

## Director's Report 董事會報告書

The directors of Natural Beauty (the "Directors") are pleased to present their report together with the audited financial statements of Natural Beauty and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31 December 2003.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are (a) manufacturing and selling of skin care, beauty and aromatherapeutic products and (b) provision of skin treatments, beauty and spa services and skin care consulting and beauty training. Other activities and particulars of the Group's subsidiaries are set out in Note 16 to the financial statements.

### SUBSIDIARIES

Particulars of the Group's subsidiaries as at 31 December 2003 are set out in Note 16 to the financial statements.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2003 are set out in the consolidated income statement on page 39.

### SEGMENTAL INFORMATION

An analysis of the Group's turnover and results by geographical location of customers for the year ended 31 December 2003 is set out in Note 12 to the financial statements.

### DIVIDENDS

An interim dividend of HK\$0.006 per share was paid to shareholders on 7 November 2003 and the Board has resolved to recommend the payment of a final dividend of HK\$0.015 per share in respect of the year ended 31 December 2003, subject to the approval by shareholders at the forthcoming annual general meeting.

自然美董事（「董事」）欣然提呈自然美及其附屬公司（下文統稱「本集團」）截至二零零三年十二月三十一日止年度的報告及經審核財務報表。

### 主要業務

本公司主要業務為投資控股，其附屬公司主要業務為(a)製造及銷售護膚品、彩粧品及芳香療法產品；及(b)提供肌膚護理、美容及spa服務及肌膚護理顧問服務及美容培訓。本集團附屬公司的其他業務及詳情載於財務報表附註16。

### 附屬公司

本集團附屬公司於二零零三年十二月三十一日的詳情載於財務報表附註16。

### 業績及分派

本集團截至二零零三年十二月三十一日止年度的業績載於第39頁的綜合收益表。

### 分類資料

本集團截至二零零三年十二月三十一日止年度按客戶所在地區劃分的營業額及業績分析載於財務報表附註12。

### 股利

本公司已於二零零三年十一月七日向股東派發每股0.006港元之中期股利，董事會建議就截至二零零三年十二月三十一日止年度派發末期股利每股0.015港元，惟須待股東於即將舉行之股東週年大會上予以批准。

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### CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 23 June 2004 to 24 June 2004, both dates inclusive, during which period no transfer of shares may be registered. In order to qualify for the final dividend, all completed transfer forms together with the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Hong Kong Registrars Limited at Room 1901-5, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on 21 June 2004.

### BANK LOANS AND OTHER BORROWINGS

As at 31 December 2003, the Group did not have any external bank loans and other borrowings.

### RESERVES

Profit attributable to shareholders, before dividends, of HK\$54,142,000 (2002: HK\$68,258,000) have been transferred to reserves.

Details of the movements in the reserves of the Group during the year are set out in Note 30 to the financial statements.

### SHARE CAPITAL

Details of the movement in share capital of the Group are set out in Note 29 to the financial statements.

### PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Save as disclosed herein, neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the year and up to the date of this report.

### 暫停股份過戶登記

本公司將於二零零四年六月二十三日至二零零四年六月二十四日期間(包括首尾兩日), 暫停辦理股份過戶登記手續。為確保獲派末期股利, 所有填妥之股份過戶表格連同有關股票須於二零零四年六月二十一日下午四時正前一併送達本公司之香港股份過戶登記分處香港證券登記有限公司, 地址為香港皇后大道東183號合和中心19樓1901-5室。

### 銀行貸款及其他借款

於二零零三年十二月三十一日, 本集團並無任何外部銀行貸款及其他借款。

### 儲備

未派股利前, 股東應佔溢利54,142,000港元(二零零二年: 68,258,000港元)已轉撥至儲備。

本集團年內儲備的變動詳情載於財務報表附註30。

### 股本

本集團股本的變動詳情載於財務報表附註29。

### 購買、贖回或出售上市證券

除本報告披露者外, 本公司或其任何附屬公司於年內及截至本報告刊發日期止概無購買、贖回或出售本公司任何上市證券。

**PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES**

Natural Beauty Cosmetics Co., Ltd. held the following office buildings as investment properties as of 31 December 2003:

- (a) 1st-10th Floors, Nos. 186 and 188, and B1 No. 188 Section 2, Chun-Hsin Road, Hsin-Tien City, Taipei, Taiwan.
- (b) No. 1 of 3rd Floor, No. 2 of 3rd Floor, No. 3 of 3rd Floor, No. 5 of 3rd Floor and No. B3 of 3rd Floor No. 128, Section 2, Chung-Der Road, Tai Chung, Taiwan.

