



Annual Report 2002/2003

Saisai
Cosmetics

莎莎國際控股有限公司
SA SA INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Cayman Islands with limited liability)



Nobility & Elegance

優雅尊貴 美的典範



The symbol of peacock feathers is here used to represent Sa Sa as a highly reputable beauty label. In ancient Chinese society, peacock feathers adorned the hats of members of the highest social echelons. A peacock, a beautiful creature, also symbolizes beauty and elegance, referring Sa Sa, in all its diverse operations, always brings its customers the best in the beauty world and strives to take full care of their beauty needs.

本年報封面設計概念來自孔雀翎。中國古時達官貴人以孔雀翎裝飾衣冠，表彰其顯赫身份，而莎莎在化粧品零售及美容服務業內同樣地位超卓，信譽昭著。孔雀亦優雅尊貴，美越同群，喻莎莎以客為尊，力臻完美，為顧客提供至佳至善的美容產品及服務，滿足顧客各項「美」的需要。

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Corporate Profile

公司簡介



Sa Sa International Holdings Limited ("Sa Sa" or the "Group") is a leading cosmetic retailing and beauty services group in Asia. Listed on the Stock Exchange of Hong Kong in 1997 (Stock code:178), the Group employs over 1,500 staff in six markets across the region, covering Hong Kong, Singapore, Malaysia, Taiwan, Thailand and Macau. Its vision is to become the dominant cosmetic retailing and beauty services group in Asia.

Established in 1978, Sa Sa has grown from a 40 sq. ft. retail space to become today's regional "beauty" enterprise. Its legendary brand strength in Asia is built on innovative cosmetics retailing at competitive prices in one-stop stores filled with top international brands.

Sa Sa has differentiated itself through the creation of an integrated 'beauty' platform, in three distinct business areas:

Retail & Wholesale - The Group sells over 400 brands, covering 15,000 skin care, fragrances, make-up and hair care products, including private labels and exclusive products. Its retail network currently comprises an extensive regional network of over 50 **Sa Sa Cosmetics** stores, as well as a **La Colline** specialty store, a **Selective** specialty store which offers products exclusive to Sa Sa and a **Elizabeth Arden counter** in Hong Kong. The international, Hong Kong and Korean sites of our e-commerce platform, **Sasa.com**, offer 24-hour on-line shopping service along with comprehensive product and corporate information.



莎莎國際控股有限公司（「莎莎」或「集團」）為亞洲區內具領導地位的化粧品零售及美容服務集團。莎莎於一九九七年在香港聯合交易所上市（股份編號：178），在亞洲區內六個主要市場包括香港、新加坡、馬來西亞、台灣、泰國及澳門僱用逾一千五百名員工。集團的目標，是成為亞洲化粧品零售及美容服務業的翹楚。

於一九七八年成立的莎莎，已從最初面積僅四十平方呎的零售櫃位，發展成為現時業務遍及亞洲各地的美容產品零售及服務企業。莎莎品牌在亞洲享負盛名，乃基於其掌握創新的化粧品零售技巧，包括以極具競爭力的訂價，通過一站式分店銷售種類繁多的國際名牌產品。

透過旗下三項主要的業務，莎莎正向全面以「美」為主的業務方向發展，並奠定了其獨特的市場地位：

零售及批發業務 - 集團銷售逾四百個品牌，包括超過一萬五千種護膚品、香水、化粧品和頭髮護理用品，以及集團專有品牌和獨家代理的名牌產品。集團亞洲區零售網絡包括逾五十間莎莎化粧品零售店、La Colline專門店，以及專門發售莎莎獨家代理品牌的Selective專門店以及在香港的伊莉莎伯雅頓專櫃。集團電子商貿平台Sasa.com現設有國際、香港及韓國網站，提供全日二十四小時網上零售服務，及豐富的產品和集團資訊。



Blumarine II

Calotine BLEU

Christian BRETON PARIS

CYBER COLORS

DIESEL®

ICEBERG EFFUSION

JAGUAR

KIRIZIA

L'OR TORRENTE

Mantana green

PAL ZILERI fragrances

PERRY ELLIS

PUPA

Shi ALFRED SUNG

SERGIO TACCHINI OZONE EAU DE TOILETTE

SUISSE PROGRAMME

SWISS BALANCE

TRANSVITAL

UNITED COLORS OF BENETTON.

Private Labels and Exclusive Distributorship - In addition to selling its private-label products, the Group also operates as the sole agent for many international cosmetic brands in Asia. Sa Sa has been appointed by a leading global prestige brand, Elizabeth Arden, as its sole agent in Hong Kong and Macau since October 2002. The Group currently handles over 50 exclusive major brands, including brand-management and distribution. This business accounts for approximately 27.1% of Sa Sa's total retail and wholesale turnover.

Beauty Services - The Group operates a regional network of nine **Phillip Wain** health and beauty ladies' clubs in Hong Kong, Malaysia, Singapore and Thailand for a select membership of premium customers. A **Sa Sa Beauty+** beauty and slimming centre in Hong Kong now offers quality and value-for-money beauty services for over 100,000 loyal Sa Sa VIP card members.

專有品牌及獨家代理 - 除銷售專有品牌產品外，集團亦為多個國際化粧品品牌的亞洲區獨家代理商。莎莎並獲國際知名化粧品名牌伊莉莎伯雅頓委任為香港及澳門區的獨家代理。集團現獨家代理逾五十個主要品牌，負責其品牌管理、推廣及分銷工作。此項業務佔莎莎總零售及批發營業額約百分之二十七點一。

美容服務 - 集團在香港、馬來西亞、新加坡及泰國共經營九間**菲力偉女子健美中心**，為尊貴會員提供卓越服務。香港**Sa Sa Beauty+**美容及纖體中心現為包括逾十萬位VIP會員的莎莎忠實顧客，提供優質超值的美容服務。



Milestones

大事年表

1978

- Founders, Simon and Eleanor Kwok, start the cosmetic retailing business from a 40-square-foot 'Sa Sa' counter in Hong Kong.

創辦人郭少明先生及郭羅桂珍女士二人在香港一個約四十平方呎的「莎莎」化粧品櫃位開展其化粧品零售業務。



1990

- Opening of the first Sa Sa Cosmetics store in Causeway Bay, Hong Kong. 於香港銅鑼灣開設首間莎莎化粧品店。

1992

- Opening of the first branch store in Tsimshatsui, Kowloon, Hong Kong. 於香港九龍尖沙咀區開設首間分店。

- Opening of the first store in Taiwan. 台灣首間店舖開業。

- Sa Sa listed on the Stock Exchange of Hong Kong in June with an over-subscription rate of more than 500 times 莎莎於六月份在香港聯交所上市，股份獲超額認購逾五百倍。



- Opening of the first store in Singapore. 新加坡首間店舖開業。

- Opening of the first store in Macau. 澳門首間店舖開業。

1997

- Opening of the first store in Malaysia. 馬來西亞首間店舖開業。

1998

- Opening of La Colline specialty store offers customers premium beauty products and services, and demonstrates the Group's diverse brand-management capabilities.

開設La Colline專門店，為顧客提供尊貴的美容產品及服務，展示集團超卓的品牌管理實力。



- Acquire a major stake in Phillip Wain, a leader in premium ladies' beauty and health clubs in Asia. This marks the Group's first step into the Beauty Services arena. 莎莎成為菲力偉女子健美中心的最大股東，正式開展集團的美容業務。菲力偉為亞洲區居領導地位的高級女子美容及健美會所。



- Opening of the Group's 50th retailing outlet in Asia 開設亞洲地區第五十間店舖

- Launch of Sasa.com offers customers round-the-clock on-line shopping of beauty products.

Sasa.com網站啟用，讓顧客可隨時在網上選購美容產品。



2000

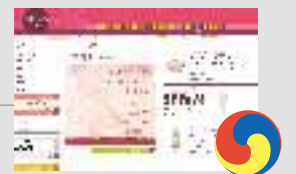
2000



- Introduction of a new shop design to Sa Sa Cosmetics stores as part of continuous commitment to providing an enjoyable shopping experience for customers
莎莎化妝品店採用嶄新店舖設計，使顧客更輕鬆自在地購物，體現了莎莎一貫「以客為尊」的經營理念。

2001

- Launch of Korean language site at Sasa.com strengthens the Group's penetration of the Korean market, one of the biggest e-commerce markets in Asia.
推出Sasa.com韓文版網站，進一步開拓亞洲最大電子商貿市場之一的南韓市場。
- Form a new joint venture in the PRC, Ebeca, to offer the Group an opportunity to have a better understanding of the PRC market.
在中國內地成立合營企業「依貝佳」，為集團提供進一步了解中國市場的機會。
- Opening of Selective specialty store offers discerning customers Sa Sa's private-label and exclusive products.
開設Selective專門店，為尊貴的顧客提供莎莎的專有品牌及獨家代理美容產品。



Elizabeth Arden

- Appointed as sole agent for Elizabeth Arden in Hong Kong and Macau.
委任為伊莉莎伯雅頓香港及澳門市場的獨家代理商。



2002



- Opening of Sa Sa Beauty+ in Hong Kong offers one-stop cosmetics, beauty and slimming service to Sa Sa's loyal customers, and enhances Sa Sa's brand image.
Sa Sa Beauty+ 美容中心在香港成立，為莎莎的忠實顧客提供「一站式」化粧品、美容及纖體服務，及提升莎莎的品牌形象。
- Named one of Hong Kong's "Superbrands".
莎莎獲選為香港「超級品牌」之一。

2003



- 25th anniversary of the Sa Sa Group.
莎莎國際集團二十五週年誌慶。

- Dispose of entire stakeholding in Ebeca.
出售依貝佳全部股權。

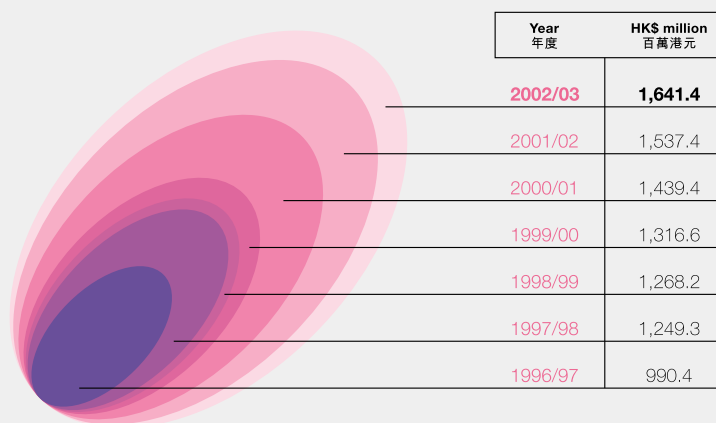


- Become a 100% stakeholder in Phillip Wain.
成為菲力偉的全資股東。

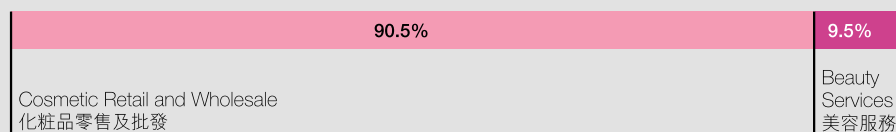
Financial and Operations Highlights

財務及業務摘要

Turnover 營業額



Turnover by Business 營業額按業務分佈

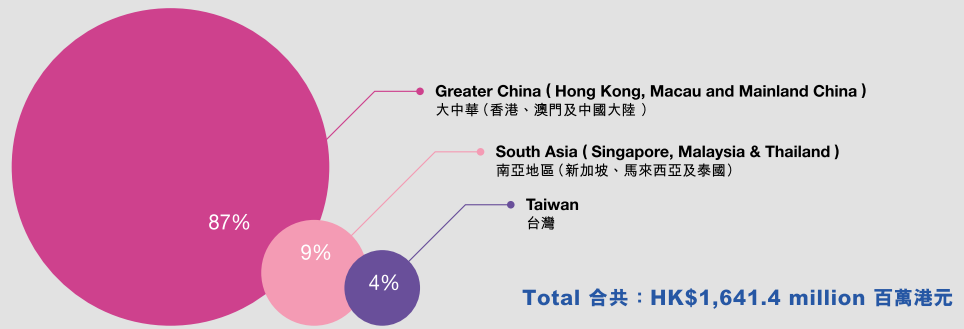


Financial Summary 財務撮要

	2002/03	2001/02
Turnover (HK\$ million) 營業額 (百萬港元)	1,641.4	1,537.4
Gross profit (HK\$ million) 毛利 (百萬港元)	729.3	662.0
Operating profit (HK\$ million) 經營溢利 (百萬港元)	108.6	39.5
Profit / (loss) attributable to shareholders (HK\$ million) 股東應佔溢利 / (虧損) (百萬港元)	65.5	(71.2)
Dividend per share (HK cents) 每股股息 (港仙)	6.0*	5.0
Net cash & bank balances plus held-to-maturity securities (HK\$ million) 淨現金及銀行結餘以及持至到期日之證券 (百萬港元)	721.5	652.6
Inventory turnover (days) 存貨周期 (天)	89	89

* Include 1 HK cent special dividend
包括特別股息1港仙

Turnover by Region 營業額按地域分佈



Sa Sa International Group's Business Network in Asia 莎莎國際集團的亞洲業務網絡



No. of Retail Outlets 零售點數目		
	Shops 店舖	Counter 專櫃
Hong Kong & Macau 香港及澳門	36	1
Taiwan 台灣	2	-
Singapore 新加坡	9	-
Malaysia 馬來西亞	8	-

No. of Beauty Centre / Clubs 美容中心 / 會所數目		
	Clubs 會所	Centre 中心
Hong Kong & Macau 香港及澳門	3	1
Singapore 新加坡	2	-
Malaysia 馬來西亞	2	-
Thailand 泰國	2	-

Corporate Information

公司資料



Board of Directors

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

Independent Non-executive Directors

Professor CHAN, Yuk Shee
Mrs. LEE LOOK, Ngan Kwan, Christina
Dr. LEUNG, Kwok Fai, Thomas
Mr. CHENG, Ming Fun, Paul JP
- retired at the Annual General Meeting held on
29th August 2002

Company Secretary

Ms. CHUANG, Sze Tseng, Donna

Head Office

14th Floor, Block B, MP Industrial Centre
18 Ka Yip Street
Chai Wan
Hong Kong

Registered Office

P.O. Box 309
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands

董事會成員

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

獨立非執行董事

陳玉樹教授
利陸雁群女士
梁國輝博士
鄭明訓先生JP
- 於二零零二年八月二十九日舉行之股東週年
大會上退任

公司秘書

莊思箴小姐

總辦事處

香港
柴灣
嘉業街18號
明報工業中心B座14樓

註冊辦事處

P.O. Box 309
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands

Auditors

PricewaterhouseCoopers
Certified Public Accountants

Principal Share Registrar and Transfer Office

Bank of Butterfield International
(Cayman) Ltd.
P. O. Box 705
Butterfield House
68, Fort Street
George Town
Grand Cayman
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Abacus Share Registrars Limited
G/F, Bank of East Asia
Harbour View Centre
56 Gloucester Road
Wanchai
Hong Kong

Principal Bankers

Citibank, N.A.
The Development Bank of Singapore Limited
The Hongkong and Shanghai Banking
Corporation Limited

Website

<http://www.sasa.com>

核數師

羅兵咸永道會計師事務所
執業會計師

主要股份過戶及登記處

Bank of Butterfield International
(Cayman) Ltd.
P. O. Box 705
Butterfield House
68, Fort Street
George Town
Grand Cayman
Cayman Islands

香港股份過戶及登記處

雅柏勤證券登記有限公司
香港
灣仔
告士打道56號
東亞銀行港灣中心地下

主要往來銀行

花旗銀行
新加坡發展銀行有限公司
香港上海滙豐銀行有限公司

網站

<http://www.sasa.com>

Colour Cosmetics



Chairman's Statement

主席獻辭



Chairman & CEO
SIMON KWOK
主席兼行政總裁
郭少明

A seemingly uninterrupted series of negative factors influenced the global economy during the fiscal year 2002/2003, culminating in the SARS outbreak in Asia. Businesses in every sector were adversely affected, particularly in retail and tourism. However, thanks to the improved strength of our core retail business, our robust financial background and our prudent strategies of consolidation and gradual growth, we ended the year with some achievements. In addition to the interim dividend paid of two HK cents including one HK cent of special dividend, the Board proposes to offer a final dividend of four HK cents per share, making a total of six HK cents per share for the financial year. We look to the future with increasing confidence that our strategic business plan, and our emphasis on efficiency and productivity, will result in further stages of improved profitability and greater returns for our stakeholders.

The Group's core retailing business not only outperformed economic sentiment last year, reflecting Sa Sa's sound fundamentals, but in terms of operating profits and growth it improved significantly on last fiscal year's performance. In particular, we performed well in the Hong Kong and Macau market, which is the major contributor to the Group's total retail turnover. Our performance shows that our retail business model is highly competitive, and as a result we are able to attract business from both domestic spenders and visiting spenders. Tourists from the PRC will undoubtedly continue to fuel our future growth in Hong Kong.

These results have also directly benefited from the strategic actions we have taken to improve the profitability of our operations through an ongoing process of consolidation and rationalization. We benefited from the closure of five non-performing stores in Taiwan last fiscal year. We continued to control the costs of our retail business following the strategic adjustment of inventory across Sa Sa's retail network in the previous fiscal year. We also improved Sasa.com's product range and cost effectiveness.

於二零零二 / 二零零三財政年度，影響全球經濟的負面因素似乎紛至沓來，年底亞洲爆發非典型肺炎令形勢雪上加霜。各行各業均大受影響，零售業及旅遊業更是首當其衝。不過，有賴集團核心零售業務實力加強、財政狀況穩健、審慎的業務整固及循序發展的策略，集團於過去一年在業務上締造一些成績。除已派發中期息每股兩港仙（包括特別股息一港仙）外，董事會建議派發末期股息每股四港仙，全年派發股息合共六港仙。集團對未來發展充滿信心，憑藉其策略性業務計劃，以及著重提高效率及生產力的方針，盈利能力將會進一步提升及為股東帶來更優厚的回報。

集團的核心零售業務不單在去年經濟呆滯下表現理想，充分反映莎莎基本因素穩健，集團經營溢利及增長亦較去年大大提升。尤其是佔集團總零售營業額最主要部份的香港及澳門市場。集團表現顯示旗下零售業務經營模式極具競爭力，故能招徠本地及外來顧客惠顧。中國內地旅客無疑可繼續加強集團本港業務的未來增長。

集團不斷進行整固及合理化改組，並採取多項策略性措施以提升業務的盈利能力，這些措施的成果皆直接在業績上反映出來。集團於上一財政年度結束五間表現欠佳的台灣店舖，此舉亦使本年業績受惠。繼上一財政年度集團對零售業務的存貨作出策略性調整後，莎莎繼續嚴謹控制零售業務的開支，並增加了Sasa.com網上銷售貨品種類及改善其成本效益。

Chairman's Statement

主席獻辭



During the year, we also addressed other issues that, as a result of our actions, will have a positive effect on our performance. On 28th March 2003, Sa Sa disposed of its entire stakeholding in the loss-making Ebeca. On the other hand, Phillip Wain became a wholly owned subsidiary on 10th March 2003, allowing us more room for further strategic consolidation. Against the background of a growing market and intensifying competition, particularly from niche players, we believe that our sole ownership of Phillip Wain will be able to give us the flexibility to increase our competitiveness in the market. These decisive steps were undoubtedly timely and indicate that we will continue to review and recalibrate our operations wherever and whenever necessary.

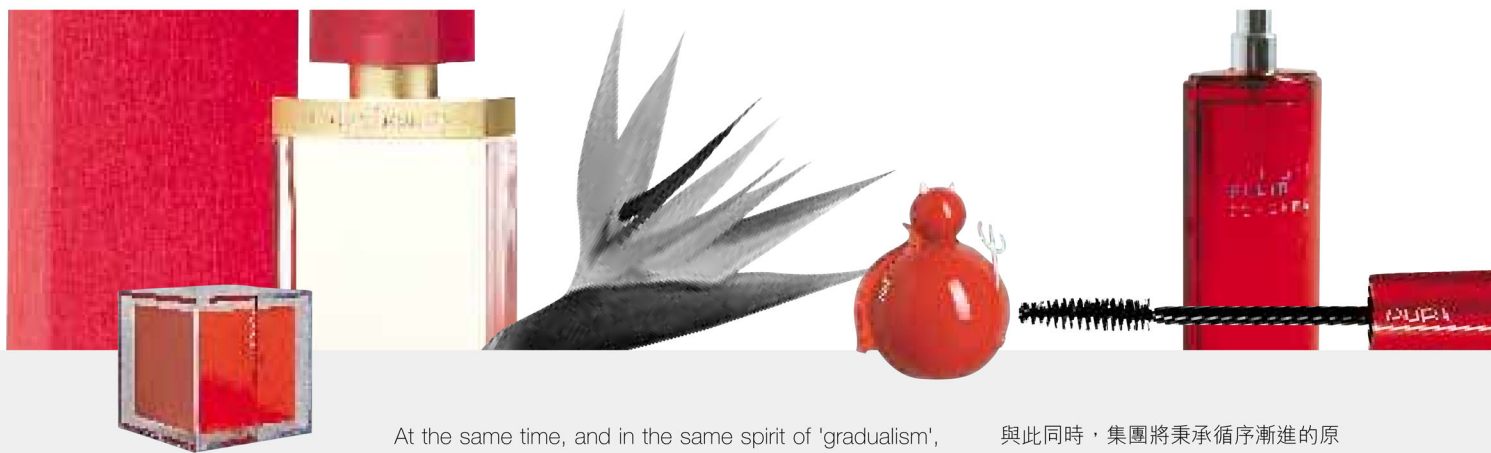
Sustained by our competitive edges of strong brand loyalty and goodwill, a diversified product range, competitive pricing and consumer confidence, we look forward to the stable growth of Sa Sa's core retail business. Our extensive industry experience, excellent management skills, sound financial position and a huge and loyal region-wide customer base will continue to underpin our strong performance.

However, as a Group with a clear vision to become Asia's dominant cosmetic retailer and beauty services provider, we will also leverage Sa Sa's strengths to pursue expansion in existing overseas markets and eventually new markets. Gradual initial steps in this direction have already been taken. We have appointed a new management team for the Southeast Asian region to oversee the expansion of our presence and to improve market share in our existing markets such as Singapore and Malaysia. With well-established operating bases and widespread local recognition, we have the opportunity to enhance our profitability through low-risk and low-capital expansion in these areas.

年內集團亦致力於一些項目，使對業務表現有所裨益。莎莎已於二零零三年三月二十八日將處於虧損狀況的依貝佳全部股權出售。此外，菲力偉已於二零零三年三月十日成為集團的全資附屬公司，使集團有更多空間推行進一步策略性整固措施。鑑於市場不斷增長，而競爭也日益加劇，尤其來自專業化營商者，集團相信全權擁有菲力偉可令集團靈活地提升其在市場上的競爭力。此等果斷措施無疑切合時宜，集團將繼續檢討有關業務，並在必要時進行重整。

憑藉莎莎強大的品牌忠誠度和家喻戶曉的商譽、多元化的貨品、具競爭力的價格和深受消費者信賴等各項競爭優勢，莎莎的核心零售業務將可穩步增長。另外，豐富的業內經驗、優良的管理、雄厚的財政實力以及亞洲區內龐大忠實的客戶基礎，亦可繼續支持集團續創佳績。

集團目標明確，銳意成為亞洲地區首要的化粧品零售及美容服務集團，並將繼續利用莎莎的優勢，不斷擴展現有的海外市場業務及開拓新市場。集團已朝這方向按部就班採取措施，包括已就東南亞地區委任新管理隊伍，以負責當地業務拓展事宜，並同時提高集團在新加坡及馬來西亞等現有市場的佔有率。憑藉當地已確立的業務基礎及廣泛的知名度，集團可在這些地區進行低風險及低成本的業務擴展，藉以提升其盈利能力。



At the same time, and in the same spirit of 'gradualism', we will be taking further steps to test the PRC market by leveraging on Sa Sa's strong brand recognition in the PRC and the public's perception of Sa Sa as a reliable and trustworthy cosmetic retailer. We are at the planning stage and have no pre-determined schedule, we will be flexible in our approach to cater for local market needs and local operating conditions. We aim to focus initially on one or two major cities in China to launch prototype stores specially tailored to the PRC market and to introduce our unique one-stop-shop cosmetic retailing concept. We will consider other options, including introducing our exclusive and private-label products and making them available beyond our own stores.

