約其中條款之規定，於二零零三年三月二十八日New Image將其於莎莎中國之100%股份售予Forerun而Forerun則付予New Image 3,000,000港元作為代價。

#### (VIII) 莎莎化粧品有限公司收取Lisbeth Enterprises Limited之管理費

於年內並截至二零零三年三月十日止期間即Lisbeth成為本公司全資附屬公司前，莎莎化粧品向Lisbeth提供員工及行政服務，並按付還成本之基準向其收取838,000港元之管理費。

### Connected transactions (continued)

#### (IX) Service Agreement of an ex-director

On 2nd August 1999, the Company, entered into a service agreement ("Service Agreement") with Mr. KING, Roger ("Mr. KING") to appoint Mr. KING as the president and chief executive officer of the Company. At the same time, Mr. KING, who was previously an independent non-executive director of the Company, had been appointed as an executive director of the Company.

Pursuant to the Service Agreement, a total of 9,000,000 new shares in the Company would be issued to Mr. KING over a period of three years as his remuneration and he would also be granted options to subscribe for shares ("Option Shares") in the Company in accordance with the terms set out in the Service Agreement. The issue of remuneration shares and Option Shares to Mr. KING constituted connected transactions pursuant to Chapter 14 of the Listing Rules. The said connected transactions were approved by shareholders of the Company at an extraordinary general meeting held on 14th September 1999.

As of 31st March 2003, a total of 17,405,172 shares were issued to Mr. KING pursuant to the Service Agreement.

The Service Agreement of Mr. KING was completed on 10th May 2002.

### 關連交易 (續)

#### (IX) 一名前董事之服務協議

本公司於一九九九年八月二日與金樂琦先生(「金先生」)簽訂一份服務協議(「服務協議」)委任金先生為本公司之行政總裁。金先生原為本公司之獨立非執行董事，後獲委任為本公司之執行董事。

根據服務協議，本公司須於三年內發行新股份共9,000,000股予金先生作為報酬，及按服務協議所載之條款，金先生已獲授予購股權以認購本公司股份(「購股權股份」)。根據證券上市規則第14章，發行報酬新股及購股權股份予金先生構成一項關連交易。該關連交易已於本公司一九九九年九月十四日召開之股東特別大會中獲股東批准。

於二零零三年三月三十一日本公司已根據服務協議發行共17,405,172股股份予金先生。

金先生的服務協議已於二零零二年五月十日完成。

# Report of the Directors (continued)

## 董事會報告 (續)

### SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31st March 2003, according to the register of interests kept by the Company under Section 16(1) of the SDI Ordinance, the shareholders who had or were deemed to have interest in 10% or more of the Company's issued share capital were:

Name 股東名稱	Number of ordinary shares beneficially held 實益持有之普通股數目
Sunrise Height Incorporated	696,780,000 (Note) (附註)
Green Ravine Limited	201,726,400 (Note) (附註)

Note:

Both Sunrise Height Incorporated and Green Ravine Limited are owned as to 50% each by Mr. KWOK, Siu Ming, Simon and Mrs. KWOK LAW, Kwai Chun, Eleanor.

Save as disclosed above, no person was recorded in the register as having an interest amounting to 10% or more of the issued share capital of the Company as at 31st March 2003.

### MANAGEMENT CONTRACTS

Save as disclosed in paragraph (VIII) of the "Connected Transactions" section, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

### CODE OF BEST PRACTICE

In the opinion of the directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the year, except that one of the independent non-executive directors is not appointed for a specific term as recommended under paragraph 7 of Appendix 14 of the Listing Rules but is subject to retirement by rotation at the annual general meeting in accordance with the Articles of Association of the Company.

### 主要股東權益

於二零零三年三月三十一日，根據披露權益條例第16(1)條之規定存置之權益冊顯示，以下股東擁有或被視作擁有本公司已發行股本10%或以上權益：

附註：

郭少明先生及郭羅桂珍女士各擁有Sunrise Height Incorporated 50%股權，亦各擁有Green Ravine Limited 50%股權。

除上文所披露者外，權益冊內再無記錄任何人士於二零零三年三月三十一日擁有本公司已發行股本10%或以上權益。

### 管理合約

除「關連交易」第(VIII)項所披露者外，本公司於本年度並無簽訂或存有管理本公司整體或其中重要部份業務的合約。

### 最佳應用守則

董事會認為本公司於年內一直遵守聯交所上市規則附錄十四最佳應用守則，惟並無根據上市規則附錄十四第7段建議，於委任其中一名獨立非執行董事時訂明其在任期限，而根據本公司之公司組織細則規定，本公司之獨立非執行董事須於每年股東週年大會上輪值退任。



# Report of the Directors (continued)

## 董事會報告 (續)

### Audit committee

In compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules, the Company has established an Audit Committee in 1999. The Committee comprises two independent non-executive directors and has adopted terms of reference governing the authority and duties of the Audit Committee. The present members of the Audit Committee are Professor CHAN, Yuk Shee and Dr. LEUNG, Kwok Fai, Thomas.

### Auditors

The accounts have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

By order of the Board

**Kwok Siu Ming, Simon**

*Chairman*

Hong Kong, 25th June 2003

### 審核委員會

根據上市規則附錄十四最佳應用守則之規定，本公司已於一九九九年成立了審核委員會。該委員會由兩位獨立非執行董事組成，並已制訂職權範圍書，列明審核委員會會員之職務及責任。審核委員會現時成員為陳玉樹教授及梁國輝博士。

### 核數師

本賬目由羅兵咸永道會計師事務所審核，該核數師任滿告退，惟符合資格並表示願意應聘連任。

承董事會命

主席

**郭少明**

香港，二零零三年六月二十五日