Details of the movements in property, plant and equipment and investment properties are set out in Note 13 to the financial statements.

**PRE-EMPTIVE RIGHTS**

There is no provision for pre-emptive rights under the Company's articles of association and there is no restriction against such rights under the laws in the Cayman Islands.

**MAJOR CUSTOMERS AND SUPPLIERS**

Contracts with the Group's five largest suppliers combined by value which are not of a capital nature, contributed to less than 30 per cent in value of suppliers purchased during the year ended 31 December 2003. The Group's five largest customers combined by value contribute to less than 30 per cent in value of the income during the year ended 31 December 2003.

**物業、廠房及設備與投資物業**

自然美化粧品股份有限公司於二零零三年十二月三十一日持有作投資物業之辦公大廈如下：

- (a) 台灣台北新店市中興路2段186號及188號1-10樓及188號B1。
- (b) 台灣台中崇德路2段128號3樓1號、3樓2號、3樓3號、3樓5號及3樓B3號。

本集團物業、廠房及設備與投資物業的變動詳情載於財務報表附註13。

**優先購買權**

本公司之公司組織章程細則並無優先購買權的條文，而根據開曼群島法例，並無對該等權力施加限制。

**主要客戶及供應商**

與本集團五大供應商所訂立並非屬資本性質的合約，以總值而言，佔截至二零零三年十二月三十一日止年度向供應商所作採購值少於30%。本集團五大客戶在總值方面佔截至二零零三年十二月三十一日止年度收益值少於30%。

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### DIRECTORS

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

#### Executive Directors:

Dr. Tsai Yen Yu (alias Dr. Tsai Yen Pin)  
Mr. Lee Ming Ta (alias Mr. Lee Ming Tah)  
Mr. Su Chien Cheng

#### Non-executive Director:

Ms. Su Sh Hsyu

#### Independent non-executive Directors:

Mr. Yeh Liang Fei  
Mrs. Chen Shieh Shu Chen

In accordance with the Company's articles of association, Mr. Yeh Liang Fei and Mrs. Chen Shieh Shu Chen will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

Each of the non-executive Director and the independent non-executive Directors is currently appointed for a term of three years commencing from 11 March 2002.

The biographical details of the Directors and the senior management of the Group are set out on pages 20 to 24.

### 董事

年內及截至本報告刊發日期止，於本公司擔任董事職務的人士如下：

#### 執行董事：

蔡燕玉博士（又名蔡燕萍博士）  
李明達先生  
蘇建誠先生

#### 非執行董事：

蘇詩琇女士

#### 獨立非執行董事：

葉良輝先生  
陳謝淑珍女士

根據本公司之公司組織章程細則，葉良輝先生及陳謝淑珍女士將輪值告退，惟符合資格，並願於即將舉行之股東週年大會膺選連任。

各非執行董事及獨立非執行董事現時任期由二零零二年三月十一日起為期三年。

本集團董事及高級管理層之履歷詳情載於第20頁至24頁。

### DIRECTORS' SERVICE CONTRACTS

Each of Dr. Tsai Yen Yu ("Dr. Tsai"), Mr. Lee Ming Ta ("Mr. Lee"), Mr. Su Chien Cheng ("Mr. Su"), Ms. Su Sh Hsyu ("Ms. Su"), Mr. Yeh Liang Fei and Mrs. Chen Shieh Shu Chen, being all the executive and non-executive Directors, has entered into a Director's service contract dated 11 March 2002 with the Company under which they have been appointed to act as executive Directors (in the case of Dr. Tsai, Mr. Lee and Mr. Su) and non-executive directors (in the case of Ms. Su, Mr. Yeh Liang Fei and Mrs. Chen Shieh Shu Chen) for an initial term of three years commencing from 11 March 2002 and shall continue thereafter until terminated by either party giving to the other not less than three calendar months' notice in writing. The initial aggregate annual remuneration pursuant to such service contracts is HK\$2,840,000 (as to HK\$1,000,000 to Dr. Tsai, HK\$700,000 to Mr. Lee, HK\$600,000 to Mr. Su, HK\$500,000 to Ms. Su, HK\$20,000 to Mr. Yeh Liang Fei and HK\$20,000 to Mrs. Chen Shieh Shu Chen) subject to an annual increment at the discretion of the Directors of not more than 10% of the annual remuneration immediately prior to such increase. For the year ended 31 December 2003, each of the executive Directors and a non-executive Director voluntarily agreed to waive their entitlement to certain remuneration of around HK\$2.1 million during the year ended 31 December 2003.