By building on our core retail business, rationalizing our operations and taking initial steps to realize our regional vision, we have established a firm foundation for the future growth of the Group. We are poised to further enhance profitability, to improve our merchandise mix, to expand exclusive distributorship of international brands, and to extend our robust network in the region.

Year 2003 is Sa Sa's 25th anniversary. I would like to thank each and every one of our employees for their years of support and dedication towards realizing Sa Sa's goals. To our shareholders I would like to express my gratitude for their confidence in the Group and for sharing our vision of the future. Everyone involved in the Sa Sa Group including myself are determined to see that this confidence is rewarded with increased shareholder value in the years to come.

Simon Kwok
郭少明

Chairman and Chief Executive Officer
主席兼行政總裁

Hong Kong, 25th June 2003
香港，二零零三年六月二十五日

與此同時，集團將秉承循序漸進的原則進一步嘗試開拓中國市場。莎莎在中國大陸既擁有高知名度，消費者亦認同莎莎乃可靠及值得信賴的化粧品零售商。中國內地業務正處於籌劃階段，並無既定時間表；集團將會採取靈活方針來迎合當地市場需要和經營環境；現初步計劃在一至兩個中國主要城市開設特為迎合國內市場而設的試點店舖，引進莎莎獨有的「一站式」化粧品零售概念，集團並考慮其他方案，包括引進獨家及專有品牌產品，並將銷售範圍拓展至集團旗下店舖以外地點。

透過在核心零售業務基礎上持續發展、業務整合及為實現亞洲地區業務的目標奠定的發展基礎，莎莎已為日後增長確立穩固根基。集團已準備就緒，進一步提升盈利能力、改善貨品組合及爭取更多國際品牌的獨家代理權，同時加強區內日益壯大的業務網絡。

適值二零零三年為莎莎成立的廿五週年，本人謹此感謝各位員工多年來努力不懈，致力實踐集團的目標，並感謝各位股東對集團的信賴及支持集團未來發展的目標。本人及莎莎集團全人定必繼續全力以赴，提升股東回報，以答謝股東對集團的信任，並為莎莎開創更光輝未來。

Skin Care



For the year ended 31st March 2003, the Group's consolidated turnover amounted to HK\$1,641.4 million, representing an increase of 6.8% from HK\$1,537.4 million in the previous fiscal year. This growth is attributable to the continued strengthening of Sa Sa's retail business in Hong Kong.

The Group's net profit showed a significant improvement and reached HK\$65.5 million for the 2002/03 fiscal year. The reasons for this satisfactory performance are threefold. Firstly, Sa Sa's retail and wholesale business in Hong Kong recorded an 11.5% growth that was driven by increased sales to both local customers and Mainland tourists. Secondly, following the strategic adjustment of inventory in the previous financial year, the profit margin of Sa Sa's retail and wholesale business recovered from 37.3% to 39.1%. Thirdly, the implementation of stringent cost control measures last fiscal year resulted in a 5.2% reduction in Sa Sa's retail and wholesale operational expenses.

Highlights of the Group's achievements for the year ended 31st March 2003 are:

- Group turnover increased by 6.8% to HK\$1,641.4 million
- Sa Sa's retail and wholesale business in Hong Kong and Macau recorded turnover of HK\$1,290.8 million, representing an 11.5% increase from HK\$1,157.3 million
- The Group's gross profit increased by 10.2% to HK\$729.3 million
- Group operating profit increased from HK\$39.5 million to HK\$108.6 million
- The Group's results substantially improved with net profit standing at HK\$65.5 million
- Operational expenses for Sa Sa's retail and wholesale business were reduced by 5.2%
- The Group's net cash and bank balances, plus investment securities, increased to HK\$721.5 million

截至二零零三年三月三十一日止年度，集團的綜合營業額達十六億四千一百四十萬港元，較去年的十五億三千七百四十萬港元增加百分之六點八。是項增長乃由於莎莎在香港的零售業務持續興旺。

集團於二零零二 / 零三財政年度的純利大幅提升，達六千五百五十萬港元。表現理想有賴三項因素。第一，在本港顧客及中國內地旅客的銷售均錄得增長，促使莎莎在香港及澳門的零售及批發業務銷售額錄得百分之十一點五增長。第二，集團於上一財政年度內對存貨採取策略性調整措施，令莎莎零售及批發業務的毛利率由百分之三十七點三回升至百分之三十九點一。第三，上一財政年度推行嚴格成本控制措施，亦令莎莎零售及批發業務的營運開支減少百分之五點二。

集團截至二零零三年三月三十一日止年度的業績摘要如下：

- 集團營業額增至十六億四千一百四十萬港元，上升百分之六點八
- 莎莎在香港及澳門的零售及批發業務營業額由十一億五千七百三十萬港元增至十二億九千零八十萬港元，增長百分之十一點五
- 集團毛利增至七億二千九百三十萬港元，增加百分之十點二
- 集團經營溢利由三千九百五十萬港元增至一億零八百六十萬港元
- 集團業務表現大幅提升，純利為六千五百五十萬港元
- 莎莎的零售及批發業務營運開支減少百分之五點二
- 集團的淨現金及銀行結餘以及投資證券增至七億二千一百五十萬港元

Operations Review

業務回顧



We are pleased to report that the core business of the Group—namely, cosmetic retailing remains strong and profitable, forming a stable foundation for Sa Sa's growth in the future.

Sa Sa's Retail and Wholesale Business

Sa Sa's retail and wholesale turnover reached HK\$1,443.4 million this fiscal year, a 7.4% increase as compared to HK\$1,344.2 million last year. The retail and wholesale business performed satisfactorily with the second half of the year seeing an increase of 18.2% and 9.0% over the first half of the year and the corresponding period of last fiscal year, respectively. Sales momentum picked up during the second half of the fiscal year due to seasonal factors as well as to increased tourist numbers.

Hong Kong and Macau

Sa Sa's core retail base in Hong Kong and Macau achieved an encouraging performance amidst a poor economic landscape. Turnover reached HK\$1,290.8 million and the growth rate recorded was 11.5%. The growth rate for the second half of this fiscal year was 13.2% as compared to the corresponding period of last year. This growth can be attributed to stable spending by local customers and an increase in the number of PRC tourists. The growth in sales reflects increases in the number of transactions as well as spending per transaction, and was achieved mainly by comparable store turnover growth.

Despite the sluggish retail environment, strong demand from local customers also contributed to Sa Sa's stable growth trajectory, demonstrating the success of our business model. This model combines competitively priced products with a comprehensive product range and an effective product mix strategy. These results are a further indication that our wide product spectrum of cosmetics and skincare products have become daily necessities for our customers. Such consumer products are less sensitive to economic fluctuations.

集團的核心化粧品零售業務仍然非常穩健及帶來盈利，可為莎莎未來的增長奠定穩固基礎。

莎莎零售及批發業務

於二零零二 / 零三財政年度，莎莎集團零售及批發業務營業額達十四億四千三百四十萬港元，較去年的十三億四千四百二十萬港元增加百分之七點四。集團的零售及批發業務表現理想，下半年營業額分別較上半年及去年同期增加百分之十八點二及百分之九。基於季節性因素及旅客數目增加，本年度下半年的銷售上升動力開始加強。

香港及澳門

縱使經濟欠佳，莎莎在港澳地區的核心零售業務表現令人鼓舞，營業額達十二億九千零八十萬港元，增長百分之十一點五。與去年同期比較，本年度下半年增長率為百分之十三點二。是項增長有賴本地顧客消費穩定及內地旅客數目上升。銷售額增長反映交易次數及每宗交易金額均有所增加，增長更主要來自可比較店舖的銷售額增加。

零售市道雖然呆滯，本地顧客需求殷切亦為莎莎帶來穩定增長，顯示集團的經營模式 - 融合價格具競爭力的貨品、包羅萬有的貨品種類以及具吸引力的貨品組合策略 - 成效卓著。此外，也進一步顯示集團所銷售選擇豐富的化粧品及護膚品已成為顧客的日常必需品，而有關消費品也比較不受經濟盛衰影響。



As at 31st March 2003, the total number of **Sa Sa Cosmetics** stores stood at 34, along with one **La Colline** store, one **Selective** store and one **Elizabeth Arden counter** at a department store.

Taiwan

The Group's consolidation strategies for the Taiwan market produced positive results and generated a small profit. We now operate on a smaller scale in this market, and in a suitably prudent manner. Turnover decreased during the year, as five under-performing stores were closed in the fiscal year 2001/02. However, most importantly, comparable store turnover growth achieved was 6.7%.

Sa Sa remains confident of the long-term growth potential of our business in Taiwan and will closely monitor market developments.

Singapore and Malaysia

Turnover increased by 2.7% for the Singapore and Malaysia markets and a small pre-tax profit was recorded for these operations.

We conducted in-depth analysis of these two Southeast Asian markets, making adjustments to our business strategies that take into account store size, store locations and product mix. We are also taking steps to improve our operational efficiency, which will in turn improve our overall competitiveness. These actions will enable us to increase Sa Sa's market share and enhance profitability.



於二零零三年三月三十一日，集團在港澳地區共有三十四間莎莎化粧品店舖，另有一間La Colline專門店、一間Selective專門店及一個位於百貨公司的伊莉莎伯雅頓專櫃。

台灣

集團過去對台灣市場實施的整固策略已見成績，並使這市場取得微利。現時集團在台灣市場採取審慎策略，以較小的業務規模經營。集團已於二零零一 / 零二年度結束五間表現未如理想的店舖，導至本年度營業額有所下降。但可喜的是可比較店舖的營業額增長百分之六點七。

莎莎仍對台灣業務的長遠增長潛力充滿信心，因此仍會繼續密切留意當地市場發展。

新加坡及馬來西亞

新加坡及馬來西亞市場營業額增加百分之二點七，兩地業務合共錄得輕微除稅前溢利。

集團已對此兩個東南亞市場進行深入分析，並將就店舖規模、地點及貨品組合等業務策略作出調整。集團並採取措施改善營運效率，從而提升整體競爭力。這些一切將可使莎莎提高當地市場佔有率及加強盈利能力。

Operations Review

業務回顧



E-commerce - Sasa.com

Turnover for Sasa.com amounted to HK\$12.5 million, representing an increase of 25.6% over the corresponding period of last fiscal year. A series of measures were implemented, including: extending the product range, improving the product mix, strengthening marketing and promotional activities; broadening our customer base; widening our income source; improving our customer services and reducing our operating costs. In the future, we aim to invest more resources in order to enhance our penetration in overseas markets and to further broaden our customer base.

Ebeca

Since Ebeca failed to perform as expected, Sa Sa was able to recover a substantial amount of investment capital under the initial acquisition agreement. Overall, the cost of investment and goodwill was reduced by HK\$7.1 million. On 28th March 2003, Sa Sa disposed of its entire stakeholding in Ebeca for a consideration of HK\$3.0 million, thereby generating a loss of HK\$11.8 million on disposal.

電子商貿 - Sasa.com

Sasa.com於本財政年度的營業額為一千二百五十萬港元，較去年同期增加百分之二十五點六。莎莎已推行一系列措施，包括增加貨品類別、改善貨品組合、加強市場推廣及促銷活動、擴闊客戶基礎、擴大收入來源、提升客戶服務和削減經營成本。至於日後的計劃，莎莎的目標是投入更多資源，務求提高在海外市場的滲透率，並進一步擴大客戶基礎。

依貝佳

由於依貝佳的表現遜於預期，莎莎遂依據當初的收購協議取回部份投資成本。因此，投資成本及商譽亦相應調低七百一十萬港元。二零零三年三月二十八日，莎莎以三百萬港元的代價出售其於依貝佳的全部股權，以致在是項出售交易中錄得一千一百八十萬港元的虧損。

"What are Sa Sa's main strengths?"

We have built a great brand that everyone knows, and we have an unmatched range of products for our huge, loyal and region-wide customer base. Our relationship with our vendors is excellent, our sales professionals give quality service, and we have a long-established network of more than 50 retail outlets in prime Asian locations, along with an attractive online presence.

In addition, we have extensive industry experience and a clear business focus on beauty, supported by well thought-out corporate strategies, a robust balance sheet and a strong management team.

莎莎的優勢在哪裡？

莎莎品牌家喻戶曉，產品種類繁多，更有區內龐大而忠實的顧客基礎作支持。我們與各地供應商享有良好的合作關係，專業售貨員服務出色；我們並擁有龐大的亞洲區銷售網絡，在亞洲各主要地區設有逾五十間零售店，以及卓越的電子商務網站。

此外，我們還具有豐富的業內經驗、明確的業務方向、周全的企業策略、穩健的財務表現及經驗豐富的管理層。

Q&A



Private Labels And Exclusive Distributorship

Sa Sa's sales of private-label products and exclusively distributed products increased by 8.5% to HK\$391.5 million, contributing 27.1% to Sa Sa's total retail and wholesale turnover for the year ended 31st March 2003. We continued to establish our reputation for strong brand management capabilities and we aim to increasingly leverage on our reputation to build up this business in the future.

Sa Sa was appointed the sole agent for Elizabeth Arden products in Hong Kong and Macau on 1st October 2002. This proved to be rewarding for both Elizabeth Arden and Sa Sa with sales of Elizabeth Arden products achieved substantial growth as compared to the corresponding period October-March the previous year. Such a result reflects our strength in brand building and marketing. Through a series of marketing and promotion campaigns, we successfully heightened brand awareness for Elizabeth Arden throughout Hong Kong and Macau. We also fostered a good working relationship with Elizabeth Arden in the course of our partnership.

專有品牌及獨家分銷權

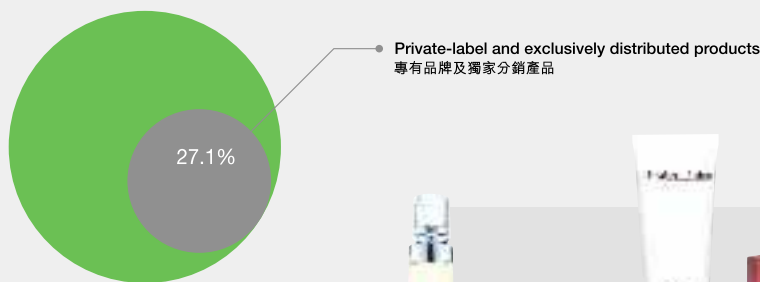
於截至二零零三年三月三十一日止年度，莎莎的專有品牌貨品及獨家代理貨品銷售額增長百分之八點五，達三億九千一百五十萬，佔莎莎總零售及批發營業額百分之二十七點一。集團不斷加強其超卓品牌管理能力的優良信譽，務求在此基礎上進一步發展有關業務。

莎莎於二零零二年十月一日獲委任為伊莉莎伯雅頓產品的港澳地區總代理商。此項委任足證對伊莉莎伯雅頓和莎莎雙方均大有裨益，伊莉莎伯雅頓產品的銷售額較去年同期十月至三月大幅增長。是項成績也反映莎莎在品牌建立和市場推廣方面實力雄厚。透過一連串的市場推廣活動，莎莎令伊莉莎伯雅頓在港澳地區的品牌知名度大大提高。通過密切的夥伴關係，亦令集團得以與伊莉莎伯雅頓建立良好合作關係。

Turnover Breakdown of Sa Sa's Retail and Wholesale

莎莎零售及批發營業額按產品類別分佈

Total 合共：HK\$1,443.4M 百萬港元



Operations Review

業務回顧



Beauty Services

Phillip Wain

Phillip Wain's turnover for the year ended 31st March 2003 was HK\$144.4 million, representing a decrease of 5.0%. This drop is attributable to the economic downturn throughout the region and the increasing competition in the field of beauty services. Due to the opening of two new clubs in Singapore and Malaysia during the second half of last fiscal year, the Group's operating costs also increased. As a result, our overall performance was adversely affected.

Pursuant to an agreement, the Group completed the acquisition of the remaining 41.67% shareholding in Phillip Wain on 10th March 2003 at a consideration of HK\$3.7 million and is now a 100% stakeholder in the business. Under the agreement, all litigation between Sa Sa and Phillip Wain's former shareholders has been settled.

The Group implemented a number of measures to improve Phillip Wain's performance during the year. A new marketing campaign was launched in March 2003 and a new image woman was appointed to enhance market awareness. We also worked to continuously improve and upgrade our club facilities and services in order to boost sales.

Over the coming year, the Group will enhance the market positioning of Phillip Wain and make any adjustments that we consider necessary to improve the competitiveness of Phillip Wain in the beauty and health services arena.

美容服務

菲力偉

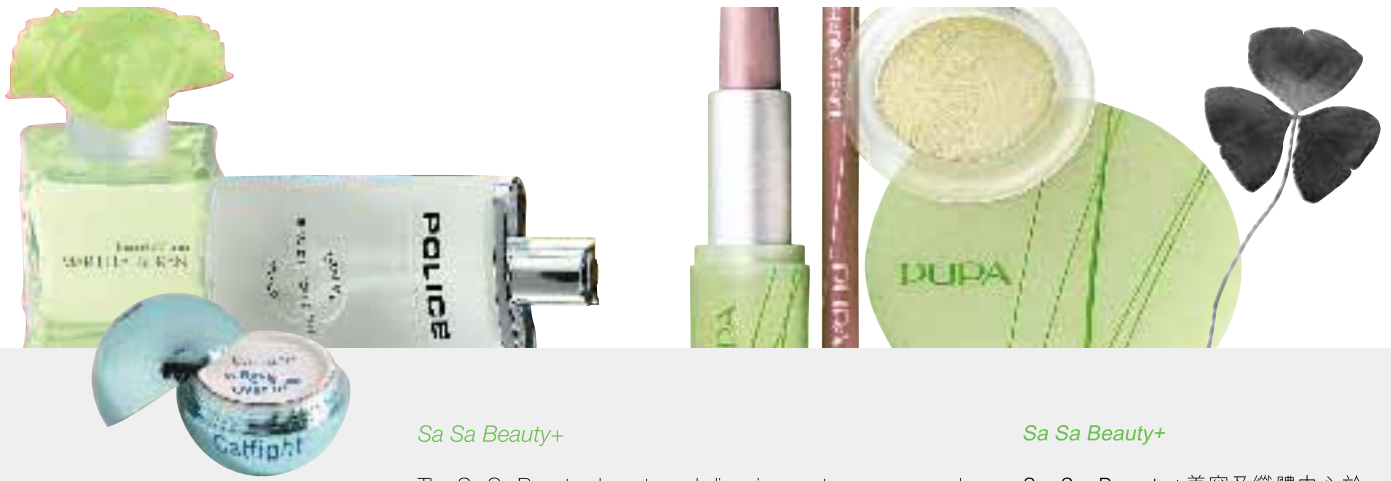
菲力偉於截至二零零三年三月三十一日止年度的營業額為一億四千四百四十萬港元，下降百分之五。由於亞洲地區正值經濟低潮，而美容服務行業的競爭又日趨激烈，營業額因而下降。由於集團於上一財政年度下半年在新加坡及馬來西亞開設兩間新會所，以致經營成本上升，整體表現因而蒙受不利影響。

集團於二零零三年三月十日完成收購菲力偉其餘百分之四十一點六七股權，收購代價為三百七十萬港元，故現時已持有該項業務的全部股權。根據協議，莎莎與菲力偉前股東的所有訴訟均已獲和解。

集團於過去一年推行多項措施以改善菲力偉的表現，包括於二零零三年三月展開全新的市場推廣活動，並委任新形象大使，藉以加強市場知名度。為提升營業額，集團並不斷改進及提升會所設施及服務。

於未來一年，集團將會加強菲力偉的市場定位，並會作出必要的調整，以加強菲力偉在美容及健身服務業內的競爭力。





Sa Sa Beauty+

The Sa Sa Beauty+ beauty and slimming centre was opened in July 2002, providing comprehensive services to Sa Sa's loyal and VIP members as well as enhancing and reinforcing Sa Sa's brand image and customers' loyalty towards our products. Avant-garde treatments were introduced during the year and there was encouraging growth in the number of new customers and sales contracts. Net operating cash flow was positive and the total value of sales contracts procured during the period under review exceeded the Group's initial investment within three months of opening.

The Sa Sa Beauty+ initiative represents an extension of our existing services and complements our retail business. We remain positive about the potential of the market for beauty services as a business in its own right.

Sa Sa Beauty+

Sa Sa Beauty+美容及纖體中心於二零零二年七月開業，旨在為莎莎的忠實顧客及尊貴會員提供更全面的服務，提升及加強莎莎的品牌形象及加強客戶對旗下貨品的忠誠度。中心於年內引進多項先進療程，新顧客及新訂合約數目的增長均令人鼓舞。營運方面有淨現金流入，而簽訂合約的總值已於開業三個月內超出了集團的初步投資。

Sa Sa Beauty+標誌著集團現有服務範圍的自然延伸，與零售業務相輔相成。若以美容服務為獨立業務計，集團對美容服務市場的潛力仍然充滿信心。



Operations Review

業務回顧



Employees

As at 31st March 2003, the Group had a total of 1,587 employees. Staff costs for the year were HK\$292.9 million. To ensure that Sa Sa is able to attract and retain talented staff, remuneration packages are reviewed on a regular basis and share options, as part of basic remuneration packages, are offered to key employees. Staff development initiatives were implemented during the year through in-house training programmes and the provision of financial subsidies for external training courses.

Outlook

Sa Sa's vision for the future is well-defined and resolute: we are positioning ourselves to become the dominant cosmetic retailing and beauty services group in Asia.

Looking forward, our core retail business remains at the heart of our operations. By working continuously to strengthen our market understanding and review our product mix, Sa Sa seeks to ensure that we meet the demands of our loyal customers. Both local and tourist customers are equally important to our sales, and we aim to strike an optimum balance between the different needs of all categories of our consumers. Our retail operations will continue to provide stable and growing profits for our business.

By securing more exclusive distribution rights from major international brands, we hope to develop and augment our product range. Exclusive products allow the Group to increase our profit margins through more pricing control and less competition, and our intention is that this segment will continue to expand and contribute to our sales and turnover. We have already established a strong reputation for our brand management capabilities, and we expect that this will allow us to secure other renowned global brands in the future.

員工

於二零零三年三月三十一日，集團共聘有一千五百八十七名員工。年內的員工成本為二億九千二百九十萬港元。為確保莎莎能夠吸引及挽留優秀的員工，集團會定期檢討員工薪酬及福利。除基本薪酬福利外，部份主要員工更獲分配認股權。在員工培訓及發展方面，集團亦於年內舉辦內部培訓課程及為外間培訓課程提供資助。

展望

莎莎對未來發展已訂定明確目標：銳意成為亞洲地區首要的化粧品零售及美容服務集團。

展望未來，集團會繼續致力發展其核心零售業務。莎莎將不斷加強對市場的瞭解和審視貨品組合，確保能夠迎合其實惠顧客的需求。本地顧客和旅客對集團零售業務同樣重要，集團力求在各類顧客的不同需要之間取得最佳平衡。零售業務將不斷為集團提供穩定及持續增長的溢利。

集團將致力爭取更多主要國際品牌的獨家代理權，以拓展及擴闊貨品種類。獨家產品令集團能通過較大的訂價自主權及競爭較少而提升毛利率。集團擬拓展此業務範疇以不斷提升銷量及營業額。集團的品牌管理能力已建立優良信譽，預料這將有利集團日後爭取其他著名全球品牌的代理權。



Synergies will continue to be enhanced between our retail operations and our beauty services. Sa Sa looks forward to exploring other opportunities to cross-leverage and add value between the sale of beauty products and the provision of beauty services.

集團旗下的零售業務與美容服務將會繼續加強彼此之間的協同優勢。莎莎亦積極物色其他機會，使美容產品的零售與美容服務相輔相成，發揮更大效益。



Q&A

"How does Sa Sa manage to sell quality products at such competitive prices?"

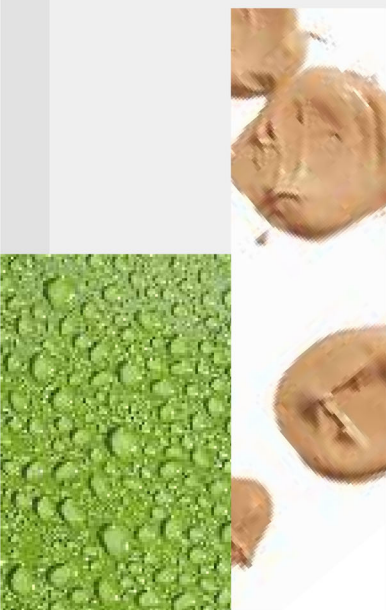
Sa Sa applies its global sourcing and purchasing capabilities to obtaining the best value products, buying in bulk to increase its bargaining power. A further factor is our excellent long-term relationships with vendors. While we pride ourselves on our ability to offer generous discounts, we also take exceptional care to ensure that everything we sell is genuine and in tip-top condition.

莎莎為什麼能以這樣相宜的價錢，出售如此優質的產品？

莎莎憑著環球採購專長，得以精選最物有所值的產品，並透過大量購貨而提高議價能力；而我們與供應商保持長期良好關係也是箇中關鍵。我們的優勢不僅是為顧客提供豐厚的折扣優惠，更竭盡所能確保所售的商品皆是正貨，品質上乘。

Operations Review

業務回顧



SELECTIVE
by SASA

We have also defined plans for geographical expansion and measures to enhance sales and maximize profitability in all our markets. We will leverage on our solid retail foundation in Hong Kong, expand our revenue base and enhance our overseas presence. We remain committed to developing the PRC market. The potential for expansion in China remains considerable. The prospect of a strong and growing consumer market is truly attractive, but our approach to this market must be flexible, patient and dependent on local conditions. At present, we are making preparatory arrangements including business planning, forming a management team, obtaining requisite approvals for our exclusive products and taking careful tax planning measures. All these initiatives will facilitate our entry into the market and further our aim of opening freestanding Sa Sa retail stores in China in the future. Depending on market conditions, we aim to target the major cities first, and then expand our market presence throughout the nation.

The outbreak of SARS in the region has created uncertainty in the market, in particular in the Greater China region. As the sluggish economic environment persists, the year ahead will continue to present challenges. However, we believe

集團已制訂明確的地域拓展計劃及措施，以提升所有市場的銷售額及盡量提高其盈利能力。集團將會借助香港穩固的零售業務根基，擴大收入基礎以及加強海外業務。中國市場仍是銳意發展的新市場，發展潛力龐大。持續增長的中國大陸市場前景無疑非常吸引，但集團對開拓這新市場將採取靈活方針，因應當地環境並按步就班進行。現時，集團正進行許多籌備安排，例如進行業務策劃、籌組管理隊伍、為獨家及專有品牌進行產品批核的申請、及作稅務安排等。這些措施均為集團進軍內地市場作好準備，以進一步實踐未來開設獨立莎莎零售店的目標。因應市況，集團將首先進駐主要城市，然後始拓展全國各地市場。

區內非典型肺炎肆虐令市況呈現不明朗，對大中華地區尤甚，加上經濟持續呆滯，未來一年將會充滿挑戰。然而，集團已積極面對有關情況，



that we are well placed to respond to such challenges. For example, we reacted positively to the SARS situation by offering a wide variety of SARS-related hygiene products, and we took decisive steps to minimize the effect of SARS on our operations. In the same spirit, given our established business foundation, solid financials and sound fundamentals, we are confident that we will be able to realize our strategies and to meet our objective to become the dominant cosmetic retailing and beauty services group in Asia.

例如推出許多抗炎清潔衛生用品，同時採取措施以盡量減輕疫症對業務造成的影響。憑藉穩固的業務根基、雄厚財力和穩健基本因素，集團有信心實踐其策略及成為亞洲地區首要的化粧品零售及美容服務集團的目標。

Q&A

"How can Sa Sa achieve such a high standard of customer service?"

• By Creating a Strong Training Team

Our training team is specialized in different training programs. These include product knowledge (with different trainers specialized in skin care, fragrance, make-up products and beauty treatments); skin analysis; make-up training; mandarin speaking; selling skills; supervisory skills; customer service skills and general management skills.

• Intensive Training

A new beauty consultant receives more than 150 training hours before she becomes a qualified beauty consultant(BC). We also provide continuous training to existing BCs to update their skills and knowledge in all the above categories. Good training is vital for cosmetic retailing because it improves sales and service, enhances the corporate image, professionalism of staff, and the sense of belonging of our employees.

• Knowledge of the market and customer

The cosmetic retailing industry changes very rapidly, catching up with new trends and the evolving needs of customers. Therefore, our staff need to be updated frequently. In addition, our sales staff act as personal consultants to customers for their beauty needs. They require an in-depth knowledge of both products and customer requirements in order to provide tailor-made beauty advice.

• Building loyalty

We aim at providing a service to customers, not only at selling products. Our mission is to convert more and more buyers of our products and services into loyal customers. We therefore monitor our services very closely and strengthen our service-oriented culture through various internal programs and through participation in external monitoring schemes such as mystery shoppers programs.

• Gaining recognition

Sa Sa stores as well as La Colline specialty store have been awarded the "Quality Tourism Services" certificate by Hong Kong Tourism Board. This scheme honours tourism service providers judged to have achieved excellent quality in the areas of environment, products, processes, people and systems.

為甚麼莎莎能提供優質的客戶服務？

• 優秀的培訓隊伍

莎莎的培訓隊伍涵蓋專才，負責各方面的培訓課程：包括產品知識（護膚品、香水、化粧品及美容護理等均由不同專業培訓人員負責）、皮膚分析、化粧品技巧、普通話會話、銷售技巧、管理下屬技巧、客戶服務、以及一般管理知識等等。

• 培訓嚴謹

在莎莎剛入職的銷售員工，必須接受一百五十小時以上的培訓才可成為正式的美容顧問。而在職的美容顧問也須經常接受培訓，以提升她們各方面的技巧及知識。良好的培訓對化粧品零售業尤為重要，不僅有助改善銷售及服務表現，更可提升企業形象，提高員工專業水平及培養員工對公司的歸屬感。

• 了解市場及顧客的需要

化粧品零售業瞬息萬變，除了要緊貼潮流外，亦要迎合顧客各式各樣的需要。因此集團的員工必須擁有最新有關的知識及才能。莎莎旗下的專業售貨員都是顧客的私人美容顧問，因此對每樣貨品都必須非常熟悉，明瞭顧客的需要，從而提供最切合個人需要的美容建議。

• 建立穩健客戶基礎

我們致力為顧客提供完善的服務；不會單以售賣貨品為目的。莎莎的經營理念是令更多使用莎莎產品及服務的客人成為我們的忠實顧客。因此，我們一直密切監察我們的服務水平，並通過各種內部培訓及參與外間的服務監察計劃，例如「神秘顧客」計劃等，積極鞏固以服務為本的企業文化及提升服務水平。

• 贏取業界認同

莎莎化粧品及La Colline專門店皆榮獲香港旅遊發展局頒發「優質旅遊服務」認證，標誌著我們作為旅遊服務業的成員，在環境、產品、工作流程、人才及系統方面皆表現卓越。

Fragrances



Financial Review

財務概況

Capital Resources and Liquidity

As at 31st March 2003, the Group's total shareholders' funds were HK\$743.0 million including reserves of HK\$616.3 million. The Group continued to maintain a strong financial position with cash and bank balances plus held-to-maturity securities in aggregate of HK\$721.5 million (please see table below). The Group's working capital plus held-to-maturity securities were HK\$729.3 million. Based on the Group's steady cash inflow from operations and coupled with its existing cash and bank facilities, the Group has adequate financial resources to fund its future expansion.

資本及流動資金

截至二零零三年三月三十一日止，集團股東權益為七億四千三百萬港元，其中包括六億一千六百三十萬港元之儲備金。集團繼續維持穩健財務狀況，現金及銀行結存加上持至到期日之證券累積達七億二千一百五十萬港元（請參閱下表），集團營運資金加上持至到期日之證券為七億二千九百三十萬港元。基於集團有穩定的經營業務現金注入，加上現時手持之現金及銀行信貸，集團掌握充裕財務資源以應付未來發展。

		2003 二零零三年 HK\$'000 港幣千元	2002 二零零二年 HK\$'000 港幣千元
Held-to-maturity securities	持至到期日之證券	70,544	-
Cash and bank balances	現金及銀行結存	650,913	656,970
Total	總額	721,457	656,970

As at 31st March 2003, the Group's held-to-maturity securities were composed of corporate bonds and bank notes with maturity dates falling within two years. This is in line with the Group's policy to invest in investment grade securities with maturity periods of less than two years. When compared with short-term deposit interest rate, the Group was able to achieve a higher yield based on its investment strategy.

於二零零三年三月三十一日，本集團持至到期日之證券由兩年內到期之公司債券及銀行票據組成，此與本集團投資於兩年內到期之投資級別證券的政策相符。若跟短期存款息率比較，本集團基於其投資策略，成功取得較高回報。

During the year, most of the Group's cash and bank balances were in U.S. dollars and were deposited in leading banks.

於年內，集團大部份現金及銀行結存均為美元，並存放於數間大銀行。

Financial Review

財務概況



Financial Position

Total funds employed (comprising shareholders' fund only) for the year ended 31st March 2003 were HK\$743.0 million, which represented a 7.5% decrease over the total funds employed (including shareholders' fund, bank loans and overdrafts and obligations under finance leases) of HK\$803.0 million for the year ended 31st March 2002.

The gearing ratio, defined as the ratio of total loans less cash and bank balances to total assets, was nil as at 31st March 2003 and 31st March 2002 respectively.

Treasury Policies

It is the Group's treasury management policy not to engage in any highly leveraged or speculative derivative products. In this respect, the Group continued to adopt a conservative approach to financial risk management with no significant borrowing during the year. The Group does not have significant exposure to foreign exchange fluctuations as most of its assets, receipts and payments are either in Hong Kong or U.S. dollars. However, the Group will monitor its

財務狀況

截至二零零三年三月三十一日止年度之運用資金總額（等同股東權益）為七億四千三百萬港元，較去年同期之八億零三百萬港元運用資金總額（包括股東權益、銀行借貸及透支及融資租約之承擔），下降百分之七點五。

集團於二零零三年及二零零二年三月三十一日之槓桿比率均為零。槓桿比率為總負債減去現金及存款後與總資產之比例。

庫務政策

集團的理財政策是不參與高風險之投資或投機性的衍生工具。年內，集團於財務風險管理方面繼續維持審慎態度，並無重大借貸。由於集團大部分資產、收款及付款均為港元或美元，所以不會大幅受到外幣匯率波動之影響。惟集團會審視其外幣狀況，



foreign exchange position and, when appropriate, the Group will hedge its non U.S. dollar foreign exchange exposure by way of forward foreign exchange contracts. As at 31st March 2003, the Group had HK\$32.0 million outstanding forward foreign exchange contracts committed for payment in foreign currencies in the coming year.

Charge On Group Assets

At 31st March 2003, the Group had general banking facilities of HK\$3.3 million which were subject to pledges of equivalent amount of bank deposits as security. HK\$2.2 million of the secured banking facilities had been employed by the Group for the purpose of issuing bank guarantees in lieu of cash deposits.

Contingent Liabilities

The Group's contingent liabilities as at 31st March 2003 were HK\$6.2 million which included the utilized banking facilities of HK\$2.2 million as stated in the paragraph headed "Charge on Group assets" above.

並於適當時候，以遠期外匯合約對沖其非美元外幣風險。於二零零三年三月三十一日，本集團未履行之遠期外匯合約為三千二百萬港元，此等合約將用作未來一年之外幣付款。

集團資產之抵押

於二零零三年三月三十一日，集團為數三百三十萬港元之銀行信貸由相同數額之存款作抵押，其中已行使之款項二百二十萬港元為代替訂金之銀行保證。

或然負債

集團於二零零三年三月三十一日之或然負債為六百二十萬港元，其中包括以上「集團資產之抵押」所述二百二十萬港元已行使之銀行信貸額。



Hair Care



Biographical Details of Directors and Senior Management

董事及高級管理人員簡介



Chairman & CEO
SIMON KWOK
主席兼行政總裁
郭少明

EXECUTIVE DIRECTORS

KWOK, Siu Ming, Simon*, Chairman and Chief Executive Officer

Mr. Kwok, aged 50, is the Chairman of Sa Sa. Together with his wife, Eleanor, Mr. Kwok founded the company in 1978 and successfully listed the company on the Stock Exchange of Hong Kong in June 1997 with the share offering more than 500 times oversubscribed. Over the past twenty-five years, Mr. Kwok transformed the company from one outlet in 1978 to a regional network of operations with over 50 retail outlets and eight beauty centres in six major Asian markets today, successfully carving out the important market niche that the Group now occupies. Mr. Kwok is currently the Honorary President of the Cosmetic & Perfumery Association of Hong Kong.



Vice-Chairman
ELEANOR KWOK
副主席
郭羅桂珍

KWOK LAW, Kwai Chun, Eleanor*^, Vice-Chairman

Mrs. Kwok, aged 49, who co-founded the company with her husband, has more than 30 years experience in the sales and marketing of beauty products. With extensive professional knowledge and many years of experience in cosmetic retailing, she pioneered the unique operational concept of open-shelf display of products, offering customers the convenience of choosing and sampling from a wide range of products to make shopping a more enjoyable experience. Mrs. Kwok plays a leading role in the development of the Group's corporate image and staff training. Prior to starting the business, she was a beauty consultant for a household cosmetic brand name.



CFO & Executive Director
GUY LOOK
首席財務總監兼執行董事
陸楷

Member of the Audit Committee

^ Member of the Compensation Committee

* Member of the Executive Committee

執行董事

主席兼行政總裁，郭少明*

郭先生，五十歲，集團主席。郭氏於一九七八年與太太羅桂珍共同創立莎莎，並於一九九七年六月成功使集團在香港上市，股份認購率超過五百倍。過去二十多年，莎莎在郭氏的領導下，由一個化粧品零售櫃位，發展至今天的亞洲業務網絡，於六個主要亞洲市場設有超過五十間零售店及八間美容中心，使集團在化粧品零售及美容服務市場上穩佔重要席位。郭氏現任香港化粧品同業協會榮譽主席。

副主席，郭羅桂珍*^

郭女士，四十九歲，與丈夫郭少明同為集團創辦人。郭女士累積逾三十年營銷及推廣化粧品的經驗，資歷深厚。憑著廣泛的專業知識及多年化粧品零售經驗，郭女士首創開放式產品陳列概念，讓客戶隨意挑選琳琅滿目的貨品，締造更寫意的購物體驗。此外，她亦負責管理集團形象設計及員工培訓工作。創業以前，郭女士曾為一著名化粧品品牌擔任美容顧問。

審核委員會成員

^ 薪酬委員會成員

* 行政委員會成員

Biographical Details of Directors and Senior Management

董事及高級管理人員簡介

LOOK, Guy*, Chief Financial Officer and Executive Director

Mr. Look, aged 47, joined Sa Sa as Chief Financial Officer (CFO) in March 2002 and was appointed Executive Director in September 2002. Prior to joining Sa Sa, Mr. Look was the CFO and an Executive Director of Tom.com Ltd. Mr. Look has over 20 years of experience in local and overseas financial and general management, and was a Deputy Managing Director of ONFEM Holdings Ltd.; a Director and the Chief Executive Officer of Tung Wing Steel Holdings Ltd. (renamed Shougang Concord International Enterprises Co. Ltd.) and a Director of Santai Manufacturing Ltd. (renamed Shougang Concord Technology Holdings Ltd.); all of which are listed on the Main Board of The Stock Exchange of Hong Kong Ltd. He holds a Bachelor's degree in Commerce from the University of Birmingham, England and is an associate member of the Institute of Chartered Accountants in England and Wales, and an associate member of the Hong Kong Society of Accountants.

首席財務總監兼執行董事，陸楷*

陸先生，四十七歲，二零零二年三月起出任集團之首席財務總監，並於二零零二年九月獲委任為執行董事。在加盟莎莎前，陸氏為Tom.com有限公司之財務總監兼執行董事。他擁有逾二十年於本港及海外之財務及管理工作经验，亦曾擔任東方有色集團有限公司副董事總經理、東榮鋼鐵集團有限公司（已改名為首長國際企業有限公司）之董事兼行政總裁及三泰製造有限公司（已改名為首長科技集團有限公司）之董事，全部均在聯交所主板上市。陸氏持有英國伯明翰大學頒發之商科學士學位，並為英國及威爾斯特許會計師公會會員及香港會計師公會會員。

Independent Non-Executive Directors

Professor CHAN, Yuk Shee#

Professor Chan, aged 49, has served as an Independent Non-Executive Director and Chairman of Audit Committee of the Group since November 1999. Professor Chan is currently the Vice President for Academic Affairs as well as Professor of Finance at the Hong Kong University of Science and Technology (HKUST). Previously, he was the Founding Dean of the HKUST Business School from 1993 to 2000. He obtained a Ph.D. in finance, an MBA and M.A. in economics from the University of California at Berkeley. He is a member of the American Finance Association, Asia Pacific Finance Association and Hong Kong Securities Institute.

獨立非執行董事

陳玉樹教授#

陳教授，四十九歲，一九九九年十一月起出任集團獨立非執行董事兼審核委員會主席，現為香港科技大學學術副校長及財務系教授。在出任現職之前，陳教授曾於一九九三年至二零零零年間擔任科大商學院第一任院長。陳教授於加州柏克萊大學取得財務學哲學博士、工商管理碩士及經濟學碩士學位，亦是美國財務學會、亞太金融學會及香港證券學院之會員。

LEE LOOK, Ngan Kwan, Christina[^]

Mrs. Lee, aged 78, was appointed an Independent Non-Executive Director in May 1997. She is the widow of the founder of Television Broadcasts Ltd., Mr. Lee Hsiao-Wo. Mrs. Lee has been a director of Television Broadcasts Ltd. since 1981 and is actively involved in Caritas, Hong Kong, a local charitable organization.

Dr. LEUNG, Kwok Fai, Thomas^{#^}

Dr. Leung, aged 54, was appointed an Independent Non-Executive Director in January 2000. He has over 21 years' experience in management consultancy and is an expert in the design and implementation of leading edge human resources policies. Dr. Leung holds a Ph.D. in Business Administration from the University of Illinois. He is very active in public service and was formerly Chief Executive - Asia, for Hay Group, one of the world's leading management consultancies.

Senior Management

LI, Ping Yee, Louisa, Senior Vice President, Beauty Services

Ms. Li, aged 46, was appointed as Senior Vice President - Beauty Services for the Group in July 2002. She is responsible for the management and development of the Group's Beauty Services business throughout the region, including Phillip Wain and Sa Sa Beauty+. Ms. Li has over 19 years of experience in beauty, slimming and hair care services, including three years managing cosmetic brands at L'Oréal Group, and the last five years as Operations Director for an international chain of beauty and slimming centres in Asia. Ms. Li graduated in business studies from York University, Canada.

利陸雁群[^]

利女士，七十八歲，一九九七年五月起加入本集團出任獨立非執行董事。利女士是電視廣播有限公司創辦人利孝和先生之遺孀，一九八一年起出任電視廣播有限公司董事。利女士積極參與本地慈善團體香港明愛舉辦之慈善活動。

梁國輝博士^{#^}

梁博士，五十四歲，二零零零年一月起獲委任為獨立非執行董事。梁博士擁有逾二十一年管理顧問工作經驗，擅長設計及推行新穎出色的人力資源政策。梁博士身任多項公職，包括政府多個委員會及各大學董事會成員。梁氏於美國伊利諾大學取得工商管理博士學位，曾任世界著名管理顧問公司Hay Group亞洲區行政總裁。

高級管理人員

美容業務高級副總裁，李冰儀

李小姐，四十六歲，二零零二年七月起獲委任為集團美容業務的高級副總裁，負責集團整體美容業務，包括菲力偉及Sa Sa Beauty+的營運和發展。李小姐擁有逾十九年豐富的亞洲區美容、纖體及頭髮護理服務工作經驗，包括其中三年曾於L'Oréal Group旗下的化粧品牌擔任管理職位。加盟莎莎前，李小姐於一家國際連鎖經營的美容及纖體中心任職亞洲區營運總監達五年。李小姐畢業於加拿大約克大學，主修商科。

Biographical Details of Directors and Senior Management

董事及高級管理人員簡介

CHAN, Cheuk Kai, Chris, Vice President, Information Technology

Mr. Chan, aged 43, joined Sa Sa as Vice President of Information Technology in September 1999. Previously, he worked in Vanda Computer & Equipment Co. Ltd. from which he gained cutting-edge knowledge providing consultancy services for clients of various industries including garment, toys, electronics manufacturing and airfreight. Prior to this, he worked as MIS Director of Giordano Group and was responsible for system development and setting up computer sites in Hong Kong and the PRC. He also served ESPRIT De Corp (Far East) Ltd., Fang Brothers Knitting Ltd. and Carlingford Life & General Assurance. Mr. Chan has the NCC Certificate in System Analysis and Design certified by National Computer Centre in the U.K.

CHUANG, Sze Tseng, Donna, Legal Counsel and Company Secretary

Ms. Chuang, aged 47, joined Sa Sa as Legal Counsel and Company Secretary in January 2003. She is responsible for providing legal advice and support to the Group's businesses and commercial activities. Ms. Chuang has more than 20 years of commercial experience gained from various industries. Before joining Sa Sa, she was a solicitor of Johnson Stokes & Master. Ms. Chuang obtained her law degree from the University of Hong Kong and was admitted as a solicitor of the High Court of Hong Kong.

資訊科技副總裁，陳焯楷

陳先生，四十三歲，一九九九年九月起加入莎莎出任資訊科技副總裁。在此之前，陳氏任職中聯電腦（國際）有限公司，為各行各業的客戶提供顧問服務，當中包括成衣、玩具、電子生產及空運業，累積了不少寶貴的專業知識。加入該公司以前，陳氏曾於佐丹奴集團任職資訊部總監，負責在香港及中國大陸推行系統開發工作及設立電腦中心，此外亦曾任職ESPRIT de Corp (Far East) Ltd.、Fang Brothers Knitting Ltd.及Carlingford Life & General Assurance公司。陳氏取得英國National Computer Centre之系統分析及設計的NCC證書。

法律顧問兼公司秘書，莊思箴

莊小姐，四十七歲，於二零零三年一月加入莎莎，出任集團之法律顧問及公司秘書。莊小姐主要為集團的業務及商業活動提供法律意見及處理有關事務。莊小姐從各行業累積超過二十年的商務經驗。在加入莎莎前，莊小姐為孖士打律師行之執業律師。莊小姐畢業於香港大學並為香港高等法院之註冊律師。

LAW, Kin Ming, Peter, Vice President, Product Development and Purchasing

Mr. Law, aged 47, is Vice President of Product Development and Purchasing. He joined the Group in January 1996. Mr. Law has more than 21 years' experience in the field of sales and marketing, ten of which were in senior management positions. Mr. Law oversees the Group's product development and purchasing including local and regional purchasing operations. He is also responsible for the Group's acquisition of exclusive distribution rights and development of private labels. He holds a bachelor's degree in arts majoring in communication studies from the University of Windsor, Ontario, Canada. Then he pursued a bachelor's degree in commerce in 1981. Mr. Law is Mrs. Kwok's brother.