Each of Dr. Tsai, Mr. Lee, Mr. Su and Ms. Su is also entitled to a management bonus. The aggregate amount of the bonuses payable to these executive Directors and the non-executive Director will not exceed 15% of the audited consolidated profit after taxation and minority interests but before extraordinary items of the Group in respect of that financial year of the Company. For the year ended 31 December 2003, no Director has received the management bonus.

Save as disclosed above, no Director has any unexpired service contract which is not determinable by the Group within one year without payment of compensation, other than normal statutory obligations.

### 董事服務合約

全體執行董事及非執行董事蔡燕玉博士（「蔡博士」）、李明達先生（「李先生」）、蘇建誠先生（「蘇先生」）、蘇詩琇女士（「蘇女士」）、葉良輝先生及陳謝淑珍女士於二零零二年三月十一日各自與本公司訂立董事服務合約，彼等根據合約獲委任為執行董事（指蔡博士、李先生及蘇先生）及非執行董事（指蘇女士、葉良輝先生及陳謝淑珍女士），初步任期由二零零二年三月十一日起為期三年，並將繼續直至任何一方給予另一方不少於三個曆月的書面通知終止為止。根據該等服務合約的首次年度酬金總額為2,840,000港元（蔡博士獲1,000,000港元、李先生獲700,000港元、蘇先生獲600,000港元、蘇女士獲500,000港元、葉良輝先生獲20,000港元及陳謝淑珍女士獲20,000港元），董事每年可酌情增加酬金，惟增幅不得超過於緊接增加前之年度酬金的10%。截至二零零三年十二月三十一日止年度，各執行董事及非執行董事自願同意豁免收取彼等截至二零零三年十二月三十一日止年度若干酬金金額約2,100,000港元。

蔡博士、李先生、蘇先生及蘇女士亦可享有管理花紅。應付所有執行董事及非執行董事的花紅總額不得超逾於本公司有關財政年度的本集團除稅及少數股東權益後但未計特殊項目前的經審核合併溢利之15%。截至二零零三年十二月三十一日止年度，概無董事收取管理花紅。

除上文披露者外，各董事概無訂立任何於一年內免付補償（一般法定補償除外）而本集團不可終止的尚未屆滿服務合約。

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### DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2003, the interests of the Directors and the chief executive of the Company in the equity securities of the Company (the "Shares") and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO and the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") were as follows:

### 董事於證券的權利

於二零零三年十二月三十一日，本公司董事及行政總裁於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）股本證券（「股份」）中，擁有記錄於根據證券及期貨條例第352條存置的登記冊，或根據證券及期貨條例第XV部及上市公司董事進行證券交易的標準守則（「標準守則」）知會本公司及聯交所的權益如下：

Name of Director 董事姓名	Personal interests 個人權益	Family interests 家族權益	Number of Shares 股份數目			Number of share options 購股權數目
			Corporate interests 公司權益	Other interests 其他權益		
Dr. Tsai 蔡博士	-	-	1,500,000,000 (Notes 1 and 3) (附註1及3)	-	-	
Mr. Su 蘇先生	-	-	225,000,000 (Note 2) (附註2)	-	-	
Ms. Su 蘇女士	-	-	225,000,000 (Note 2) (附註2)	-	-	
Mr. Lee 李先生	-	1,500,000,000 (Note 1) (附註1)	-	-	-	

Notes:

- (1) The two references to 1,500,000,000 Shares relate to the same block of Shares. Such Shares are held by Efficient Market Investments Limited which is beneficially owned as to 70% by Dr. Tsai through Knightcote Enterprises Limited.
- (2) The two references to 225,000,000 Shares are included in the 1,500,000,000 Shares held by Efficient Market Investments Limited which Mr. Su and Ms. Su each have 15% beneficial interest through Knightcote Enterprises Limited.
- (3) Dr. Tsai further held 1 ordinary share in form of trust in Natural Beauty Bio-Technology (Hong Kong) Company Limited which is beneficially owned in trust of by Great Glamour Company Limited, a wholly owned subsidiary of the Company.