LOI, Wei Sin, Corina, Vice President, General Manager of Malaysia

Ms. Loi, aged 43, joined Sa Sa in October 1997 and was appointed Vice President - General Manager of Malaysia in January 2001. She was a crucial member of the start-up team for Malaysian operations. Ms. Loi has over 20 years of marketing and retail experience ranging from health food products to high fashion. Prior to joining Sa Sa, she was with the Dickson Trading (Singapore).

SNG, Patrick, Vice President, Regional Head of Singapore and Malaysia

Mr. Sng, aged 38, joined Sa Sa in March 2003 as Vice President, Regional Head of Singapore and Malaysia. He is responsible for the overall management and operations in Singapore and Malaysia. Before joining Sa Sa, he was the Chief Executive Officer of NC Essentials Pte. Ltd./ Leewah Essentials Pte. Ltd., a Singapore-based retail chain of beauty specialty stores. Mr. Sng held various senior positions with his previous employers and has more than 15 years of working experience with focus in marketing and business development. He holds a MBA degree from Monash Mt. Eliza Business School of Monash University in Australia.

產品發展及採購副總裁，羅建明

羅先生，四十七歲，一九九六年一月起加入集團出任產品發展及採購副總裁。羅氏擁有逾二十一年銷售及市場推廣工作經驗，其中十年歷任高級管理層職位。羅氏負責集團產品發展及採購工作，包括本港及地區性的採購業務，並負責為集團獲取獨家分銷權及開發獨有品牌。羅氏畢業於加拿大安大略省Windsor大學，獲傳理系學士學位。其後彼於一九八一年繼續深造，修讀商業學士學位。羅先生乃郭羅桂珍女士之弟。

副總裁兼馬來西亞總經理，雷慧馨

雷女士，四十三歲，一九九七年十月加入莎莎，並於二零零一年一月獲委任為集團副總裁兼馬來西亞總經理。雷氏為集團開發馬來西亞市場的主要成員。她在健康食品以至高級時裝的市場及零售工作擁有逾二十年經驗。加入莎莎前，她曾於迪生貿易（新加坡）工作。

副總裁兼新加坡及馬來西亞地區主管，孫利平

孫先生，現年三十八歲，二零零三年三月加入莎莎，出任副總裁兼新加坡及馬來西亞地區主管，專責當地莎莎業務之整體管理及營運。加盟莎莎前，為新加坡美容產品連鎖專門店 NC Essentials Pte. Ltd./ Leewah Essentials Pte. Ltd.的行政總裁。此外亦曾在多家公司擔任高級管理層職位，在市場推廣及業務發展工作上累積逾十五年經驗，並擁有澳洲莫納許大學（Monash University）Mt. Eliza 商學院工商管理碩士學位。

Biographical Details of Directors and Senior Management

董事及高級管理人員簡介

TANG, Wing Kei, Joe, Vice President, Sales Operations and Administration

Mr. Tang, aged 41, joined Sa Sa as Vice President of Sales Operations and Administration in January 2002. He has more than 18 years working experience, of which 11 years were in the retail sector. He was the General Manager of "Toy R Us" managing five megastores in Hong Kong. Before joining Sa Sa, he was the General Manager of Dickson Cyberconcept. He holds an MBA degree from the University of Hull, the U.K.

WONG, Sau Han, Carmen, Vice President, Human Resources

Ms. Wong, aged 43, joined Sa Sa in December 2001 as the Vice President - Human Resources. She has over 21 years of professional experience in Human Resources, of which the past 12 years were in the retail industry. Prior to joining Sa Sa, Ms. Wong was the HR Director of a Hong Kong listed retail company. She obtained her Master degree in Human Resources Management from Salford University in the U.K.

WONG, Tai Chung, Kenneth, Vice President of Finance and Accounting

Mr. Wong, aged 40, joined Sa Sa as Vice President of Finance and Accounting in June 2001. He is a fellow member of Chartered Institute of Management Accountants and an associate member of Hong Kong Society of Accountants. Prior to Sa Sa, he held various senior positions in BAA Group, OneResource Group, Wellcome, Dairy Farm Group and A.S. Watson Group. He has over 16 years solid finance and accounting experience in various industries, extensive experience and knowledge in mergers and acquisition, divestment, retail strategic management, logistic management and setting up joint ventures in Asia, Australasia and Europe. Mr. Wong received his MBA degree from the University of Hull, the U.K.

營運及行政副總裁，鄧永基

鄧先生，四十一歲，二零零二年一月起加盟莎莎，出任營運及行政副總裁。鄧氏擁有超過十八年工作經驗，其中十一年從事零售業。他曾出任玩具反斗城總經理一職，管理香港五間大型店舖。而加入本集團以前，他乃 Dickson Cyberconcept 的總經理。鄧氏持有英國 University of Hull 頒發之工商管理碩士學位。

人力資源部副總裁，黃秀嫻

黃女士，四十三歲，二零零一年十二月起加入莎莎，出任集團人力資源部副總裁。黃氏在人力資源方面擁有超過二十一年之專業經驗，其中十二年任職零售行業。在加入莎莎以前，她為香港一家零售業上市公司的人力資源總監。黃氏持有英國 Salford University 人力資源管理碩士學位。

財務及會計副總裁，黃大聰

黃先生，四十歲，於二零零一年六月出任財務及會計副總裁，黃氏為特許管理會計師公會資深會員及香港會計師公會會員。加入莎莎前，他曾於聚英匯、宏智、惠康、牛奶集團及屈臣氏出任財務要職，積累了逾十六年會計及財務經驗，對合併收購、投資、零售策略管理及物流管理方面具備豐富經驗和知識；亦曾協助企業在亞洲、澳大利亞及歐洲創建合資和投資公司。黃氏持有英國 University of Hull 的工商管理碩士學位。

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與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 (from the date of grant) 行使前 持有期 (自授出 日起計)	Options			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
Mr. LOOK, Guy 陸楷先生	24th April 2002 二零零二年 四月二十四日	HK\$0.80 0.80港元	24th April 2003 to 23rd April 2012 二零零三年四月 二十四日至二零一二年 四月二十三日	1 year 一年	– notes (i) and (ii) 附註(i)及(ii)	4,000,000	–	–	4,000,000
	24th April 2002 二零零二年 四月二十四日	HK\$0.80 0.80港元	24th April 2004 to 23rd April 2012 二零零四年四月 二十四日至二零一二年 四月二十三日	2 years 二年	– notes (i) and (ii) 附註(i)及(ii)	5,000,000	–	–	5,000,000
	24th April 2002 二零零二年 四月二十四日	HK\$0.80 0.80港元	24th April 2005 to 23rd April 2012 二零零五年四月 二十四日至二零一二年 四月二十三日	3 years 三年	– notes (i) and (ii) 附註(i)及(ii)	4,116,285	–	–	4,116,285

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	
					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
Employees	9th September 1997	HK\$2.01	9th September 1997 to	–	1,808,000	–	–	–	1,808,000
Under	一九九七年	2.01港元	8th September 2007						note (iv)
Continuous	九月九日		一九九七年九月九日至						附註(iv)
Employment			二零零七年九月八日						
Contract									
連續性合約僱員	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)

	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	
					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
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	
					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
Employees Under Continuous Employment Contract	4th June 2001 二零零一年 六月四日	HK\$0.68 0.68港元	4th June 2004 to 3rd June 2011 二零零四年六月四日至 二零一一年六月三日	3 years 三年	196,079	-	-	-	196,079
連續性合約僱員	24th April 2002 二零零二年 四月二十四日	HK\$0.80 0.80港元	24th April 2005 to 23rd April 2012 二零零五年四月二十四日至 二零一二年四月二十三日	3 years 三年	-	675,000 note (ii) 附註(ii)	-	-	675,000
					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 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 (from the date of grant) 行使前 持有期 (自授出 日起計)	Options			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 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
Professor CHAN, Yuk Shee 陳玉樹教授	16th December 2002 二零零二年 十二月十六日	HK\$0.76 0.76港元	16th December 2003 to 15th December 2012 二零零三年十二月十六日至 二零一二年十二月十五日	1 year 一年	—	1,000,000 note (i) 附註(i)	—	—	1,000,000
Mrs. LEE LOOK, Ngan Kwan, Christina 利陸雁群女士	16th December 2002 二零零二年 十二月十六日	HK\$0.76 0.76港元	16th December 2003 to 15th December 2012 二零零三年十二月十六日至 二零一二年十二月十五日	1 year 一年	—	1,000,000 note (i) 附註(i)	—	—	1,000,000
Dr. LEUNG, Kwok Fai, Thomas 梁國輝博士	16th December 2002 二零零二年 十二月十六日	HK\$0.76 0.76港元	16th December 2003 to 15th December 2012 二零零三年十二月十六日至 二零一二年十二月十五日	1 year 一年	—	1,000,000 note (i) 附註(i)	—	—	1,000,000

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 (from the date of grant) 行使前 持有期 (自授出 日起計)	Options		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 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 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 於期內 授出之 購股權			
Employees	6th January 2003	HK\$0.77	6th January 2005 to	2 years	-	500,000	-	-	500,000
Under Continuous Employment Contract	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 二零零三年一月五日	二年	-	note (ii) 附註(ii)	-	-	-
連續性合約僱員	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 二零零三年三月六日	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。

Report of the Directors (continued)

董事會報告 (續)

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 授出日期	Subscription price 每股股份 認購價	Closing price per share immediately before the date of grant 授出購股權 前一天之 股份收市價	Exercisable period 行使期	Vesting period 行使前 持有期	Options				
					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
14th September 1999 to 9th May 2002 note (i) 一九九九年九月 十四日至二零零二年 五月九日 附註(i)	HK\$0.928 0.928港元	HK\$0.64 to HK\$0.80 note (ii) 0.64港元至 0.80港元 附註(ii)	14th September 1999 to 2nd February 2007 一九九九年九月十四日至 二零零七年二月二日	—	23,692,246	3,821,341	—	—	27,513,587

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:—

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)	Purchase price per share 每股購入價	
				Highest 最高	Lowest 最低
			HK\$ (港元)	HK\$ (港元)	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			
		Personal interest	Corporate interest	Family interest	Other interest
		個人權益	法團權益	家屬權益	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

Number of shares beneficially held

實益持有之股份數目

Personal interest	Corporate interest	Family interest	Other interest
個人權益	法團權益	家屬權益	其他權益

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

Number of non-voting deferred shares beneficially held 實益持有無投票權之遞延股份數目

Name of Company 公司名稱	Name of Director 董事名稱	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)

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 (continued)

相聯法團 (續)

Number of non-voting deferred shares beneficially held 實益持有無投票權之遞延股份數目

Name of Company 公司名稱	Name of Director 董事名稱	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:

附註:

(i) These companies are wholly-owned subsidiaries of the Company.

(i) 該等公司為本公司全資附屬公司。

(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.

(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) These non-voting deferred shares are deemed interests held by Mr. KWOK Siu Ming, Simon through a nominee, Mr. YUNG, Leung Wai.

(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) These non-voting deferred shares are deemed interests held by Mrs. KWOK LAW, Kwai Chun, Eleanor through a nominee, Ms. KWOK, Lai Yee, Mable.

(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。

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)

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。

上述交易乃因當其時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：

Name	Number of ordinary shares beneficially held
Sunrise Height Incorporated	696,780,000 (Note) (附註)
Green Ravine Limited	201,726,400 (Note) (附註)

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，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

Auditors' Report

核數師報告



羅兵咸永道會計師事務所

TO THE SHAREHOLDERS OF

SA SA INTERNATIONAL HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the accounts on pages 72 to 143 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

Respective responsibilities of directors and auditors

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

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

Basis of opinion

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

致

莎莎國際控股有限公司全體股東

(於開曼群島註冊成立之有限公司)

本核數師已完成審核第72頁至第143頁之賬目，該等賬目乃按照香港普遍採納之會計原則編製。

董事及核數師各自之責任

編製真實兼公平之賬目乃 貴公司董事之責任。在編製該等真實兼公平之賬目時，董事必須採用適當之會計政策，並且貫徹應用該等會計政策。

本核數師之責任是根據審核之結果，對該等賬目作出獨立意見，並向股東報告。

意見之基礎

本核數師已按照香港會計師公會所頒佈之核數準則進行審核工作。審核範圍包括以抽查方式查核與賬目所載數額及披露事項有關之憑證，亦包括評審董事於編製賬目時所作之重大估計和判斷，所採用之會計政策是否適合 貴公司與 貴集團之具體情況，及有否貫徹應用並足夠披露該等會計政策。

Auditors' Report (continued)

核數師報告 (續)

Basis of opinion (continued)

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

Opinion

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

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 25th June 2003

意見之基礎 (續)

本核數師在策劃和進行審核工作時，均以取得所有本核數師認為必需之資料及解釋為目標，以便獲得充分憑證，就該等賬目是否存有重大錯誤陳述，作出合理之確定。在作出意見時，本核數師亦已評估該等賬目所載之資料在整體上是否足夠。本核數師相信我們之審核工作已為下列意見提供合理之基礎。

意見

本核數師認為，上述之賬目足以真實兼公平地顯示 貴公司與 貴集團於二零零三年三月三十一日結算時之財務狀況，及 貴集團截至該日止年度之盈利及現金流量，並按照香港公司條例之披露規定妥為編製。

羅兵咸永道會計師事務所

香港執業會計師

香港，二零零三年六月二十五日

Consolidated Profit and Loss Account

綜合損益表

For the year ended 31st March 2003 截至二零零三年三月三十一日止年度

		Note	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
		附註		
Turnover	營業額	2	1,641,385	1,537,411
Cost of goods sold	銷售成本		(912,110)	(875,385)
Gross profit	毛利		729,275	662,026
Other revenues	其他收益	2	24,620	28,132
Staff costs	員工成本	12	(292,902)	(282,928)
Depreciation and amortisation	折舊及攤銷		(44,468)	(59,193)
Other operating expenses	其他經營費用		(307,890)	(308,568)
Operating profit	經營溢利	3	108,635	39,469
Finance costs	財務費用	4	(237)	(289)
Loss on disposal of subsidiaries	出售附屬公司虧損	25(c)	(11,800)	–
Restructuring costs and provisions for debts of several subsidiaries	數間附屬公司之重組成本 及呆賬撥備	5	–	(64,877)
Store closure costs	店舖關閉費用	6	–	(10,665)
Impairment of fixed assets of an e-commerce business – sasa.com	電子商務 – sasa.com 之固定資產減值		–	(8,915)
Deficit on revaluation of an investment property, leasehold land and buildings	投資物業·租賃土地及樓宇 之重估貶值	13(b)&(c)	(123)	(18,919)
Impairment of goodwill	商譽減值	15	(3,688)	–
Profit/(loss) before taxation	除稅前溢利/(虧損)		92,787	(64,196)
Taxation	稅項	7(a)	(36,237)	(9,652)
Profit/(loss) after taxation	除稅後溢利/(虧損)		56,550	(73,848)
Minority interests	少數股東權益		8,913	2,673
Profit/(loss) attributable to shareholders	股東應佔溢利/(虧損)	8	65,463	(71,175)
Dividends	股息	9	76,001	64,128
Earning/(loss) per share – Basic	每股盈利/(虧損) – 基本	10	5.1 cents 仙	(5.3) cents 仙

Consolidated Balance Sheet

綜合資產負債表

As at 31st March 2003 於二零零三年三月三十一日

		Note	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
		附註		
Fixed assets	固定資產	13	89,306	110,394
Intangible assets	無形資產	15	—	26,187
Investment securities	投資證券	16	37,723	1,070
Current assets	流動資產			
Inventories	存貨		215,880	216,644
Trade receivable	應收賬款	17	13,134	23,784
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	18	55,081	56,883
Tax recoverable	預繳稅項		2,331	2,220
Investment securities	投資證券	16	33,891	—
Cash and bank balances	現金及銀行結存	28	650,913	656,970
			971,230	956,501
Current liabilities	流動負債			
Trade and bills payables	應付賬款及票據	19	89,314	62,743
Other payables and accrued charges	其他應付款項及應計費用		80,991	71,274
Taxation payable	應付稅項		32,102	10,146
Current portion of receipts in advance	預收款項之流動負債部份	22	76,134	70,833
Current portion of obligations under finance leases	融資租約承擔之 流動負債部份		—	30
Current portion of bank loan – secured	銀行借貸之流動負債部份—有抵押		—	156
Bank overdrafts – secured	銀行透支—有抵押		—	851
			278,541	216,033
Net current assets	淨流動資產		692,689	740,468
Total assets less current liabilities	資產總值減流動負債		819,718	878,119

Consolidated Balance Sheet (continued)

綜合資產負債表 (續)

As at 31st March 2003 於二零零三年三月三十一日

		Note	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
		附註		
Financed by:	資本來源:			
Share capital	股本	20	126,668	131,833
Reserves	儲備	21	565,655	609,451
Proposed final dividend	擬派末期股息	21	50,667	50,894
Total capital and reserves	資本及儲備總額		742,990	792,178
Minority interests	少數股東權益		—	6,379
Non-current liabilities	非流動負債			
Receipts in advance	預收款項	22	72,888	71,095
Retirement benefits obligations	退休福利承擔	23	3,840	4,697
Deferred taxation	遞延稅項	24	—	393
Bank loan – secured	銀行借貸—有抵押		—	3,377
			76,728	79,562
			819,718	878,119

On behalf of the Board 代表董事會

Kwok Siu Ming, Simon 郭少明
Director 董事

Kwok Law Kwai Chun, Eleanor 郭羅桂珍
Director 董事

Balance Sheet

資產負債表

As at 31st March 2003 於二零零三年三月三十一日

		Note	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
		附註		
Subsidiaries	附屬公司	14	482,383	700,405
Investment securities	投資證券	16	37,603	950
Current assets	流動資產			
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項		4,062	1,710
Investment securities	投資證券	16	33,891	–
Cash and bank balances	現金及銀行結存		434,103	483,677
			472,056	485,387
Current liabilities	流動負債			
Other payables and accrued charges	其他應付款項及應計費用		395	772
Net current assets	淨流動資產		471,661	484,615
Total assets less current liabilities	資產總值減流動負債		991,647	1,185,970
Financed by:	資本來源:			
Share capital	股本	20	126,668	131,833
Reserves	儲備	21	814,312	1,003,243
Proposed final dividend	擬派末期股息	21	50,667	50,894
Total capital and reserves	資本及儲備總額		991,647	1,185,970

On behalf of the Board 代表董事會

Kwok Siu Ming, Simon 郭少明
Director 董事

Kwok Law Kwai Chun, Eleanor 郭羅桂珍
Director 董事

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31st March 2003 截至二零零三年三月三十一日止年度

		Note	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
		附註		
Operating activities	經營業務			
Cash generated from operations	經營業務產生之現金	25(a)	209,617	189,840
Hong Kong profit tax paid	已繳香港利得稅		(10,029)	(5,010)
Overseas tax paid	已繳海外稅項		(3,667)	(4,954)
Net cash flows from operating activities	經營業務之現金流量淨額		195,921	179,876
Investing activities	投資業務			
Purchase of fixed assets	購買固定資產		(33,243)	(42,186)
Proceeds from sale of fixed assets	出售固定資產收入		365	901
Increase interests in subsidiaries	增加附屬公司權益		(3,688)	–
Refund of consideration paid for prior year's acquisition of subsidiaries	上年度收購附屬公司 已繳代價之退款	15	7,117	–
Purchase of investment securities	購買投資證券		(70,544)	–
Increase in cash and bank balances over three months to maturity	增加三個月後到期之 現金及銀行結存		(380,620)	–
Acquisition of subsidiaries (net of cash and cash equivalents)	收購附屬公司 (扣除現金及現金等值項目)	25(b)	–	(12,187)
Disposal of subsidiaries (net of cash and cash equivalents)	出售附屬公司 (扣除現金及現金等值項目)	25(c)	2,172	–
Interest received	收取利息		12,325	22,943
Net cash used in investing activities	投資業務所用淨現金		(466,116)	(30,529)

Consolidated Cash Flow Statement (continued)

綜合現金流量表 (續)

For the year ended 31st March 2003 截至二零零三年三月三十一日止年度

		Note	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
		附註		
Financing activities	融資業務	25(d)		
Proceeds from exercise of share options	行使購股權收益		—	2,099
Repurchase of own shares	購回本身股份		(39,521)	(15,619)
Repayment of bank loans	償還銀行借貸		(156)	(3,690)
Repayment of capital element of finance leases	償還融資租約之資本部份		(30)	(560)
Interest paid	繳付利息		(236)	(269)
Interest element of finance leases	繳付融資租約之利息部份		(1)	(20)
Dividends paid	派發股息		(76,066)	(66,771)
Net cash used in financing activities	融資業務所用淨現金		(116,010)	(84,830)
(Decrease)/increase in cash and cash equivalents	現金及現金等值項目 (減少)/增加		(386,205)	64,517
Cash and cash equivalents at 1st April	於四月一日之現金及現金等值項目		656,119	593,053
Effect of foreign exchange rate changes	匯率變動之影響		379	(1,451)
Cash and cash equivalents at 31st March	於三月三十一日現金及現金等值項目		270,293	656,119
Analysis of balances of cash and cash equivalents	現金及現金等值項目結存之分析			
Cash and bank balances	現金及銀行結存		270,293	656,970
Bank overdrafts	銀行透支		—	(851)
			270,293	656,119

Consolidated Cash Flow Statement (continued)

綜合現金流量表 (續)

For the year ended 31st March 2003 截至二零零三年三月三十一日止年度

Reconciliation of cash and cash equivalents in respect of cash and bank balances

現金及現金等值項目與現金及銀行結存之對賬

		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Cash and bank balances	現金及銀行結存	650,913	656,119
Cash and bank balances over three months to maturity	三個月後到期之現金及銀行結存	(380,620)	–
Cash and cash equivalents	現金及現金等值項目	270,293	656,119

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31st March 2003 截至二零零三年三月三十一日止年度

		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Total equity as at 1st April	於四月一日之權益總額	792,178	945,126
Exchange differences not recognised in the profit and loss account	未於損益賬中確認之匯兌差額	819	(1,815)
Issue of shares	發行股份	117	2,432
Repurchase of own shares	購回本身股份	(39,521)	(15,619)
Profit/(loss) for the year	本年度溢利／(虧損)	65,463	(71,175)
Dividends	股息		
Final dividend	末期股息	(50,732)	(53,537)
Interim dividend	中期股息	(12,667)	(13,234)
Special dividend	特別股息	(12,667)	-
Total equity as at 31st March	於三月三十一日權益總額	742,990	792,178

Notes to the Accounts

賬目附註

1. Principal accounting policies

The principal accounting policies adopted in the preparation of these consolidated accounts are set out below:

(a) Basis of preparation

The accounts have been prepared under the historical cost convention as modified by the revaluation of leasehold land and buildings and investment properties, in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants ("HKSA").

In the current year, the Group adopted the following Statements of Standard Accounting Practice ("SSAPs") issued by the HKSA which are effective for accounting periods commencing on or after 1st January 2002:

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

The Group has adopted these revised standards in the accounting policies below, and such adoption has no material impact on the accounts, except certain comparative figures have been reclassified to conform with the new disclosure requirements.

1. 主要會計政策

本綜合賬目乃按以下各主要會計政策編製：

(a) 編製基準

本賬目乃按照歷史成本常規編製，惟就租賃土地及樓宇及投資物業之重估而予以修訂。賬目並依據香港普遍採納之會計原則及香港會計師公會頒佈之會計準則編製。

於本年度，本集團採納下列由香港會計師公會頒佈之會計實務準則（「會計準則」），該等會計準則於二零零二年一月一日或以後開始之會計期間生效：

會計準則第1號	:	財務報表之呈報 (經修訂)
會計準則第11號	:	外幣換算 (經修訂)
會計準則第15號	:	現金流量表 (經修訂)
會計準則第34號	:	僱員福利 (經修訂)

在以下所列出之會計政策，本集團已採納此等經修訂的準則，而此等採納對過往年度的賬目並無重大影響。為配合此新披露規定，比較數字已按需要作出調整。

1. Principal accounting policies (continued)

(b) Basis of consolidation

The consolidated accounts include the accounts of the Company and its subsidiaries made up to 31st March. Subsidiaries are those entities in which the Group controls the composition of the board of directors, controls more than half of the voting power, holds more than half of the issued share capital or the Company has the power, directly or indirectly, to govern the financial and operating policies of the entities so as to obtain benefits from their activities. All significant intercompany transactions and the balances within the Group are eliminated on consolidation.

The results of the subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the effective dates of acquisition or up to the effective dates of disposal. The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill or capital reserve which was not previously charged or recognised in the consolidated profit and loss account.

Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

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

(c) Revenue recognition

Revenue from the sale of goods is recognised on the transfer of ownership, which generally coincides with the time of cash receipt for retail sale or the time of delivery for wholesale sale.

1. 主要會計政策 (續)

(b) 綜合基準

綜合賬目包括本公司及其全部附屬公司截至三月三十一日止之賬目。附屬公司指集團控制董事會之組成、控制超過半數投票權、持有過半數發行股本或本公司有權直接或間接管轄該等公司之財務及營業政策，以透過其活動而得益。集團內部之一切重大交易及結餘已於綜合賬目時對銷。

本年度內收購或售出之附屬公司業績由其收購生效日期起或截至售出生效日期止計算在綜合損益表內。出售附屬公司之溢利或虧損指出售收益與本集團所佔淨資產（連同未於綜合損益表扣除或確認之商譽或資本儲備）兩者之差額。

少數股東權益指集團以外股東在附屬公司內應佔營運業績及資產淨值之權益。

於本公司資產負債表內，附屬公司之投資按成本值扣除減值虧損準備列賬。附屬公司之業績在本公司賬內是以已收及應收之股息計算。

(c) 收益確認

銷售貨品之收益於擁有權移交時確認（如屬零售，通常為收取現金之時；如屬批發銷售，通常為付運之時）。

1. Principal accounting policies (continued)

(c) Revenue recognition (continued)

Revenue from beauty and health club represents membership fee and service fee income in connection with the provision of physical fitness and beauty treatment service. Membership fee is recognised immediately in the month in which payment is received, whereas service fee is recognised on a systematic basis in accordance with service usage over a maximum period of five years.

Rental income is recognised on a time proportion basis.

Interest income is recognised on a time proportion basis, taking into account the principals outstanding and interest rates applicable.

(d) Fixed assets

(i) Investment properties

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and which are held for their investment potential, any rental income being negotiated at arm's length.

Investment properties are valued annually by independent valuers. The valuations are on an open market value basis related to individual properties and separate values are not attributed to land and buildings. The valuations are incorporated in the annual accounts. Increases in valuation are credited to the investment properties revaluation reserve. Decreases in valuation are first set off against increases on earlier valuations on a portfolio basis and thereafter are debited to operating profit. Any subsequent increases are credited to operating profit up to the amount previously debited.

1. 主要會計政策 (續)

(c) 收益確認 (續)

美容及健美中心之收益指與提供健身及美容服務相關之會員費及服務費。會員費於收取付款的月份即時確認，而服務費則按服務提供最多於五年內作規律性確認。

租金收入按時間比例基準確認。

利息收入按時間比例基準確認，並計入尚餘本金額及適用之利率。

(d) 固定資產

(i) 投資物業

投資物業乃在土地及樓宇中所佔之權益，而該等土地及樓宇之建築工程及發展經已完成，因其具有投資價值而持有，任何租金收入均按公平原則磋商。

投資物業皆由獨立估值師每年估值一次。估值是以個別物業之公開市值為計算基準，而土地及樓宇並不分開估值。估值會用於年度賬目內。重估之增值撥入投資物業重估儲備，減值則首先以整個組合為基準與先前之增值對銷，然後從經營溢利中扣除。其後任何增值將撥入經營溢利，惟最高以先前扣減之金額為限。

1. Principal accounting policies (continued)

(d) Fixed assets (continued)

(i) Investment properties (continued)

Upon the disposal of an investment property, the relevant portion of the revaluation reserve realised in respect of previous valuations is released from the investment properties revaluation reserve to the profit and loss account.

(ii) Leasehold land and buildings

Leasehold land and buildings are stated at cost or valuation, being fair value at the date of revaluation, less subsequent accumulated depreciation and impairment losses. Fair value is the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction, and is determined on the basis of existing use.

It is the Group's policy to review the fair value of fixed assets based on independent professional valuations every three years. If the fair value is in excess of the carrying amount of the relevant asset, the surplus is credited to the revaluation reserve to the extent that it is not covered by deficits arising on prior valuations of that asset which have been previously charged to the profit and loss account. If the fair value is less than the carrying amount of the relevant asset, the deficit is charged to the profit and loss account to the extent that it is not covered by surpluses arising on prior valuations of that same asset which have been previously credited to the revaluation reserve.

(iii) Depreciation of leasehold land

Leasehold land is depreciated to write off its cost less accumulated impairment losses or valuation over the unexpired period of the lease on a straight-line basis.

1. 主要會計政策 (續)

(d) 固定資產 (續)

(i) 投資物業 (續)

在出售投資物業時，重估儲備中與先前估值有關之已變現部份，將從投資物業重估儲備轉撥至損益表。

(ii) 租賃土地及樓宇

租賃土地及樓宇按原值或估值（即重估日期之公平價值）減其後之累計折舊及減值虧損列賬。公平價值指在知情自願人士之公平交易中，某項資產可換取之金額，該價值按資產現時用途釐定。

按照本集團政策，本集團會每三年尋求獨立專業估值，檢討固定資產之公平價值。倘某項資產之公平價值高於其賬面值，而該資產於先前估值時所產生且原先已於損益表中扣除之虧損不足以彌補該盈餘，則有關盈餘將列入重估儲備內。倘某項資產之公平價值低於其賬面值，而該資產於先前估值所產生且原先已列入重估儲備之盈餘不足以彌補虧損，則有關虧損將於損益表中扣除。

(iii) 租賃土地之折舊

租賃土地之折舊乃按租約所餘年期以直線法撇銷其原值減累積減值虧損或估值。

Notes to the Accounts (continued)

賬目附註 (續)

1. Principal accounting policies (continued)

(d) Fixed assets (continued)

(iv) Depreciation of leasehold buildings and leasehold improvements

Leasehold buildings and leasehold improvements are depreciated to write off their cost less accumulated impairment losses or valuation on the straight-line basis over the unexpired periods of the leases or their estimated useful lives of the Group whichever is shorter. The principal annual rates used for this purpose are:

Leasehold buildings	5%
Leasehold improvements	15% – 33.3%

(v) Other tangible fixed assets

Other tangible fixed assets are stated at cost less accumulated depreciation and impairment losses. Other tangible fixed assets are depreciated at rates sufficient to write off their cost less accumulated impairment losses on the straight-line basis over their estimated useful lives to the Group. The principal annual rates used for this purpose are:

Equipment, furniture and fixtures	15% – 33.3%
Machinery and club equipment	15% – 33.3%
Motor vehicles	20% – 25%
Motor boat	20%

(vi) Impairment of fixed assets

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that assets included in leasehold buildings, leasehold improvements and other tangible fixed assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss account.

1. 主要會計政策 (續)

(d) 固定資產 (續)

(iv) 租賃樓宇及租賃物業裝修之折舊

租賃樓宇及租賃物業裝修之折舊乃按租約所餘年期或其對本集團之估計可使用年期(取其較短者)撇銷其原值減累積減值虧損或估值,為此所採用之主要年率為:

租賃樓宇	5%
租賃物業裝修	15% – 33.3%

(v) 其他有形固定資產

其他有形固定資產按成本值減去累計折舊及減值虧損列賬。其他有形固定資產之折舊乃將資產成本值減累積減值虧損按其於本集團之預計可使用年期以直線法撇銷。為此所採用之主要折舊年率為:

設備、傢俬及裝置	15% – 33.3%
會所器材及設備	15% – 33.3%
汽車	20% – 25%
汽船	20%

(vi) 固定資產之減值

在每年結算日,租賃樓宇、租賃物業裝修及其他有形固定資產內之資產皆透過集團內部及從外界所獲得的資訊,評核該等資產有否耗蝕。如有跡象顯示該等資產出現耗蝕,則估算其可收回價值,並在合適情況下將減值虧損入賬,以將資產減至其可收回價值。此等減值虧損於損益表內確認。

Notes to the Accounts (continued)

賬目附註 (續)

1. Principal accounting policies (continued)

(d) Fixed assets (continued)

(vii) Gain or loss on disposal of fixed assets

The gain or loss on disposal of a fixed asset is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the profit and loss account.

(viii) Cost of restoring and improving fixed assets

Major costs incurred in restoring fixed assets to their normal working condition are charged to the profit and loss account. Improvements are capitalised and depreciated over their estimated useful lives to the Group.

(e) Assets under leases

(i) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. Finance leases are capitalised at the inception of the leases at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Each lease payment is allocated between the capital and finance charges so as to achieve a constant rate on the capital balances outstanding. The corresponding rental obligations, net of finance charges, are included in long-term liabilities. The finance charges are charged to the profit and loss account over the lease periods.

Assets held under finance leases are depreciated over the shorter of their estimated useful lives or the lease periods.

1. 主要會計政策 (續)

(d) 固定資產 (續)

(vii) 出售固定資產之損益

出售一項固定資產之損益乃出售所得款項淨額與有關資產面值之差額，並於損益表內確認。

(viii) 修復及改良固定資產之費用

修復固定資產至正常運作狀況所產生之主要費用於損益表內扣除。改良資產所產生之費用則資本化及按其對本集團之預計可使用年期作出折舊。

(e) 租賃資產

(i) 融資租約

融資租約是指將擁有資產之風險及回報基本上全部轉讓予集團之租賃。融資租約在開始時按租賃資產之公平值或最低租賃付款之現值（以較低者為準）撥充資本。每期租金均分配為資本及財務費用，以穩定資本結欠額。相應租約承擔在扣除財務費用後計入長期負債內。財務費用於租約期內在損益表中支銷。

以融資租約持有之資產按估計可使用年期或租約期（取較短者）計算折舊。

Notes to the Accounts (continued)

賬目附註 (續)

1. Principal accounting policies (continued)

(e) Assets under leases (continued)

(ii) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Payments made under operating leases net of any incentives received from the leasing company are charged to the profit and loss account on a straight-line basis over the lease periods.

(f) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition.

Goodwill on acquisitions that occurred prior to 1st April 2001 was written off against reserves by the Group. Any impairment arising on such goodwill is accounted for in the profit and loss account.

Goodwill on acquisitions occurring on or after 1st April 2001 is included in intangible assets and is amortised using the straight-line method over its estimated useful life. Goodwill is generally amortised over its estimated useful life to a maximum period of 20 years.

(ii) Trademarks

Expenses incurred by the Group in respect of registering the Group's trademarks in various locations are amortised, using the straight-line method, over periods not exceeding three years starting from the date of commencement of operations.

1. 主要會計政策 (續)

(e) 租賃資產 (續)

(ii) 經營租約

經營租約是指擁有資產之風險及回報基本上全部由出租公司保留之租賃。根據經營租約作出之付款在扣除自出租公司收取之任何獎勵金後，於租賃期內以直線法在損益表中支銷。

(f) 無形資產

(i) 商譽

商譽指收購成本超出於收購日集團應佔所收購附屬公司之淨資產公平值之數額。

於二零零一年四月一日前因收購而產生之商譽已於本集團儲備中撇銷。商譽之任何減值，均在損益表中列賬。

於二零零一年四月一日或以後因收購而產生之商譽計入無形資產，並於其估計可用年期以直線法攤銷。商譽一般按其估計可用年期於最多二十年年期攤銷。

(ii) 商標

本集團就各地註冊其商標產生之開支，以直線法由開業日期起不超過三年之期內攤銷。

1. Principal accounting policies (continued)

(f) Intangible assets (continued)

(iii) Impairment of intangible assets

Where an indication of impairment exists, the carrying amount of any intangible asset, is assessed and written down immediately to its recoverable amount.

(g) Investment securities

(i) Held-to-maturity securities

Held-to-maturity securities are stated in the balance sheet at cost plus/less any discount/premium amortised to date. The discount or premium is amortised over the period to maturity and included as interest income/expense in the profit and loss account.

The carrying amounts of individual held-to-maturity securities or holdings of the same securities are reviewed at the balance sheet date in order to assess the credit risk and whether the carrying amounts are expected to be recovered. Provisions are made when carrying amounts are not expected to be recovered and are recognised in the profit and loss account as an expense immediately.

(ii) Other investments

Other investments, representing the Group's interest in club debentures, are stated at cost less any provision for impairment loss.

1. 主要會計政策 (續)

(f) 無形資產 (續)

(iii) 無形資產減值

如有跡象顯示出現減值，則無形資產之賬面值需評估及即時減至可收回價值。

(g) 投資證券

(i) 持至到期日之證券

持至到期日之證券在資產負債表內按成本值加／減任何截至該日止已攤銷之折讓／溢價列賬。折讓或溢價按截至到期日止之期間攤銷，並在損益表中列作利息收益／支出項目。

個別持至到期日之證券或所持同類證券之賬面值均於結算日檢討，以評估有關之信貸風險及其賬面值能否收回。倘若預期賬面值無法收回，則作出撥備，並即時在損益表列作開支。

(ii) 其他投資

其他投資指本集團持有之會籍債券，按成本值減任何減值虧損撥備入賬。

1. Principal accounting policies (continued)

(g) Investment securities (continued)

(ii) Other investments (continued)

The carrying amounts of individual investments are reviewed at each balance sheet date to assess whether the fair values have declined below the carrying amounts. When a decline other than temporary has occurred, the carrying amount of such investments will be reduced to its fair value. The impairment loss is recognised as an expense in the profit and loss account. This impairment loss is written back to the profit and loss account when the circumstances and events that led to the write-downs or write-offs cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.

(h) Inventories

Inventories comprise merchandise and are stated at the lower of cost and net realisable value.

Cost represents the invoiced cost of inventories. In general, costs are assigned to individual items on the weighted average basis. Net realisable value is the price at which inventories can be sold in the normal course of business after allowing for the costs of realisation.

(i) Trade and other receivables

Provision is made against trade and other receivables to the extent that they are considered to be doubtful. Trade and other receivables in the balance sheet are stated net of such provision.

1. 主要會計政策 (續)

(g) 投資證券 (續)

(ii) 其他投資 (續)

個別投資之賬面值於每年結算日均予以檢討，以評估其公平價值是否已跌至低於賬面值。假如下跌並非暫時性，則有關投資之賬面值將削減至其公平價值。耗蝕虧損在損益表中列作開支。當引致撇減或撇銷之情況及事件不再存在，而有可信證據顯示新的情況和事件會於可預見將來持續，則將此項減值虧損撥回損益表。

(h) 存貨

存貨指商品，按成本值及可變現淨值（取較低者）入賬。

成本值指存貨之發票原值。一般而言，成本值按加權平均基準分攤至個別項目。可變現淨值為存貨在扣除變現成本後在一般業務程序中可出售之價格。

(i) 應收賬款及其他應收款項

對收回應收賬款及其他應收款項存疑時將作撥備。資產負債表之應收賬款及其他應收款項乃在扣除該等撥備後入賬。

1. Principal accounting policies (continued)

(j) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, cash investments with a maturity of three months or less from date of investment and bank overdrafts.

(k) Deferred taxation

Deferred taxation is accounted for at the current taxation rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset is expected to be payable or recoverable in the foreseeable future.

(l) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

(m) Translation of foreign currencies

Transactions in foreign currencies are translated into Hong Kong dollars at the rates of exchange ruling at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Hong Kong dollars at the rates of exchange ruling at the balance sheet date. Exchange differences arising therefrom are dealt with in the profit and loss account.

1. 主要會計政策 (續)

(j) 現金及現金等值項目

現金及現金等值項目按成本在資產負債表內列賬。在現金流量表中，現金及現金等值項目包括庫存現金、銀行通知存款、三個月內到期之現金投資及銀行透支。

(k) 遞延稅項

為課稅而計算之盈利與賬目所示之盈利二者間之時差，若預期將於可預見將來需要支付或收回，即按現行稅率計算遞延稅項負債或資產。

(l) 撥備

當集團因已發生的事件須承擔現有之法律性或推定性的責任，而解除責任時有可能消耗資源，並在責任金額能夠可靠地作出估算的情況下，需確立撥備。

(m) 外幣換算

外幣交易按交易日之匯率換算為港元。以外幣結算之貨幣資產及負債按資產負債表結算日之匯率換算為港元列賬。由此產生之匯兌差額計入損益表內。

1. Principal accounting policies (continued)

(m) Translation of foreign currencies (continued)

The accounts of subsidiaries expressed in foreign currencies are translated into Hong Kong dollars at the rates of exchange ruling at the balance sheet date whilst the profit and loss is translated at an average rate. Exchange differences arising in these cases are dealt with as a movement in exchange fluctuation reserve.

In prior years, the profit and loss of foreign enterprises was translated at closing rate. This is a change in accounting policy, however, the translation of the profit and loss of foreign enterprises in prior years has not been restated as the effect of this change is not material to the current and prior years.

(n) Employee benefits

(i) Employee leave entitlements

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

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

(ii) Retirement benefits obligations

The Group operates a number of defined benefits and defined contribution retirement plans, the assets of which are generally held in separate trustee-administered funds. The retirement plans are generally funded by payments from employees and by the relevant Group companies.

1. 主要會計政策 (續)

(m) 外幣換算 (續)

附屬公司之外幣賬目按資產負債表結算日之匯率換算為港元，而損益表則按平均匯率換算。由此產生之匯兌差額列作外匯波動儲備之變動。

在以往年度，海外企業之損益表均以結算匯率換算，這構成會計政策之變動。但由於有關變動對本年度及以往年度之影響不大，故並無將海外企業以往年度之損益換算重列。

(n) 僱員福利

(i) 僱員應享假期

僱員在年假之權利在僱員應享有時確認。本集團為截至結算日止僱員已提供之服務而產生之年假之估計負債作出撥備。

僱員之病假及產假不作確認，直至僱員正式休假為止。

(ii) 退休福利承擔

集團營運多項界定福利及界定供款退休計劃，計劃之資產一般由獨立管理之基金持有。退休計劃一般由員工與相關集團公司供款。

1. Principal accounting policies (continued)

(n) Employee benefits (continued)

(ii) Retirement benefits obligations (continued)

The Group contributes to defined contribution retirement plans which are available to all qualified employees. Contributions to the schemes by the Group and employees are calculated at a percentage of employees' salaries or a fixed sum for each employee where appropriate.

The Group's contributions to the defined contribution retirement plans are expensed as incurred and are reduced by contributions forfeited to those employees who leave the scheme prior to vesting fully in the contributions, where appropriate.

For defined benefits retirement plan, retirement costs are assessed using the projected unit credit method: the cost is charged to the profit and loss account so as to spread the regular cost over the service lives of employees in accordance with the advice of the actuaries who carry out a full valuation of the plans each year. The retirement obligation is measured as the present value of the estimated future cash outflows using interest rates of government securities which have terms to maturity approximating the terms of the related liability. Actuarial gains and losses are recognised over the average remaining service lives of employees. Past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. Such treatment is a change in accounting policy. As in previous years, retirement benefit costs for defined benefits retirement plan were provided at a fixed percentage of total salaries and wages of the corresponding period. However the adoption of this policy does not have material impact on previous years' accounts.

The Group's contributions to defined benefits retirement plan is charged to the profit and loss account in the period to which the contributions relate.

1. 主要會計政策 (續)

(n) 僱員福利 (續)

(ii) 退休福利承擔 (續)

集團向界定供款退休計劃供款，所有合資格的員工均可參與。集團與員工之供款按員工薪金之百分比或定額（如適用）計算。

集團向界定供款退休計劃作出之供款在發生時以費用支銷，而員工在取得全數既得利益前退出計劃而被沒收之僱主供款將會用作扣減此供款（如適用）。

就界定福利退休計劃而言，退休成本採用預計單位貸記法評估。根據精算師就計劃每年進行的全面估值的建議，提供退休金之成本在損益表扣除，令成本有規律地分攤至僱員服務年期。退休責任按估計未來現金流出量之現值，利用與相關負債條款類似之政府債券之息率計算。精算盈虧按僱員平均尚餘服務年期確認。過往服務成本按平均年期以直線法支銷，直至僱員享有該等福利為止。是項入賬法乃會計政策之改變。於以往年度，界定福利退休計劃之退休福利成本會按在相關期間之總薪金及工資以固定之百分比作計算，唯採納此政策對以往年度之賬目並無重大影響。

集團向界定福利退休計劃之供款於供款相關期內在損益表支銷。

Notes to the Accounts (continued)

賬目附註 (續)

1. Principal accounting policies (continued)

(n) Employee benefits (continued)

(ii) Retirement benefits obligations (continued)

Provision for long service payments is recognised for the best estimate of the long service payments that are required to be made to the employees of the Group in respect of their services to date less any amounts that would be expected to be covered by the Group's retirement benefit plans.

(iii) Equity compensation benefits

Share options are granted to some directors, senior executives and employees. The options are granted at the market price of the shares on the date of the grant and are exercisable at that price. No compensation cost is recognised. When the options are exercised, the proceeds received net of any transaction costs are credited to share capital (nominal value) and share premium.

(o) Borrowing costs

All borrowing costs are charged to the profit and loss account in the year in which they are incurred.

(p) Segment reporting

In accordance with the Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format and geographical as the secondary reporting format.

Segment assets consist primarily of fixed assets, intangible assets, inventories, receivables and operating cash, and mainly exclude investments securities and tax recoverable. Segment liabilities comprise operating liabilities and exclude items such as taxation and borrowings. Capital expenditure comprises additions to fixed assets.

1. 主要會計政策 (續)

(n) 僱員福利 (續)

(ii) 退休福利承擔 (續)

長期服務金乃按本集團員工迄今之服務年期而對長期服務金作出最佳估算，再減預計可經本集團退休金計劃中支付之任何款項列賬。

(iii) 權益補償福利

本集團向部份董事、高級職員及員工授出購股權。該等購股權按授出日期股份之市價授出並按該價格行使。補償成本不作確認。購股權被行使時，所得款項扣除任何交易成本後撥作股本（面值）及股份溢價。

(o) 借貸成本

所有借貸成本均於其產生年度在損益表內支銷。

(p) 分部報告

按照本集團之內部財務報告，本集團已決定將業務分部資料作為主要分部報告，而地區分佈資料則作為從屬分部報告呈列。

分部資產主要包括固定資產、無形資產、存貨、應收款項及經營現金，不包括之項目主要為投資證券及預繳稅項。分部負債指經營負債，而不包括例如稅項及借款等項目。資本性開支包括購入固定資產的費用。

Notes to the Accounts (continued)

賬目附註 (續)

1. Principal accounting policies (continued)

(p) Segment reporting (continued)

In respect of geographical segment reporting, sales are based on the country in which the customer is located. Total assets and capital expenditure are based on where the assets are located.

(q) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

A contingent asset is not recognised but is disclosed in the notes to the accounts when an inflow of economic benefits is probable. When inflow is virtually certain, an asset will be recognised.