附註：

- (1) 以上兩次提述的1,500,000,000股股份指同一批股份。該等股份由Efficient Market Investments Limited持有，而Efficient Market Investments Limited則由蔡博士透過Knightcote Enterprises Limited實益擁有70%。
- (2) 以上兩次提述的225,000,000股股份為由Efficient Market Investments Limited所持1,500,000,000股股份其中一部分，而蘇先生及蘇女士各於Efficient Market Investments Limited透過Knightcote Enterprises Limited佔有15%實益權益。
- (3) 蔡博士另外以信託形式持有1股自然美生物科技（香港）有限公司普通股，而該股份權益乃由本公司全資附屬公司Great Glamour Company Limited擁有。

**DIRECTORS' INTERESTS IN SECURITIES (continued)**

Other than as disclosed above, none of the Directors, the chief executive or their associates had any personal, family, corporate or other interests in the securities of the Company or any of its associated corporations as defined in Part XV of the SFO as at 31 December 2003.

**SHARE OPTION SCHEME/DIRECTORS' RIGHTS TO ACQUIRE SHARES IN THE COMPANY**

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 (the "Board") 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 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 Stock Exchange'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 Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the relevant option.

**董事於證券的權利 (續)**

除上文披露者外，於二零零三年十二月三十一日，概無董事、行政總裁或其聯繫人士於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的證券中擁有任何個人、家族、公司或其他權益。

**認股權計劃／董事購買本公司股份之權利**

根據由日期為二零零二年三月十一日之本公司股東決議案批准之本公司認股權計劃（「認股權計劃」），本公司可向本公司或其附屬公司之全職僱員（包括執行董事或非執行董事）授出認股權，就每批授出認股權以代價1港元認購股份。認股權計劃將於二零零二年三月十一日起十年期間持續生效。認股權承授人可於本公司董事會（「董事會」）授出認股權時決定並知會承授人的期間行使認股權，惟在任何情況下，必須於授出認股權日期起計十年內行使。根據認股權計劃，董事會對於釐訂股份認購價有絕對酌情權，惟在任何情況下，認購價不得少於以下價格之較高者：(a)授出認股權日期（必須為營業日），股份在聯交所每日報價單所示的收市價；及(b)於緊接授出有關認股權日期前五個營業日，股份於聯交所每日報價單所示的平均收市價。

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### SHARE OPTION SCHEME/DIRECTORS' RIGHTS TO ACQUIRE SHARES IN THE COMPANY (continued)

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme shall not, when aggregated with any shares subject to any other schemes, exceed 10% of the number of Shares in issue as at the date of approval of the scheme (the "Scheme Mandate Limit"). The Company may seek approval by its shareholders in general meeting for "refreshing" the 10% limit under the scheme. However, the total number of Shares which may be issued upon exercise of all options to be granted under all of the schemes of the Company (or its subsidiary) under the limit as "refreshed" must not exceed 10% of the Shares in issue as at the date of approval of the limit. Options previously granted under the scheme (including those outstanding, cancelled, lapsed in accordance with the scheme or exercised options) will not be counted for the purpose of calculating the limit as "refreshed".

The Company may grant share options to specified participants over and above the Scheme Mandate Limit or the refreshed Scheme Mandate Limit referred to above subject to shareholders' approval in general meetings and the issue of a circular.

The total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company (or the subsidiary) must not exceed 30% of the relevant class of securities of the Company (or the subsidiary) in issue from time to time. No options may be granted under any schemes of the Company (or the subsidiary) if this will result in the limit being exceeded.

### 認股權計劃／董事購買本公司股份之權利(續)

根據認股權計劃可能授出的認股權的有關股份數目，與任何其他計劃有關股份合計時，最多不得超過於計劃獲批准當日已發行股份數目之10%（「計劃授權限額」）。本公司可於股東大會上，向其股東徵求批准「重續」計劃規定之10%限額。然而，行使根據本公司（或其附屬公司）的所有計劃授出的所有認股權「重續」限額而可能發行的股份總數不得超過批准限額之日已發行股份的10%。先前根據計劃授出的認股權（包括根據計劃該等未行使、註銷及失效的認股權，或已行使認股權）不會計入「重續」限額內。