1. 主要會計政策 (續)

(p) 分部報告 (續)

至於地區分部報告，銷售額乃按照客戶所在國家計算。總資產及資本性開支按資產所在地計算。

(q) 或然負債及或然資產

或然負債指因已發生的事件而可能引起之責任，此等責任需就某一宗或多宗事件會否發生才能確認，而集團並不能完全控制這些未來事件會否實現。或然負債亦可能是因已發生的事件引致之現有責任，但由於可能不需要消耗經濟資源，或責任金額未能可靠地衡量而未有入賬。

或然負債不會被確認，但會在賬目附註中披露。假若消耗資源之可能性改變導致可能出現資源消耗，此等負債將被確立為撥備。

或然資產指因已發生的事件而可能產生之資產，此等資產需就某一宗或多宗事件會否發生才能確認，而集團並不能完全控制這些未來事件會否實現。

或然資產不會被確認，但會於可能收到經濟效益時在賬目附註中披露。若實質確定有收到經濟效益時，此等效益才被確立為資產。

Notes to the Accounts (continued)

賬目附註 (續)

2. Revenues, turnover and segment information

The Group is principally engaged in the retailing and wholesaling of a wide range of brand name cosmetic products and the provision of beauty and health club services. Revenues recognised during the year are as follows:

2. 收益、營業額及分類資料

本集團主要業務為從事多種品牌化粧品之零售及批發，及提供美容及健美中心服務。年內確認之收益如下：

		Group 本集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Turnover	營業額		
Retail and wholesale	零售及批發	1,485,124	1,385,845
Beauty and health club services	美容及健美中心服務	156,261	151,566
		1,641,385	1,537,411
Other revenues	其他收益		
Interest income	利息收入	14,481	20,394
Slide display rental income	幻燈片陳列租金收入	9,195	6,934
Rental income from an investment property	投資物業之租金收入	339	-
Sundry income	雜項收入	605	804
		24,620	28,132
		1,666,005	1,565,543

Notes to the Accounts (continued)

賬目附註 (續)

2. Revenues, turnover and segment information (continued)

2. 收益、營業額及分類資料 (續)

(a) Primary reporting format – business segments

(a) 主要分部報告 – 業務分部資料

		Retail and wholesale 零售及批發 HK\$'000 港幣千元	Beauty and health club services 美容及健美 中心服務 HK\$'000 港幣千元	2003 Total 總額 HK\$'000 港幣千元
Turnover	營業額	1,485,124	156,261	1,641,385
Results	業績			
Segment results	分部業績	119,715	(25,561)	94,154
Interest income	利息收入	12,879	1,602	14,481
Interest expenses	利息支出	(221)	(16)	(237)
Loss on disposal of subsidiaries	出售附屬公司虧損	(5,900)	(5,900)	(11,800)
Deficit on revaluation of an investment property	投資物業之重估貶值	(123)	—	(123)
Impairment of goodwill	商譽減值	—	(3,688)	(3,688)
Profit/(loss) before taxation	除稅前溢利／(虧損)	126,350	(33,563)	92,787
Taxation	稅項			(36,237)
Profit after taxation	除稅後溢利			56,550
Minority interests	少數股東權益			8,913
Profit attributable to shareholders	股東應佔溢利			65,463
Segment assets	分部資產	962,348	61,966	1,024,314
Investment securities and tax recoverable	投資證券及預繳稅項			73,945
Total assets	資產總額			1,098,259
Segment liabilities	分部負債	144,601	178,566	323,167
Taxation	稅項			32,102
Total liabilities	負債總額			355,269
Minority interests	少數股東權益			—
Net assets	資產淨值			742,990
Other information	其他資料			
Capital expenditure	資本性開支	18,799	14,444	33,243
Depreciation and amortisation charges	折舊及攤銷費用	32,102	12,366	44,468
Provision for doubtful debts	呆賬撥備	717	1,913	2,630
Provision for slow moving inventories	滯銷存貨撥備	13,107	684	13,791
Write-off of fixed assets	固定資產撇賬	1,992	74	2,066

Notes to the Accounts (continued)

賬目附註 (續)

2. Revenues, turnover and segment information (continued)

(a) Primary reporting format – business segments (continued)

		Retail and wholesale 零售及批發 HK\$'000 港幣千元	Beauty and health club services 美容及健美 中心服務 HK\$'000 港幣千元	2002 Total 總額 HK\$'000 港幣千元
Turnover	營業額	1,385,845	151,566	1,537,411
Results	業績			
Segment results	分部業績	29,889	(10,814)	19,075
Interest income	利息收入	16,829	3,565	20,394
Interest expenses	利息支出	(157)	(132)	(289)
Restructuring costs and provisions for debts of several subsidiaries	數間附屬公司之重組 成本及呆賬撥備	–	(64,877)	(64,877)
Store closure costs	店舖關閉費用	(10,665)	–	(10,665)
Impairment of fixed assets of an e-commerce business – sasa.com	電子商務 – sasa.com 之固定資產減值	(8,915)	–	(8,915)
Deficit on revaluation of leasehold land and buildings	租賃土地及樓宇 之重估貶值	(18,919)	–	(18,919)
Profit/(loss) before taxation	除稅前溢利/(虧損)	8,062	(72,258)	(64,196)
Taxation	稅項			(9,652)
Loss after taxation	除稅後虧損			(73,848)
Minority interests	少數股東權益			2,673
Loss attributable to shareholders	股東應佔虧損			(71,175)
Segment assets	分部資產	1,023,151	67,711	1,090,862
Investment securities and tax recoverable	投資證券及預繳稅項			3,290
Total assets	資產總額			1,094,152
Segment liabilities	分部負債	116,879	163,763	280,642
Borrowings and taxation	借貸及稅項			14,953
Total liabilities	負債總額			295,595
Minority interests	少數股東權益			(6,379)
Net assets	資產淨值			792,178
Other information	其他資料			
Capital expenditure	資本性開支	17,500	24,686	42,186
Depreciation and amortisation charges	折舊及攤銷費用	48,228	10,965	59,193
Provision for doubtful debts	呆賬撥備	2,971	290	3,261
Provision for slow moving inventories	滯銷存貨撥備	13,787	530	14,317
Write-off of fixed assets	固定資產撇賬	1,089	–	1,089

2. 收益、營業額及分類資料 (續)

(a) 主要分部報告 – 業務分部資料 (續)

Notes to the Accounts (continued)

賬目附註 (續)

2. Revenues, turnover and segment information (continued)

(b) Secondary reporting format – geographical segments

The Group operates in Greater China, Taiwan and South Asia. Greater China comprises Hong Kong, Macau and Mainland China. South Asia comprises Thailand, Malaysia and Singapore.

2. 收益、營業額及分類資料 (續)

(b) 從屬分部報告 – 地區分部資料

集團於大中華、台灣及南亞地區經營業務。大中華包括香港、澳門及中國大陸。南亞地區包括泰國、馬來西亞及新加坡。

		Greater China 大中華 HK\$'000 港幣千元	Taiwan 台灣 HK\$'000 港幣千元	South Asia 南亞地區 HK\$'000 港幣千元	2003 Total 總額 HK\$'000 港幣千元
Turnover	營業額	1,427,920	67,662	145,803	1,641,385
Results	業績				
Segment results	分部業績	96,808	1,994	(4,648)	94,154
Interest income	利息收入	13,254	51	1,176	14,481
Interest expenses	利息支出	(221)	—	(16)	(237)
Loss on disposal of subsidiaries	出售附屬公司虧損	(11,800)	—	—	(11,800)
Deficit on revaluation of an investment property	投資物業之重估貶值	(123)	—	—	(123)
Impairment of goodwill	商譽減值	(1,229)	—	(2,459)	(3,688)
Profit/(loss) before taxation	除稅前溢利/(虧損)	96,689	2,045	(5,947)	92,787
Segment assets	分部資產	884,964	25,227	114,123	1,024,314
Investment securities and tax recoverable	投資證券及預繳稅項				73,945
Total assets	資產總額				1,098,259
Capital expenditure	資本性開支	23,382	51	9,810	33,243

Notes to the Accounts (continued)

賬目附註 (續)

2. Revenues, turnover and segment information (continued)

2. 收益、營業額及分類資料 (續)

(b) Secondary reporting format – geographical segments (continued)

(b) 從屬分部報告 – 地區分部資料 (續)

		Greater China 大中華 HK\$'000 港幣千元	Taiwan 台灣 HK\$'000 港幣千元	South Asia 南亞地區 HK\$'000 港幣千元	2002 Total 總額 HK\$'000 港幣千元
Turnover	營業額	1,291,655	104,088	141,668	1,537,411
Results	業績				
Segment results	分部業績	36,064	(12,606)	(4,383)	19,075
Interest income	利息收入	18,841	186	1,367	20,394
Interest expenses	利息支出	(261)	–	(28)	(289)
Restructuring costs and provisions for debts of several subsidiaries	數間附屬公司之重組 成本及呆賬撥備	(64,429)	–	(448)	(64,877)
Store closure costs	店舖關閉費用	–	(10,665)	–	(10,665)
Impairment of fixed assets of an e-commerce business – sasa.com	電子商務 – sasa.com 之固定資產減值	(8,915)	–	–	(8,915)
Deficit on revaluation of leasehold land and buildings	租賃土地及樓宇 之重估貶值	(18,919)	–	–	(18,919)
Loss before taxation	除稅前虧損	(37,619)	(23,085)	(3,492)	(64,196)
Segment assets	分部資產	929,886	51,029	109,947	1,090,862
Investment securities and tax recoverable	投資證券及預繳稅項				3,290
Total assets	資產總額				1,094,152
Capital expenditure	資本性開支	15,616	4,142	22,428	42,186

Notes to the Accounts (continued)

賬目附註 (續)

3. Operating profit

3. 經營溢利

		Group	
		本集團	
		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Operating profit is stated after crediting and charging the following:	經營溢利已計入及扣除下列項目:		
Crediting	計入		
Gain on disposal of fixed assets	出售固定資產溢利	219	390
Charging	扣除		
Amortisation of intangible assets	無形資產攤銷	1,586	2,401
Auditors' remuneration	核數師酬金	1,924	1,769
Depreciation of fixed assets held under finance leases	按融資租約持有之固定資產折舊	—	51
Depreciation of owned fixed assets	自置固定資產折舊	42,882	56,741
Net exchange loss	匯兌虧損淨額	571	2,381
Operating lease rentals in respect of land and buildings	土地及樓宇之經營租約租金	166,762	165,893
Provision for doubtful debts	呆賬撥備	2,630	3,261
Provision for slow moving inventories	滯銷存貨撥備	13,791	14,317
Write-off of fixed assets	固定資產撇賬	2,066	1,089

Notes to the Accounts (continued)

賬目附註 (續)

4. Finance costs

		Group 本集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Interest on bank overdrafts	銀行透支之利息	18	112
Interest on bank loans not wholly repayable within five years	全數不需於五年內償還 銀行借貸之利息	218	157
Interest on finance leases	融資租約之利息	1	20
		237	289

5. Restructuring costs and provisions for debts of several subsidiaries

During the year ended 31st March 2002, the Group incurred restructuring costs in connection with the restructuring of the beauty and health club operations of Lisbeth Enterprises Limited and its subsidiaries. The Group also made provisions against the outstanding balances that were not recoverable from the former minority shareholders and related companies.

6. Store closure costs

Store closure costs for the year ended 31st March 2002 represented expenses incurred in connection with the closure of several stores in Taiwan, including provision for slow moving inventories, write off of fixed assets and trademarks and costs in relation to early termination of leases and contracts.

4. 財務費用

5. 數間附屬公司之重組成本及呆賬撥備

於二零零二年三月三十一日止年度，本集團所出現之重組成本乃關乎Lisbeth Enterprises Limited及其附屬公司之美容及健美中心業務之營運重組。本集團亦就前少數股東及有關公司所欠負而無法償還之餘額作出撥備。

6. 店舖關閉費用

於二零零二年三月三十一日止年度之店舖關閉費用指與數間台灣店舖關閉相關之費用，其中包括滯銷存貨撥備、固定資產及商標撇賬及提前終止租約及合約之相關費用。

Notes to the Accounts (continued)

賬目附註 (續)

7. Taxation

(a) The amount of taxation charged to the consolidated profit and loss account represents:

		Group 本集團	
		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Hong Kong profits tax	香港利得稅		
Current	本年度	21,570	8,660
Under provision in previous years (note (b))	往年撥備不足 (附註(b))	12,675	-
Overseas taxation	海外稅項		
Current	本年度	2,597	3,338
Over provision in previous years	往年超額撥備	(212)	(698)
Deferred taxation (note 24(a))	遞延稅項 (附註24(a))	(393)	(1,648)
		36,237	9,652

Deferred taxation liabilities/(assets) for the year has not been provided/(recognised) in respect of the following:

(a) 在綜合損益表內扣除之稅項支出如下:

本年度未撥備/(確認)之遞延稅項負債/(資產)為:

		Group 本集團	
		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Accelerated depreciation allowances	加速折舊免稅額	191	133
Tax losses	稅項虧損	2,008	(5,324)
Other timing differences	其他時差	(1,534)	349
		665	(4,842)

Notes to the Accounts (continued)

賬目附註 (續)

7. Taxation (continued)

Hong Kong profits tax has been provided at the rate of 16% (2002: 16%) on the estimated assessable profits for the year. Taxation on overseas profits have been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

- (b) The Hong Kong Inland Revenue Department ("IRD") had reviewed the tax position of certain subsidiaries of the Group. Certain queries on the offshore business have been raised by the IRD and the review has not been finalised at this stage. Nevertheless, the directors have decided to provide against possible tax liabilities arising from the offshore business.

8. Profit/(loss) attributable to shareholders

The profit/(loss) attributable to shareholders is dealt with in the accounts of the Company to the extent of loss of HK\$78,853,000 (2002: profit of HK\$25,027,000).

9. Dividends

7. 稅項 (續)

香港利得稅按本年度估計應課稅溢利以稅率16% (二零零二年: 16%) 計算。海外稅項按本年度估計應課稅溢利以集團營運國家之現行稅率計算。

- (b) 香港稅務局(「稅局」)曾查閱本集團某些附屬公司之稅務狀況。稅局亦有就一些境外業務提出疑問,但現階段尚未完成審查。雖然如此,董事決定就境外業務可能導致之稅項作出撥備。

8. 股東應佔溢利/(虧損)

計入本公司賬目之股東應佔溢利/(虧損)為78,853,000港元虧損(二零零二年: 25,027,000港元溢利)。

9. 股息

		Company 本公司	
		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Interim, paid – 1.0 HK cent (2002: 1.0 HK cent) per ordinary share	已派中期股息—每股普通股1.0港仙 (二零零二年: 1.0港仙)	12,667	13,234
Special, paid – 1.0 HK cent (2002: nil) per ordinary share	已派特別股息—每股普通股1.0港仙 (二零零二年: 無)	12,667	—
Final, proposed – 4.0 HK cents (2002: 4.0 HK cents) per ordinary share	擬派末期股息—每股普通股4.0港仙 (二零零二年: 4.0港仙)	50,667	50,894
		76,001	64,128

Notes to the Accounts (continued)

賬目附註 (續)

9. Dividends (continued)

At a meeting held on 25th June 2003, the directors declared a final dividend of 4.0 HK cents per ordinary share. This proposed dividend is not reflected as a dividend payable in these accounts, but will be reflected as an appropriation of distributable reserve for the year ending 31st March 2004.

10. Earning/(loss) per share

- (a) The calculation of basic earning/(loss) per ordinary share is based on the Group's profit attributable to shareholders of HK\$65,463,000 (2002: loss of HK\$71,175,000).
- (b) The basic earning/(loss) per ordinary share is based on the weighted average of 1,278,133,366 (2002: 1,330,793,393) ordinary shares in issue during the year.
- (c) The diluted earning per share is not materially different from the basic earning per share as the dilution from the potential exercise of the share options granted by the Company outstanding at 31st March 2003 is immaterial (2002: No dilutive effect). Accordingly, diluted earning per share has not been shown.

11. Directors' and senior management's emoluments

(a) Directors' emoluments

The aggregate amounts of emoluments payable to directors of the Company during the year are as follows:

		Group 本集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Fees	袍金	783	705
Basic salaries, housing allowances, other allowances and benefits in kind (note)	基本薪金、房屋津貼、其他津貼及實物利益(附註)	8,522	8,526
Retirement benefits costs	退休福利成本	440	403
		9,745	9,634

9. 股息 (續)

於二零零三年六月二十五日舉行之會議上，董事宣佈派發末期股息每股4.0港仙。此項擬派股息並無於本賬目中列作應付股息，惟將於截至二零零四年三月三十一日止年度列作可分派儲備之分配。

10. 每股盈利／(虧損)

- (a) 每股普通股之基本盈利／(虧損)乃根據本集團股東應佔溢利65,463,000港元(二零零二年: 71,175,000港元虧損)計算。
- (b) 每股普通股之基本盈利／(虧損)乃按於本年度已發行普通股之加權平均數1,278,133,366(二零零二年: 1,330,793,393)股普通股計算。
- (c) 由於本公司於二零零三年三月三十一日授出而未行使之購股權所產生之潛在攤薄影響並不重大，故每股攤薄盈利與每股基本盈利並無重大分別(二零零二年: 無攤薄影響)，因此未有呈列每股攤薄盈利。

11. 董事及高級管理人員之酬金

(a) 董事酬金

於本年付予本公司董事酬金總額如下:

Notes to the Accounts (continued)

賬目附註 (續)

11. Directors' and senior management's emoluments (continued)

(a) Directors' emoluments (continued)

Directors' fees of HK\$783,000 (2002: HK\$705,000) were paid to independent non-executive directors.

The emoluments of the directors fell within the following bands:

Emoluments bands 酬金範圍	Number of directors 董事人數	
	2003	2002
HK\$Nil – HK\$1,000,000 (note) (附註)	5	5
HK\$2,000,001 – HK\$2,500,000	1	1
HK\$2,500,001 – HK\$3,000,000	1	–
HK\$3,000,001 – HK\$3,500,000	1	1
HK\$3,500,001 – HK\$4,000,000	–	1
	8	8

Note:

The amount includes 1,166,672 shares issued at par to an ex-director in lieu of cash remuneration (note 11(c)(iii)(1)).

No compensation for loss of office has been paid to the directors for the years ended 31st March 2003 and 2002.

11. 董事及高級管理人員之酬金 (續)

(a) 董事酬金 (續)

付予獨立非執行董事之袍金總額為783,000港元(二零零二年:705,000港元)。

介乎下列酬金範圍之董事人數如下:

附註:

金額包括按面值發行予一位前董事之股份1,166,672股以代替現金酬金(附註11(c)(iii)(1))。

於二零零二年及二零零三年三月三十一日止年度內,並無給予董事離任補償。

Notes to the Accounts (continued)

賬目附註 (續)

11. Directors' and senior management's emoluments (continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three directors (2002: three) whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2002: two) individuals during the year are as follows:

		Group	
		本集團	
		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Basic salaries, housing allowances, other allowances and benefits in kinds	基本薪金、房屋津貼、其他津貼及實物利益	2,413	2,217
Retirement benefits costs	退休福利成本	124	79
		2,537	2,296

The emoluments fell within the following bands:

Emoluments bands	Number of individuals	
	人數	
酬金範圍	2003	2002
HK\$1,000,001 – HK\$1,500,000	2	2

11. 董事及高級管理人員之酬金 (續)

(b) 五位最高薪人士

於本集團五位最高薪酬人士中，三位（二零零二年：三位）為本公司董事。該等董事之酬金已於上表列明，其餘兩位（二零零二年：兩位）人士於年內酬金如下：

介乎下列酬金範圍之僱員人數如下：

11. Directors' and senior management's emoluments (continued)

(c) An ex-director's service agreement ("Service Agreement")

- (i) The Service Agreement was entered into between the Company and an ex-director on 2nd August 1999 and was approved by the shareholders of the Company at an extraordinary general meeting on 14th September 1999. Pursuant to the terms set out in the Service Agreement, the ex-director was entitled to the following:

(1) Remuneration shares

2,500,000 shares, 3,000,000 shares and 3,500,000 shares would be issued to the ex-director in lieu of cash remuneration, credited as fully paid, on a monthly basis in arrears during his first, second and third year of appointment respectively.

(2) Share Option A

The ex-director was granted share options to subscribe in aggregate up to 27,513,587 shares of the Company at a price of HK\$0.928 per share. 764,266 share options would be granted to the ex-director on a monthly basis over three years commencing 14th September 1999. The exercise period for these share options is between 14th September 1999 to 2nd February 2007.

(3) Share Option B

The ex-director was granted a right to subscribe for the Company's shares at a price of HK\$0.928 per share up to an amount of HK\$7,800,000, equivalent to 8,405,172 shares. Share Option B had been exercised during the year ended 31st March 2000.

11. 董事及高級管理人員之酬金 (續)

(c) 一位前董事之服務協議 (「服務協議」)

- (i) 本公司與一位前董事於一九九九年八月二日簽訂一份服務協議，而該協議已於一九九九年九月十四日之本公司股東特別大會中獲股東批准。依該服務協議條款，該前董事可獲得下列報酬：

(1) 酬金股份

本公司於該前董事三年任期內分別每年發行2,500,000股、3,000,000股及3,500,000股(按每月底分發)已繳足股本之公司股份予該前董事以代替現金酬金。

(2) 購股權A

該前董事可獲公司授予合共27,513,587股公司股份之購股權，認購價為每股0.928港元。該前董事由一九九九年九月十四日起每月可得764,266股購股權，為期三年。此等購股權之行使期為一九九九年九月十四日至二零零七年二月二日。

(3) 購股權B

該前董事獲公司授予以每股0.928港元認購總金額為7,800,000港元之公司股份即8,405,172股。購股權B已於截至二零零零年三月三十一日止年度內行使。

Notes to the Accounts (continued)

賬目附註 (續)

11. Directors' and senior management's emoluments (continued)

(c) An ex-director's service agreement ("Service Agreement") (continued)

- (ii) During the year and pursuant to the terms of the Service Agreement:
- (1) 1,166,672 shares, being the remaining balance of the remuneration shares, were issued to the ex-director at par, the aggregate market value amounted to HK\$930,421 at the dates of issue (note 20(a));
 - (2) 3,821,341 share options, being the remaining balance of the share options under Share Option A, had been granted to the ex-director. None were exercised during the year.