本公司可向指定參與者授出超過計劃授權限額或上文所述重續計劃授權限額的認股權，惟須取得股東在股東大會批准及刊發通函。

因根據認股權計劃及本公司（或附屬公司）任何其他計劃而授出發行在外但尚未行使的認股權獲行使而可予發行的股份總數，不得超過本公司（或附屬公司）不時已發行的有關類別證券的30%。如超逾限額，則不得根據本公司（或附屬公司）的任何計劃授出認股權。



**SHARE OPTION SCHEME/DIRECTORS' RIGHTS TO ACQUIRE SHARES IN THE COMPANY** (continued)

The total number of Shares issued and to be issued upon exercise of the options granted to a participant of the Share Option Scheme (including both exercised and outstanding options) in any 12-month period up to the date of grant to each participant shall not exceed 1% of the Shares in issue, and any further grant of options in excess of such limit shall be approved by shareholders in general meeting with such participant and his associates abstaining from voting. The Company must also send a circular to its shareholders.

No option had been granted by the Company under the Share Option Scheme since its adoption.

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate and neither the Directors nor the chief executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

**認股權計劃／董事購買本公司股份之權利(續)**

於直至向各參與者授出認股權之日止之任何十二個月期間，由一名參與者行使獲授認股權(包括已行使及未行使的認股權)而發行及將予發行的股份總數，不得超過已發行股份的1%，而進一步授出超過該限額之認股權須在股東大會上取得股東批准，而參與者及其聯繫人士須就此放棄投票。本公司另須向其股東寄發通函。

本公司自採納認股權計劃以來並無授出任何認股權。

除上文披露者外，於年內任何時間，本公司或其任何附屬公司並無參與訂立任何安排，致令董事可藉收購本公司或任何其他法人團體的股份或債券獲利，而董事、行政總裁或彼等任何配偶或十八歲以下子女亦無擁有任何權利可認購本公司證券或曾行使任何該等權利。

## Director's Report 董事會報告書

### SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders maintained under the SFO showed that, other than the interests disclosed above in respect of certain Directors, the following shareholders had a beneficial interest of 5% or more in the issued share capital of the Company as at 31 December 2003:

Name 股東名稱	Note 附註	Number of ordinary shares 普通股數目	Percentage of the Company's issued share capital 佔本公司 已發行股本百分比
Efficient Market Investments Limited ("Efficient Market")	1	1,500,000,000	75.00%
Knightcote Enterprises Limited ("Knightcote")	2	1,500,000,000	75.00%
Dr. Tsai 蔡博士	3	1,500,000,000	75.00%
Mr. Su 蘇先生	4	225,000,000	11.25%
Ms. Su 蘇女士	5	225,000,000	11.25%

Notes:

- Efficient Market is beneficially owned by Knightcote.
- Knightcote is beneficially owned by Dr. Tsai as to 70%, Mr. Su as to 15% and Ms. Su as to 15%.
- These shares are attributable to Dr. Tsai in respect of her 70% interest in Knightcote.
- These shares are attributable to Mr. Su in respect of his 15% interest in Knightcote.
- These shares are attributable to Ms. Su in respect of her 15% interest in Knightcote.

### 主要股東

根據證券及期貨條例存置的主要股東名冊顯示，除了上述所披露有關若干董事的權益外，以下股東於本公司於二零零三年十二月三十一日的已發行股本中擁有5%或以上實益權益：

Name 股東名稱	Note 附註	Number of ordinary shares 普通股數目	Percentage of the Company's issued share capital 佔本公司 已發行股本百分比
Efficient Market Investments Limited ("Efficient Market")	1	1,500,000,000	75.00%
Knightcote Enterprises Limited ("Knightcote")	2	1,500,000,000	75.00%
Dr. Tsai 蔡博士	3	1,500,000,000	75.00%
Mr. Su 蘇先生	4	225,000,000	11.25%
Ms. Su 蘇女士	5	225,000,000	11.25%

附註：

- Efficient Market由Knightcote實益擁有。
- Knightcote分別由蔡博士、蘇先生及蘇女士實益擁有70%、15%及15%權益。
- 該等股份就蔡博士在Knightcote擁有70%權益而由彼所佔有。
- 該等股份就蘇先生在Knightcote擁有15%權益而由彼所佔有。
- 該等股份就蘇女士在Knightcote擁有15%權益而由彼所佔有。

### DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in Note 34 to the financial statements, no Director had a significant beneficial interest, either direct or indirect, in any contracts of significance to the business of the Group to which the Company or any of its holding companies or subsidiaries was a party during the year.