12. Staff costs (excluding directors' emoluments)

11. 董事及高級管理人員之酬金 (續)

(c) 一位前董事之服務協議 (「服務協議」) (續)

- (ii) 年內依該服務協議條款:
- (1) 本公司以面值發行所餘為數 1,166,672 酬金股份予該前董事。該等股份於各發行日之總市值為 930,421 港元 (附註 20(a)) ;
 - (2) 依購股權 A，該前董事獲授予所餘為數 3,821,341 股購股權。該等購股權於年內並無被行使。

12. 員工成本 (不包括董事酬金)

		Group 本集團	
		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Wages and salaries	工資及薪酬	270,251	270,366
Unutilised annual leave	未用年假	9,946	-
Retirement benefits costs (note 23(b))	退休福利成本 (附註 23(b))	12,705	12,562
		292,902	282,928

Notes to the Accounts (continued)

賬目附註 (續)

13. Fixed assets – Group

13. 固定資產 – 本集團

		Investment property 投資物業 HK\$'000 港幣千元	Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 港幣千元	Leasehold improve- ments 租賃物業 裝修 HK\$'000 港幣千元	Equipment, furniture and fixtures 設備、傢俬 及裝置 HK\$'000 港幣千元	Machinery and club equipment 會所器材 及設備 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Motor boat 汽船 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Cost or valuation	原值或估值								
At 1st April 2002	於二零零二年四月一日	–	33,510	156,409	123,662	22,427	4,952	4,630	345,590
Exchange adjustments	匯兌調整	–	–	480	884	220	13	–	1,597
Additions	添置	–	–	23,515	4,694	2,484	2,550	–	33,243
Reclassification	重新分類	4,000	(4,000)	16,192	(16,276)	84	–	–	–
Revaluation	重估	(300)	–	–	–	–	–	–	(300)
Disposal of subsidiaries	出售附屬公司	–	(3,000)	(6,063)	(5,724)	(450)	(245)	–	(15,482)
Write-off	撇賬	–	–	(15,162)	(24,208)	(214)	–	–	(39,584)
Disposals	出售	–	–	–	(185)	(628)	(142)	–	(955)
At 31st March 2003	於二零零三年三月三十一日	3,700	26,510	175,371	82,847	23,923	7,128	4,630	324,109
Accumulated depreciation	累計折舊								
At 1st April 2002	於二零零二年四月一日	–	–	123,918	92,035	11,697	2,916	4,630	235,196
Exchange adjustments	匯兌調整	–	–	380	679	127	12	–	1,198
Charge for the year	本年度折舊	–	1,534	21,736	15,288	3,466	858	–	42,882
Reclassification	重新分類	177	(177)	7,387	(7,438)	51	–	–	–
Revaluation	重估	(177)	–	–	–	–	–	–	(177)
Disposal of subsidiaries	出售附屬公司	–	(108)	(1,906)	(4,435)	(164)	(38)	–	(6,651)
Write-off	撇賬	–	–	(13,205)	(23,478)	(153)	–	–	(36,836)
Disposals	出售	–	–	–	(156)	(511)	(142)	–	(809)
At 31st March 2003	於二零零三年三月三十一日	–	1,249	138,310	72,495	14,513	3,606	4,630	234,803
Net book value	賬面淨值								
At 31st March 2003	於二零零三年三月三十一日	3,700	25,261	37,061	10,352	9,410	3,522	–	89,306
At 31st March 2002	於二零零二年三月三十一日	–	33,510	32,491	31,627	10,730	2,036	–	110,394

Notes to the Accounts (continued)

賬目附註 (續)

13. Fixed assets – Group (continued)

The analysis of the cost or valuation at 31st March 2003 of the above assets is as follows:

		Investment property	Leasehold land and buildings	Leasehold improvements	Equipment, furniture and fixtures	Machinery and club equipment	Motor vehicles	Motor boat	Total
		投資物業	租賃土地及樓宇	租賃物業裝修	設備、傢俬及裝置	會所器材及設備	汽車	汽船	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At cost	按原值	–	–	175,371	82,847	23,923	7,128	4,630	293,899
At valuation	按估值	3,700	26,510	–	–	–	–	–	30,210
		3,700	26,510	175,371	82,847	23,923	7,128	4,630	324,109

- (a) The Group's investment property, leasehold land and buildings are situated in Hong Kong and held under medium term leases between 10 to 50 years.
- (b) The investment property was revalued on the basis of its open market value at 31st March 2003 by DTZ Debenham Tie Leung Limited, an independent firm of chartered surveyors. The deficit arising on revaluation of investment property amounted to HK\$123,000 is charged to the consolidated profit and loss account.
- (c) The Group's leasehold land and buildings were revalued on the basis of their open market value at 31st March 2002 by DTZ Debenham Tie Leung Limited.
- (d) The carrying amount of leasehold land and buildings would have been HK\$58,065,000 (2002: HK\$72,805,000) had they been stated at cost less accumulated depreciation.
- (e) At 31st March 2003, cost and accumulated depreciation of machinery and club equipment did not include any amount in respect of assets under finance leases (2002: cost of HK\$249,000 and accumulated depreciation of HK\$125,000).

13. 固定資產 – 本集團 (續)

以上資產於二零零三年三月三十一日按原值或估值分析如下：

- (a) 本集團位於香港之投資物業、租賃土地及樓宇乃按10至50年中期租約持有。
- (b) 投資物業經由獨立專業估值師戴德梁行按於二零零三年三月三十一日之公開市值基準重估。該投資物業重估之貶值額為123,000港元，已於綜合損益表中扣除。
- (c) 本集團之租賃土地及樓宇經由戴德梁行按於二零零二年三月三十一日之公開市值基準重估。
- (d) 倘租賃土地及樓宇按原值減累計折舊列賬，其賬面值將為58,065,000港元（二零零二年：72,805,000港元）。
- (e) 於二零零三年三月三十一日，會所器材及設備之原值及累計折舊並無任何以融資租約持有之資產（二零零二年：249,000港元原值及125,000港元累計折舊）。

Notes to the Accounts (continued)

賬目附註 (續)

14. Subsidiaries

14. 附屬公司

		Company 本公司	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Unlisted shares, at cost	非上市股份·按成本值	390	390
Amounts due from subsidiaries (note (b))	應收附屬公司之款項(附註(b))	487,990	701,499
Amounts due to subsidiaries (note (b))	應付附屬公司之款項(附註(b))	(5,997)	(1,484)
		482,383	700,405

(a) Details of the Company's principal subsidiaries are set out in note 32 to the accounts.

(a) 本公司之主要附屬公司詳情載列於賬目附註32。

(b) The amounts due from/(to) subsidiaries are unsecured and interest-free, and have no fixed repayment term.

(b) 應收/(應付)附屬公司之款項為無抵押、免息及無特定還款期。

15. Intangible assets

15. 無形資產

		Group 本集團		
		Goodwill 商譽 HK\$'000 港幣千元	Trademark 商標 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
At 1st April 2001	於二零零一年四月一日	–	1,595	1,595
Exchange adjustments	匯兌調整	–	(87)	(87)
Acquisition of subsidiaries	收購附屬公司	28,310	–	28,310
Amortisation	攤銷	(2,123)	(278)	(2,401)
Write-off	撇賬	–	(1,230)	(1,230)
At 31st March 2002 and 1st April 2002	於二零零二年三月三十一日及 二零零二年四月一日	26,187	–	26,187
Adjustment (note)	調整(附註)	(7,117)	–	(7,117)
Increase interests in subsidiaries	增加附屬公司權益	3,688	–	3,688
Amortisation	攤銷	(1,586)	–	(1,586)
Impairment charges	耗蝕費用	(3,688)	–	(3,688)
Disposal of subsidiaries	出售附屬公司	(17,484)	–	(17,484)
At 31st March 2003	於二零零三年三月三十一日	–	–	–

Notes to the Accounts (continued)

賬目附註 (續)

15. Intangible assets (continued)

Note:

On 8th February 2001, the Group entered into an agreement with Shenzhen Ebeca Enterprise Company Limited ("the Agreement") to obtain a 55% interest in Shenzhen Sa Sa Ebeca Enterprise Limited ("Shenzhen Sa Sa Ebeca"). According to the Agreement, Shenzhen Sa Sa Ebeca and its subsidiary ("Sa Sa Ebeca Group") was subject to a guaranteed profit for a twelve month period from the completion date as defined in the Agreement. If Sa Sa Ebeca Group is unable to meet the guaranteed profit, the Group would receive a refund of purchase consideration of HK\$7,000,000 and accrued interest. Since Sa Sa Ebeca Group was not able to meet the guaranteed profit, HK\$7,117,000 was refunded during the year and the corresponding goodwill was reduced by the same amount accordingly.

15. 無形資產 (續)

附註:

於二零零一年二月八日，本集團與深圳市依貝佳實業有限公司簽訂協議（「該協議」），以取得深圳莎莎依貝佳實業有限公司（「深圳莎莎依貝佳」）之55%股權。根據該協議，由該協議界定完成日起計12個月期間，深圳莎莎依貝佳及其附屬公司（「莎莎依貝佳集團」）須為該協議作出利潤保證。如莎莎依貝佳集團未能達到此利潤保證，本集團將會獲退還7,000,000港元購買代價及其應計利息。由於莎莎依貝佳集團未能達到此項利潤保證，年內已收回7,117,000港元，而有關商譽亦因而減少相同數額。

		Group 本集團		
		Goodwill 商譽	Trademark 商標	Total 總額
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 31st March 2003	於二零零三年三月三十一日			
Cost	成本	-	5,986	5,986
Accumulated amortisation	累計攤銷	-	(5,986)	(5,986)
Net book value	賬面淨值	-	-	-
At 31st March 2002	於二零零二年三月三十一日			
Cost	成本	28,310	5,986	34,296
Accumulated amortisation	累計攤銷	(2,123)	(5,986)	(8,109)
Net book value	賬面淨值	26,187	-	26,187

Notes to the Accounts (continued)

賬目附註 (續)

16. Investment securities

16. 投資證券

		Group 本集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Held-to-maturity debt securities	持至到期日之債務證券		
Listed in overseas, at cost	海外上市·成本值	63,864	–
Unlisted, at cost	非上市·成本值	6,680	–
		70,544	–
Other investments	其他投資	1,070	1,070
		71,614	1,070
Less: Current portion of held-to-maturity debt securities	減: 持至到期日之債務證券的流動部份	(33,891)	–
		37,723	1,070
Quoted market value of listed held-to-maturity debt securities as at 31st March	持至到期日之上市債務證券於三月三十一日之市值	64,244	–
		Company 本公司	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Held-to-maturity debt securities	持至到期日之債務證券		
Listed in overseas, at cost	海外上市·成本值	63,864	–
Unlisted, at cost	非上市·成本值	6,680	–
		70,544	–
Other investments	其他投資	950	950
		71,494	950
Less: Current portion of held-to-maturity debt securities	減: 持至到期日之債務證券的流動部份	(33,891)	–
		37,603	950
Quoted market value of listed held-to-maturity debt securities as at 31st March	持至到期日之上市債務證券於三月三十一日之市值	64,244	–

Notes to the Accounts (continued)

賬目附註 (續)

17. Trade receivable

Majority of the Group's turnover are cash or credit card sales. The ageing analysis of trade receivable is as follows:

		Group	
		本集團	
		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within 1 month	1個月內	11,472	16,741
1 – 3 months	1–3個月	1,168	4,632
Over 3 months	超過3個月	494	2,411
		13,134	23,784

18. Other receivables, deposits and prepayments

Included in other receivables were amounts due from former minority shareholders of a subsidiary and their related company.

		Group	
		本集團	
		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Gross amount	總額	—	26,816
Less: Provision	減:撥備	—	(26,816)
Net amount	淨額	—	—

17. 應收賬款

本集團之營業額主要為現金及信用卡銷售。應收賬款之賬齡分析如下:

18. 其他應收款項、按金及預付款項

其他應收款項包括應收附屬公司之前少數股東及其有關連公司之款項。

Notes to the Accounts (continued)

賬目附註 (續)

18. Other receivables, deposits and prepayments (continued)

18. 其他應收款項、按金及預付款項 (續)

Particulars of these amounts are as follows:

其詳細資料如下:

Name of borrower 借款人	Edwin John Phillips	Barry Richard Wain	Platinum Corporation
Connected parties 關連人士	Edwin John Phillips	Barry Richard Wain	Edwin John Phillips and Barry Richard Wain
Position 職位	Former minority shareholder of a subsidiary 附屬公司前少數股東	Former minority shareholder of a subsidiary 附屬公司前少數股東	Former minority shareholders of a subsidiary 附屬公司前少數股東
Terms 條款			
- Duration and repayment terms 借款期及清還條款	On or before 31st August 2001 於二零零一年 八月三十一日或之前	On or before 31st August 2001 於二零零一年 八月三十一日或之前	On or before 31st August 2001 於二零零一年 八月三十一日或之前
- Interest rate on or before 31st August 2001 於二零零一年 八月三十一日或之前利率	8.5% per annum 年息8.5厘	8.5% per annum 年息8.5厘	Interest free 免息
- Interest rate on or after 1st September 2001 於二零零一年九月一日 或之後利率	Prime lending rate + 3% per annum 最優惠放款利率+3厘年息	Prime lending rate + 3% per annum 最優惠放款利率+3厘年息	Interest free 免息
- Security 擔保	Unsecured 無抵押	Unsecured 無抵押	Unsecured 無抵押
Balance (including interest receivable) 餘額(包括應收利息)			
- At 31st March 2003 於二零零三年三月三十一日	Nil 無	Nil 無	Nil 無
- At 31st March 2002 於二零零二年三月三十一日	HK\$3,123,000 3,123,000港元	HK\$1,603,000 1,603,000港元	HK\$22,090,000 22,090,000港元
Maximum balance outstanding during the year 於年內最高欠額	HK\$3,944,000 3,944,000港元	HK\$2,337,000 2,337,000港元	HK\$22,090,000 22,090,000港元
Accrued interest 預計利息			
- At 31st March 2003 於二零零三年三月三十一日	Nil 無	Nil 無	Nil 無
- At 31st March 2002 於二零零二年三月三十一日	HK\$1,603,000 1,603,000港元	HK\$1,530,000 1,530,000港元	Nil 無

Notes to the Accounts (continued)

賬目附註 (續)

19. Trade and bills payables

The ageing analysis of trade and bills payables is as follows:

		Group 本集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Within 1 month	1個月內	37,230	49,622
1 – 3 months	1–3個月	51,702	9,365
Over 3 months	超過3個月	382	3,756
		89,314	62,743

20. Share capital

19. 應付賬款及票據

應付賬款及票據之賬齡分析如下:

20. 股本

		Company – Authorised Ordinary shares of HK\$0.1 each 本公司 – 法定 每股面值0.1港元之普通股	
		No. of shares 股份數目	HK\$'000 港幣千元
At 31st March 2002 and 2003	於二零零二年及二零零三年 三月三十一日	8,000,000,000	800,000
		Company – Issued and fully paid Ordinary shares of HK\$0.1 each 本公司 – 已發行及繳足 每股面值0.1港元之普通股	
		Note 附註	No. of shares 股份數目
		HK\$'000 港幣千元	
At 1st April 2001	於二零零一年四月一日		1,337,203,172
Issuance of shares	發行股份		6,573,328
Repurchase of shares	購回股份		(25,444,000)
At 31st March 2002 and 1st April 2002	於二零零二年三月三十一日及 二零零二年四月一日		1,318,332,500
Issuance of shares	發行股份	(a)	1,166,672
Repurchase of shares	購回股份	(b)	(52,820,000)
At 31st March 2003	於二零零三年三月三十一日		1,266,679,172
			126,668

20. Share capital (continued)

(a) Issuance of shares

During the year, a total of 1,166,672 ordinary shares were issued at par in lieu of cash remuneration (note 11(c)(ii)(1)) to an ex-director pursuant to the terms of his Service Agreement.

(b) Repurchase of shares

During the year, the Company repurchased 52,820,000 of its own shares in the open market through The Stock Exchange of Hong Kong Limited, all of which have been duly cancelled. The total purchase price of the shares was HK\$39,520,743 with the maximum and minimum prices paid for each share being HK\$0.80 and HK\$0.55 respectively.

(c) Share option

At the annual general meeting of the Company held on 29th August 2002, the shareholders of the Company approved the adoption of a new share option scheme (the "2002 Share Option Scheme") and termination of the operation of the share option scheme adopted by the shareholders of the Company on 22nd May 1997 (the "1997 Share Option Scheme") (such that no further options could be offered under the 1997 Share Option Scheme of the Company but the provisions of the 1997 Share Option Scheme continued to govern options granted under that scheme up to and including 28th August 2002).

During the year, the Company granted 13,791,285 and 7,500,000 share options under the 1997 Share Option Scheme and the 2002 Share Options Scheme respectively. 3,821,341 share options were granted to an ex-director under the Service Agreement with him. The movements in the number of share options granted during the year are as follows:

20. 股本 (續)

(a) 發行股份

於年內，公司根據與一名前董事簽訂之服務協議條款以面值發行共1,166,672普通股予該前董事以代替現金酬金(附註11(c)(ii)(1))。

(b) 購回股份

於年內，公司透過香港聯合交易所有限公司於公開市場購回52,820,000股本公司股份，該等股份已全部註銷。回購該等股份之總代價為39,520,743港元，最高價及最低價分別為每股0.80港元及0.55港元。

(c) 購股權

於二零零二年八月二十九日舉行之本公司股東週年大會上，本公司之股東批准採納新購股權計劃(「二零零二年購股權計劃」)及終止運作由本公司股東於一九九七年五月二十二日採納之購股權計劃(「一九九七年購股權計劃」)(故再無購股權可根據本公司的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)。

年內，本公司根據一九九七年購股權計劃及二零零二年購股權計劃授出之購股權分別為13,791,285股及7,500,000股，而根據與一名前董事之服務協議則授出購股權3,821,341股。年內，根據購股權計劃授出購股權數目之變動如下：

Notes to the Accounts (continued)

賬目附註 (續)

20. Share capital (continued)

(c) Share option (continued)

		Number of share options 購股權數目		
		1997 Share Option Scheme 一九九七年 購股權計劃	2002 Share Option Scheme 二零零二年 購股權計劃	Service Agreement with an ex-director 與一名前董事之 服務協議 (note 11(c)) (附註11(c))
As at 1st April 2002	於二零零二年四月一日	12,572,626	–	23,692,246
Add: share options granted during the year	加: 年內授出之購股權	13,791,285 note (i) 附註(i)	7,500,000 note (ii) 附註(ii)	3,821,341 note (iii) 附註(iii)
Less: share options lapsed during the year	減: 年內失效之購股權	(293,391) note (iv) 附註(iv)	–	–
As at 31st March 2003	於二零零三年三月三十一日	26,070,520	7,500,000	27,513,587

Notes:

- (i) On 24th April 2002, the Company granted 13,116,285 and 675,000 share options to two employees respectively under the 1997 Share Option Scheme, the exercise price of which is HK\$0.80 each.

The 13,116,285 share options are exercisable based on an approved three-year vesting scale from 24th April 2003 to 23rd April 2012. The employee who has been granted these share options was subsequently appointed as an Executive Director of the Company on 10th September 2002.

The 675,000 share options are exercisable from 24th April 2005 to 23rd April 2012.

附註:

- (i) 於二零零二年四月二十四日，本公司按一九九七年購股權計劃分別授出13,116,285及675,000股購股權予兩名僱員，其行使價為每股0.80港元。

其中13,116,285股購股權可於二零零三年四月二十四日至二零一二年四月二十三日期間按已批准之三年既定比例行使。獲授此等購股權之僱員其後於二零零二年九月十日被委任為本公司之執行董事。

其中675,000股購股權可於二零零五年四月二十四日至二零一二年四月二十三日期間行使。

20. Share capital (continued)

(c) Share option (continued)

Notes: (continued)

- (ii) On 16th December 2002, the Company granted 1,000,000 share options to each of the three independent non-executive directors under the 2002 Share Option Scheme, the exercise price of which is HK\$0.76 each. The share options are exercisable from 16th December 2003 to 15th December 2012.

On 6th January 2003, the Company granted 500,000 share options to an employee, the exercise price of which is HK\$0.77 each. The share options are exercisable from 6th January 2005 to 5th January 2013.

On 7th March 2003, the Company granted 3,000,000 and 1,000,000 share options to two employees respectively, the exercise price of which is HK\$0.91 each. Amongst these share options, 1,000,000 and 333,334 share options are exercisable after 1 year from the date of employment of each employee. The exercise of the remaining share options is subject to certain performance targets that must be reached by the employees on or before 31st March 2006.

- (iii) The Company granted a total of 3,821,341 share options on 2nd April, 2nd May and 9th May 2002 to an ex-director of the Company under the service agreement entered between the Company and the ex-director, the exercise price of which is HK\$0.928 each. The share options are exercisable from the respective dates of the grant to 2nd February 2007.
- (iv) During the year, 293,391 share options granted under the 1997 Share Option Scheme lapsed upon the resignation of two employees (2002: 3,871,940).

Subsequent to the year end, 944,000 and 108,000 share options granted under the 1997 Share Option Scheme lapsed upon the resignation of two employees and the termination of employment of an employee respectively.

No share options granted under the 2002 Share Options Scheme and the Service Agreement lapsed during the year and subsequent to the year end (2002: nil).

No share options granted under the 1997 Share Option Scheme, the 2002 Share Options Scheme and the Service Agreement were cancelled during the year and subsequent to the year end (2002: nil).

20. 股本 (續)

(c) 購股權 (續)

附註: (續)

- (ii) 於二零零二年十二月十六日,本公司按二零零二年購股權計劃向三名獨立非執行董事每人授出1,000,000股購股權,其行使價為每股0.76港元。此等購股權可於二零零三年十二月十六日至二零一二年十二月十五日期間行使。

於二零零三年一月六日,本公司授出500,000股購股權予一名僱員,其行使價為每股0.77港元。此等購股權可於二零零五年一月六日至二零一三年一月五日期間行使。

於二零零三年三月七日,本公司分別授出3,000,000及1,000,000股購股權予兩名僱員,其行使價為每股0.91港元。此等購股權中有1,000,000及333,334股購股權可於有關僱員之僱用日期起計一年後行使。該兩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餘下之購股權。

- (iii) 本公司按與一名前董事之服務協議分別於二零零二年四月二日、五月二日及五月九日向該董事授出合共3,821,341股購股權,其行使價為每股0.928港元。此等購股權可於各授出日期起至二零零七年二月七日期間行使。
- (iv) 年內,按一九九七年購股權計劃授出之293,391股購股權因兩名僱員辭職而失效(二零零二年:3,871,940)。

年結日後,按一九九七年購股權計劃授出之944,000及108,000股購股權分別因兩名僱員辭職及一名僱員被終止僱用而失效。

年內及年結日後按二零零二年購股權計劃及服務協議授出之購股權均沒有失效(二零零二年:無)。

年內及年結日後按一九九七年購股權計劃、二零零二年購股權計劃及服務協議授出之購股權均沒有被註銷(二零零二年:無)。

Notes to the Accounts (continued)

賬目附註 (續)

21. Reserves

(a) Group

		Share premium 股份溢價 HK\$'000 港幣千元	Capital redemption reserve 資本贖回 儲備 HK\$'000 港幣千元	Exchange fluctuation reserve 外匯波動 儲備 HK\$'000 港幣千元	Accumulated losses 累計虧損 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1st April 2001 as previously reported	於二零零一年四月一日 如前呈報	736,660	3,957	(23,348)	40,602	757,871
Effect of adopting SSAP 9 (revised)	採納會計準則第九號 (經修訂)之影響	–	–	–	53,535	53,535
At 1st April 2001 as restated	於二零零一年四月一日經重列	736,660	3,957	(23,348)	94,137	811,406
Exercise of share options	行使購股權	1,775	–	–	–	1,775
Repurchase of own shares	購回本身股份	(13,075)	2,544	–	(2,544)	(13,075)
Exchange differences	匯兌差額	–	–	(1,815)	–	(1,815)
Loss for the year	本年度虧損	–	–	–	(71,175)	(71,175)
2000/2001 Final dividend paid	二零零零/二零零一年度 已派末期股息	–	–	–	(53,537)	(53,537)
2001/2002 Interim dividend paid	二零零一/二零零二年度 已派中期股息	–	–	–	(13,234)	(13,234)
At 31st March 2002	於二零零二年三月三十一日	725,360	6,501	(25,163)	(46,353)	660,345
Representing:	組成如下:					
Reserves	儲備					609,451
Proposed dividend	擬派股息					50,894
At 31st March 2002	於二零零二年三月三十一日					660,345

21. 儲備

(a) 本集團

Notes to the Accounts (continued)

賬目附註 (續)

21. Reserves (continued)

(a) Group (continued)

		Share premium 股份溢價 HK\$'000 港幣千元	Capital redemption reserve 資本贖回儲備 HK\$'000 港幣千元	Exchange fluctuation reserve 外匯波動儲備 HK\$'000 港幣千元	Accumulated losses 累計虧損 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1st April 2002	於二零零二年四月一日	725,360	6,501	(25,163)	(46,353)	660,345
Repurchase of own shares	購回本身股份	(34,239)	5,282	–	(5,282)	(34,239)
Exchange differences	匯兌差額	–	–	819	–	819
Profit for the year	本年度溢利	–	–	–	65,463	65,463
2001/2002 Final dividend paid	二零零一/二零零二年度 已派末期股息	–	–	–	(50,732)	(50,732)
2002/2003 Interim dividend paid	二零零二/二零零三年度 已派中期股息	(12,667)	–	–	–	(12,667)
2002/2003 Special dividend paid	二零零二/二零零三年度 已派特別股息	(12,667)	–	–	–	(12,667)
At 31st March 2003	於二零零三年三月三十一日	665,787	11,783	(24,344)	(36,904)	616,322
Representing:	組成如下:					
Reserves	儲備					565,655
Proposed dividend	擬派股息					50,667
At 31st March 2003	於二零零三年三月三十一日					616,322

21. 儲備 (續)

(a) 本集團 (續)

Notes to the Accounts (continued)

賬目附註 (續)

21. Reserves (continued)

21. 儲備 (續)

(b) Company

(b) 本公司

		Share premium	Capital redemption reserve	Retained earnings	Total
		股份溢價	資本贖回儲備	滾存溢利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
At 1st April 2001 as previously reported	於二零零一年四月一日 如前呈報	989,149	3,957	60,540	1,053,646
Effect of adopting SSAP 9 (revised)	採納會計準則第九號 (經修訂)之影響	–	–	53,535	53,535
At 1st April 2001 as restated	於二零零一年四月一日經重列	989,149	3,957	114,075	1,107,181
Exercise of share options	行使購股權	1,775	–	–	1,775
Repurchase of own shares	購回本身股份	(13,075)	2,544	(2,544)	(13,075)
Profit for the year	本年度溢利	–	–	25,027	25,027
2000/2001 Final dividend paid	二零零零/二零零一年度 已派末期股息	–	–	(53,537)	(53,537)
2001/2002 Interim dividend paid	二零零一/二零零二年度 已派中期股息	–	–	(13,234)	(13,234)
At 31st March 2002	於二零零二年三月三十一日	977,849	6,501	69,787	1,054,137
Representing:	組成如下:				
Reserves	儲備				1,003,243
Proposed dividend	擬派股息				50,894
At 31st March 2002	於二零零二年三月三十一日				1,054,137

Notes to the Accounts (continued)

賬目附註 (續)

21. Reserves (continued)

(b) Company (continued)

		Share premium	Capital redemption reserve	Accumulated losses	Total
		股份溢價	資本贖回儲備	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
At 1st April 2002	於二零零二年四月一日	977,849	6,501	69,787	1,054,137
Repurchase of own shares	購回本身股份	(34,239)	5,282	(5,282)	(34,239)
Loss for the year	本年度虧損	–	–	(78,853)	(78,853)
2001/2002 Final dividend paid	二零零一／二零零二年度 已派末期股息	–	–	(50,732)	(50,732)
2002/2003 Interim dividend paid	二零零二／二零零三年度 已派中期股息	(12,667)	–	–	(12,667)
2002/2003 Special dividend paid	二零零二／二零零三年度 已派特別股息	(12,667)	–	–	(12,667)
At 31st March 2003	於二零零三年三月三十一日	918,276	11,783	(65,080)	864,979
Representing:	組成如下:				
Reserves	儲備				814,312
Proposed dividend	擬派股息				50,667
At 31st March 2003	於二零零三年三月三十一日				864,979

Note:

- (i) The difference of the share premium account between the Group and the Company represents the premium arising from merger accounting of HK\$252,489,000 following the Group reorganisation in preparation for the listing of the Company in 1997.
- (ii) The Company had a distributable reserve of approximately HK\$853,196,000 at 31st March 2003 (2002: HK\$1,047,636,000).