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year and up to the date of this report, no Directors is considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group, as defined by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), other than those businesses of which the directors of the Company have been appointed as directors to represent the interests of the Company and/or the Group.

### MANAGEMENT CONTRACT

Save as disclosed in the section headed "Financial review" under Management Discussion and Analysis, "Connected Transactions" under Directors' Report of this annual report and Note 16(c) to the financial statements, 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.

### CONNECTED TRANSACTIONS

Details of the connected transactions that are required to be disclosed for the year ended 31 December 2003 are set out in Notes 16(b) and 34 to the financial statements.

### FIVE YEAR SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 5 to 6.

### RETIREMENT SCHEMES

Particulars of the retirement schemes operated by the Group are set out in Note 26 to the financial statements.

### 董事於重大合約擁有的權益

除了財務報表附註34披露者外，年內，概無董事於對本集團業務屬重大而本公司或其任何控股公司或附屬公司為訂約方的任何合約中，直接或間接擁有重大實益權益。

### 董事於競爭業務擁有的權益

年內及截至本報告刊發日期止，除了本公司董事獲委任為董事以代表本公司及／或本集團的權益的該等業務外，概無董事被視為於與本集團業務直接或間接構成競爭或可能構成競爭的業務中擁有權益（定義見聯交所證券上市規則（「上市規則」））。

### 管理合約

除了本年報管理層討論及分析「財務回顧」及董事會報告書「關連交易」兩節，以及財務報表附註16(c)披露者外，本公司於年內並無訂立或訂有關於管理本公司整體或其中重要部分業務的合約。

### 關連交易

就截至二零零三年十二月三十一日止年度須予披露之關連交易詳情載於財務報表附註16(b)及34。

### 五年概要

本集團過去五個財政年度之業績及資產和負債概要載於第5至6頁。

### 退休計劃

本集團實行之退休計劃詳情載於財務報表附註26。

## Director's Report 董事會報告書

### AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") on 11 March 2002 with written terms and with reference to guidance published by the Hong Kong Society of Accountants. The primary duties of the audit committee are to review and supervise the financial reporting and internal control procedures of the Group. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the financial statements for the year ended 31 December 2003. The Audit Committee comprised of all the independent non-executive Directors and has met six times in 2003. The Audit Committee has met to review the financial statements of the Group for the year ended 31 December 2003 prior to recommending them to the Board for approval.

### CODE OF BEST PRACTICE

The Company is committed to maintain high corporate governance practices and has complied throughout the year with the Code of Best Practice as set out in Appendix 14 of the Listing Rules.

### AUDITORS

Messrs. KPMG have been appointed by the Board of the Company as auditors of the Company with effect from 9 February 2004 to fill the casual vacancy following the resignation of Messrs. PricewaterhouseCoopers on 31 December 2003.

Messrs. KPMG, being eligible, offer themselves for re-appointment. A resolution for the reappointment of Messrs. KPMG as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

**Dr. Tsai Yen Yu**

*Chairman*

Hong Kong  
20 May 2004

### 審核委員會

本公司已於二零零二年三月十一日參考香港會計師公會頒布的指引以書面條款成立審核委員會（「審核委員會」）。審核委員會的主要職責為審核及監督本集團的財務報告及內部監控程序。審核委員會已與管理層審閱本集團採納的會計原則及常規，並討論審計、內部監控及財務報告等事宜，包括審閱截至二零零三年十二月三十一日止年度之財務報表。由全體獨立非執行董事組成之審核委員會於二零零三年曾舉行六次會議。審核委員會在推薦董事會批准本集團截至二零零三年十二月三十一日止年度之財務報表前，已就此舉行會議，進行審閱。

### 最佳應用守則

本公司致力維持優良公司管治水平，於過去整個年度一直遵守上市規則附錄14的最佳應用守則。

### 核數師

畢馬威會計師事務所自二零零四年二月九日起獲本公司董事會委任為本公司核數師，以填補羅兵咸永道會計師事務所於二零零三年十二月三十一日辭任後之臨時空缺。

畢馬威會計師事務所願意並合資格膺選連任。續聘畢馬威會計師事務所為本公司核數師的決議案將於即將舉行的股東週年大會提呈。

承董事會命

主席

**蔡燕玉博士**

香港  
二零零四年五月二十日