21. 儲備 (續)

(b) 本公司 (續)

		Share premium	Capital redemption reserve	Accumulated losses	Total
		股份溢價	資本贖回儲備	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
At 1st April 2002	於二零零二年四月一日	977,849	6,501	69,787	1,054,137
Repurchase of own shares	購回本身股份	(34,239)	5,282	(5,282)	(34,239)
Loss for the year	本年度虧損	–	–	(78,853)	(78,853)
2001/2002 Final dividend paid	二零零一／二零零二年度 已派末期股息	–	–	(50,732)	(50,732)
2002/2003 Interim dividend paid	二零零二／二零零三年度 已派中期股息	(12,667)	–	–	(12,667)
2002/2003 Special dividend paid	二零零二／二零零三年度 已派特別股息	(12,667)	–	–	(12,667)
At 31st March 2003	於二零零三年三月三十一日	918,276	11,783	(65,080)	864,979
Representing:	組成如下:				
Reserves	儲備				814,312
Proposed dividend	擬派股息				50,667
At 31st March 2003	於二零零三年三月三十一日				864,979

附註:

- (i) 本集團股份溢價賬與本公司股份溢價賬之差額為252,489,000港元，乃一九九七年為籌備本公司上市而進行集團重組後，因合併會計而產生之溢價。
- (ii) 本公司於二零零三年三月三十一日可分派儲備約853,196,000港元（二零零二年：1,047,636,000港元）。

Notes to the Accounts (continued)

賬目附註 (續)

22. Receipts in advance

22. 預收款項

		Group 本集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Total receipts in advance	預收款項總額	149,022	141,928
Less: Amounts payable within one year classified as current liabilities	減: 一年內償還之款項 列作流動負債	(76,134)	(70,833)
Amounts payable within the second to fifth years inclusive	第二年至第五年(包括首尾兩年) 償還之款項	72,888	71,095

23. Retirement benefits obligations

23. 退休福利承擔

(a) Retirement benefits obligations

(a) 退休福利承擔

		Group 本集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Retirement benefits obligations on	退休福利承擔		
– defined benefits plan (note (b)(ii))	– 界定福利計劃(附註(b)(ii))	141	–
– long service payments	– 長期服務金	3,699	4,697
		3,840	4,697

Notes to the Accounts (continued)

賬目附註 (續)

23. Retirement benefits obligations (continued)

(b) Retirement benefits costs

During the year, the Group's retirement benefits costs are as follows:

		Group	
		本集團	
		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Retirement benefits costs	退休福利成本		
Defined contribution plans (note(i))	界定供款計劃(附註(i))	12,276	11,312
Defined benefits plan (note (ii))	界定福利計劃(附註(ii))	331	343
		12,607	11,655
Long service payments (note (iii))	長期服務金(附註(iii))	98	907
		12,705	12,562
Gross employer's contributions	僱主供款總額	12,945	12,677
Less: Forfeited contributions utilised to reduce employer's contributions for the year	減:被沒收之供款用以減低僱主本年度之供款額	(338)	(1,022)
Net employer's contributions charged to the consolidated profit and loss account	於綜合損益表內扣除之僱主供款淨額	12,607	11,655

23. 退休福利承擔 (續)

(b) 退休福利成本

於年內，本集團之退休福利成本如下：

23. Retirement benefits obligations (continued)

(b) Retirement benefits costs (continued)

- (i) Prior to 1st December 2000, the Group, with exception to certain subsidiaries, operated a defined contribution retirement benefit plan (the "Scheme") for its employees in Hong Kong. The Scheme is administered by independent trustees. Under the Scheme, the employees are required to contribute 4% to 5% of their monthly salaries, while the employer's contributions are calculated at a range of 4% to 7% of employee's monthly salaries. The employees are entitled to 100% of the employer's contributions after 10 years of completed service, or at a reduced scale after completion of three to nine years' service. The forfeited contributions are to be used to reduce the employer's contributions.

Since 1st December 2000, the Group in Hong Kong elected to contribute to the Mandatory Provident Fund Scheme (the "MPF Scheme"). The MPF Scheme is a defined contribution retirement benefit plan administered by independent trustees. Under the MPF Scheme, both the employer and employees are required to contribute 5% of the employee's monthly salaries (capped at HK\$20,000). The employee can also choose to contribute at rate specified in the rules of the MPF Scheme whereby the employer's contribution is equal to the employee's contribution. Contributions from the employer equivalent to the contribution as specified at the rules of the MPF Scheme are 100% vested as soon as they are paid to the relevant MPF Scheme but all benefits derived from the mandatory contributions must be preserved until the employee reaches the retirement age of 65 subject to a few exceptions. As to the employer's contribution in excess of the portion vested in the MPF Scheme the employees are entitled to 100% of it after 10 years of completed service or at a reduced scale after completion of three to nine years' service. The forfeited contributions are to be used to reduce the employer's contribution.

The defined contribution plans for staff of the Group in other countries follow the local statutory requirements of the respective countries.

23. 退休福利承擔 (續)

(b) 退休福利成本 (續)

- (i) 於二零零零年十二月一日以前，本集團（某些附屬公司除外）為其香港僱員推行界定供款退休福利計劃（「該計劃」）。該計劃由獨立信託人管理。按該計劃，僱員需按月薪百分之四至五供款，而僱主供款則按僱員月薪百分之四至七計算。僱員於服務滿十年後，可獲百分之百僱主供款，而服務滿三至九年，則以遞減比例計算。被沒收之供款將用作減低僱主供款。

自二零零零年十二月一日起，本集團於香港選擇供款予強制性公積金計劃（「強積金計劃」）。強積金計劃為一項界定供款退休福利計劃及由獨立信託人管理。在強積金計劃下，僱主及僱員均需按僱員月薪（以二萬港元為上限）百分之五作出供款。僱員亦可選擇以強積金計劃下指定之比率供款，而僱主之供款與僱員相同。僱主按強積金計劃投入規定供款後，其中強制性供款產生之所有權益，全數必須保留至僱員到達六十五歲退休年齡之時，但若干情況除外。僱員於服務滿十年後可獲得僱主為強積金額外供款之全數，而服務滿三至九年，則以遞減比例計算。被沒收之供款將用作減低僱主供款。

本集團於其他國家為僱員設立之界定供款計劃遵照當地之法例規定。

Notes to the Accounts (continued)

賬目附註 (續)

23. Retirement benefits obligations (continued)

(b) Retirement benefits costs (continued)

- (ii) A branch of a wholly-owned subsidiary of the Company in Taiwan participates in a central defined benefit retirement plan (“the Retirement Plan”) providing benefits to all employees in accordance with the Labor Standards Law (as amended) in Taiwan. The Group has an obligation to ensure that there are sufficient funds in the Retirement Plan to pay the benefits earned. The branch currently contributes at 2% of the total salaries as determined and approved by the relevant government authorities. The assets of the Retirement Plan are invested by the Central Trust of China.

The latest actuarial valuation was prepared as at 31st March 2003 by KPMG Consulting Co. Ltd., a qualified actuary, using the projected unit credit method.

The amounts recognised in the consolidated profit and loss account were as follows:

23. 退休福利承擔 (續)

(b) 退休福利成本 (續)

- (ii) 本公司旗下一全資附屬公司之台灣分行按照台灣之勞動基準法(經修訂)·參與中央界定利益退休計劃(「退休計劃」)·為所有僱員提供退休金福利。本集團有責任確保退休計劃有足夠資金支付員工之退休金。目前該分行按僱員薪金總額之百分之二作出退休金供款·此百分比經相關政府機構釐定及批准。退休計劃之資產由中央信託局進行投資。

最新之精算估值於二零零三年三月三十一日由合資格之精算師KPMG Consulting Co. Ltd.採用預計單位貸記法估值。

於綜合損益表確認之款項如下：

		Group 本集團 2003 HK\$'000 港幣千元
Current service cost	現有服務成本	321
Interest cost	利息成本	36
Expected return on plan assets	計劃資產之預期回報	(26)
Total included in staff cost	合計(計入員工成本內)	331

Notes to the Accounts (continued)

賬目附註 (續)

23. Retirement benefits obligations (continued)

(b) Retirement benefits costs (continued)

The amount recognised in the consolidated balance sheet is determined as follows:

		Group 本集團 2003 HK\$'000 港幣千元
Present value of funded obligations	注資承擔現值	1,261
Fair value of plan assets	計劃資產之公平價值	(1,120)
Defined benefits retirement plan obligations (note (a))	界定福利退休計劃承擔 (附註(a))	141

Movement in the defined benefits retirement plan obligations recognised in the consolidated balance sheet is as follows:

		Group 本集團 2003 HK\$'000 港幣千元
At 1st April 2002	於二零零二年四月一日	-
Total expense	開支總額	331
Contributions paid	已付供款	(190)
At 31st March 2003	於二零零三年三月三十一日	141

23. 退休福利承擔 (續)

(b) 退休福利成本 (續)

於綜合資產負債表確認之款項按以下方式釐定：

		Group 本集團 2003 HK\$'000 港幣千元
Present value of funded obligations	注資承擔現值	1,261
Fair value of plan assets	計劃資產之公平價值	(1,120)
Defined benefits retirement plan obligations (note (a))	界定福利退休計劃承擔 (附註(a))	141

在綜合資產負債表確認之界定福利退休計劃承擔之變動如下：

		Group 本集團 2003 HK\$'000 港幣千元
At 1st April 2002	於二零零二年四月一日	-
Total expense	開支總額	331
Contributions paid	已付供款	(190)
At 31st March 2003	於二零零三年三月三十一日	141

Notes to the Accounts (continued)

賬目附註 (續)

23. Retirement benefits obligations (continued)

(b) Retirement benefits costs (continued)

The principal actuarial assumptions used are as follows:

		Group
		本集團
		2003
		%
Discount rate	折讓率	3.75
Expected rate of return on plan assets	計劃資產之預期回報率	3.75
Expected rate of future salary increases	未來薪酬之預期增加比率	4.00

- (iii) The balance represents the Group's provision for long service payments under the Hong Kong Employment Ordinance to the extent that a liability is expected to be payable in the foreseeable future but not coverable by the retirement plans.

23. 退休福利承擔 (續)

(b) 退休福利成本 (續)

所採用之主要精算假設如下：

- (iii) 該數額乃本集團按照香港僱傭法例，就可預見未來退休金計劃未能補償之長期服務金負債作出之撥備。

Notes to the Accounts (continued)

賬目附註 (續)

24. Deferred taxation

(a) Movements in the provision for deferred taxation are as follows:

		Group 本集團	
		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
At 1st April	於四月一日	393	2,041
Transferred to consolidated profit and loss account (note 7(a))	撥入綜合損益表(附註7(a))	(393)	(1,648)
At 31st March	於三月三十一日	-	393
Provided in the accounts in respect of:	已於賬目內就下列項目作出撥備:		
Accelerated depreciation allowance	加速折舊免稅額	-	393

Deferred taxation (assets)/liabilities for the year have not been (recognised)/provided in respect of the following:

		Group 本集團	
		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Accelerated depreciation allowance	加速折舊免稅額	(7,511)	(7,702)
Tax losses	稅項虧損	(19,447)	(21,455)
Other timing differences	其他時差	(1,430)	104
		(28,388)	(29,053)

(b) No provision has been made for deferred tax liability in respect of the timing differences relating to the surplus and deficit from the revaluation of investment property, leasehold land and buildings of the Group. The revaluation does not constitute a timing difference for taxation purpose.

24. 遞延稅項

(a) 遞延稅項準備變動如下:

於本年度,遞延稅(資產)/負債並無就下列項目作出(確認)/撥備:

(b) 本集團並無就重估投資物業、租賃土地及樓宇產生之盈虧之時差作出遞延稅項準備。就稅務而言,重估並不構成時差。

Notes to the Accounts (continued)

賬目附註 (續)

25. Consolidated cash flow statement

25. 綜合現金流量表

(a) Reconciliation of profit/(loss) before taxation to cash generated from operations

(a) 除稅前溢利/(虧損)與經營業務所產生之現金對賬

		2003 HK\$'000 港幣千元	Group 本集團 2002 HK\$'000 港幣千元
Profit/(loss) before taxation	除稅前溢利/(虧損)	92,787	(64,196)
Amortisation of intangible assets	無形資產攤銷	1,586	2,401
Depreciation of owned fixed assets	自置固定資產折舊	42,882	56,741
Depreciation of fixed assets held under finance leases	按融資租約持有之固定資產折舊	-	51
Gain on disposal of fixed assets	出售固定資產溢利	(219)	(390)
Write-off of fixed assets	固定資產撇賬	2,066	5,447
Write-off of intangible assets	無形資產撇賬	-	1,230
Interest income	利息收入	(14,481)	(20,394)
Interest on bank loans and overdrafts	銀行借貸及透支利息	236	269
Interest element of finance leases	融資租約利息部份	1	20
Loss on disposal of subsidiaries	出售附屬公司虧損	11,800	-
Provision for amounts due from ex-directors of subsidiaries and their related company	應收附屬公司前董事及其有關連公司款項之撥備	-	26,816
Provision for receivables from minority shareholders of subsidiaries	應收附屬公司少數股東款項之撥備	-	32,181
Impairment of fixed assets of an e-commerce business – sasa.com	電子商務 – sasa.com 之固定資產減值	-	8,915
Deficit on revaluation of an investment property, leasehold land and buildings	投資物業、租賃土地及樓宇之重估貶值	123	18,919
Impairment of goodwill	商譽減值	3,688	-
Shares granted to a director in lieu of cash remuneration	授予一董事以代替現金酬金之股份	117	333
Operating profit before changes in working capital	經營資金轉變前之經營溢利	140,586	68,343
(Increase)/decrease in inventories	存貨(增加)/減少	(1,444)	104,633
Decrease/(increase) in trade receivable, other receivables, deposits and prepayments	應收賬款、其他應收款項、按金及預付款項之減少/(增加)	11,774	(4,490)
Increase in trade payable, bills payable, other payables and accrued charges	應付賬款、票據、其他應付款項及應計費用之增加	48,130	25,477
Increase/(decrease) in receipts in advance	預收款項增加/(減少)	11,428	(3,742)
Increase in retirement benefits obligations	退休福利承擔增加	(857)	(381)
Cash generated from operations	經營業務產生之現金	209,617	189,840

Notes to the Accounts (continued)

賬目附註 (續)

25. Consolidated cash flow statement (continued)

25. 綜合現金流量表 (續)

(b) Acquisition of subsidiaries

(b) 收購附屬公司

		Group 本集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Net assets acquired:	購入之淨資產:		
Fixed assets	固定資產	-	6,376
Inventories	存貨	-	4,607
Trade and other receivables	應收賬款及其他應收款項	-	6,421
Cash and bank balances	現金及銀行結存	-	7,187
Trade and other payables	應付賬款及其他應付款項	-	(5,186)
Receipts in advance	預收款項	-	(2,015)
Taxation payable	應付稅項	-	(1,053)
Bank loans	銀行借貸	-	(7,223)
Minority interests	少數股東權益	-	(9,050)
		-	64
Goodwill on consolidation	綜合賬目商譽	-	28,310
		-	28,374
Satisfied by:	支付方法:		
Cash consideration	現金代價	-	27,374
Expenses incurred in respect of acquisition of subsidiaries	收購附屬公司費用	-	1,000
		-	28,374

The subsidiaries acquired during the year ended 31st March 2002 reduced the Group's net operating cash flow by HK\$8,474,000, and utilised HK\$4,753,000 and HK\$3,938,000 for investing activities and financing activities respectively.

於二零零二年三月三十一日止年度，新收購之附屬公司令本集團之經營業務現金流量淨額減少8,474,000港元，並動用4,753,000港元作投資業務及3,938,000港元作融資業務。

Notes to the Accounts (continued)

賬目附註 (續)

25. Consolidated cash flow statement (continued)

(b) Acquisition of subsidiaries (continued)

Analysis of the net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries:

		Group 本集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Cash consideration	現金代價	-	27,374
Expenses incurred in respect of acquisition of subsidiaries	收購附屬公司費用	-	1,000
Cash consideration paid	已付現金代價	-	28,374
Cash and cash equivalents acquired	購入之現金及現金等值	-	(7,187)
Deposit paid in previous year	去年已付按金	-	(9,000)
Net outflow of cash and cash equivalents in respect of acquisition of subsidiaries	收購附屬公司之現金及現金等值流出淨額	-	12,187

(c) Disposal of subsidiaries

During the year, the Group disposed of its 55% interest in Shenzhen Sa Sa Ebeca Enterprise Limited and its subsidiary ("Sa Sa Ebeca Group"). Prior to the disposal, the operating loss of Sa Sa Ebeca Group attributable to the Group was HK\$10,882,000 for the year ended 31st March 2003 (2002: HK\$3,267,000).

25. 綜合現金流量表 (續)

(b) 收購附屬公司 (續)

收購附屬公司之現金及現金等值流出淨額分析：

		Group 本集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Cash consideration	現金代價	-	27,374
Expenses incurred in respect of acquisition of subsidiaries	收購附屬公司費用	-	1,000
Cash consideration paid	已付現金代價	-	28,374
Cash and cash equivalents acquired	購入之現金及現金等值	-	(7,187)
Deposit paid in previous year	去年已付按金	-	(9,000)
Net outflow of cash and cash equivalents in respect of acquisition of subsidiaries	收購附屬公司之現金及現金等值流出淨額	-	12,187

(c) 出售附屬公司

於年內，本集團售出深圳莎莎依貝佳實業有限公司及其附屬公司（「莎莎依貝佳集團」）55%之股權。於售出前，本集團於截至二零零三年三月三十一日止年度應佔莎莎依貝佳集團之經營虧損為10,882,000港元（二零零二年：3,267,000港元）。

Notes to the Accounts (continued)

賬目附註 (續)

25. Consolidated cash flow statement (continued)

(c) Disposal of subsidiaries (continued)

		Group 本集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Net liabilities disposed of:	售出之淨負債：		
Fixed assets	固定資產	8,831	—
Inventories	存貨	2,208	—
Trade and other receivables	應收賬款及其他應收款項	2,834	—
Cash and bank balances	現金及銀行結存	828	—
Trade and other payables	應付賬款及其他應付款項	(11,160)	—
Taxation payable	應付稅項	(1,048)	—
Receipts in advance	預收款項	(4,334)	—
Bank loan	銀行借貸	(3,377)	—
Minority interests	少數股東權益	2,534	—
		(2,684)	—
Loss on disposal of subsidiaries	售出附屬公司虧損	(11,800)	—
Goodwill realised upon disposal of subsidiaries	售出附屬公司實現之商譽	17,484	—
		3,000	—
Satisfied by:	支付方法：		
Cash consideration	現金代價	3,000	—

Analysis of inflow of cash and cash equivalents in respect of disposal of subsidiaries:

售出附屬公司之現金及現金等值流入分析：

		Group 本集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Cash consideration	現金代價	3,000	—
Cash and cash equivalents disposed of	售出之現金及現金等值	(828)	—
Net outflow of cash and cash equivalents in respect of disposal of subsidiaries	售出附屬公司之現金及現金等值流出淨額	2,172	—

Notes to the Accounts (continued)

賬目附註 (續)

25. Consolidated cash flow statement (continued)

25. 綜合現金流量表 (續)

(d) Analysis of changes in financing during the year

(d) 年內融資變動分析

		Group 本集團			
		Share capital (including share premium) 股本(包括 股份溢價) HK\$'000 港幣千元	Minority interests 少數股東權益 HK\$'000 港幣千元	Bank loans 銀行貸款 HK\$'000 港幣千元	Obligations under finance leases 融資租約 承擔 HK\$'000 港幣千元
At 1st April 2001	於二零零一年四月一日	870,380	(32,181)	-	590
Exchange difference	匯兌差額	-	2	-	-
Issue of shares, net of expenses	發行股份扣除費用後淨額	333	-	-	-
Exercise of share options	行使購股權	2,099	-	-	-
Repurchase of shares	購回股份	(15,619)	-	-	-
Acquisition of subsidiaries	收購附屬公司	-	9,050	7,223	-
Minority interests' share of losses	少數股東應佔虧損	-	(2,673)	-	-
Provision for receivables from minority shareholders of subsidiaries	應收附屬公司少數股東款項之撥備	-	32,181	-	-
Repayments	還款	-	-	(3,690)	(560)
At 31st March 2002 and 1st April 2002	於二零零二年三月三十一日及二零零二年四月一日	857,193	6,379	3,533	30
Issue of shares, net of expenses (note 20(a))	發行股份扣除費用後淨額(附註20(a))	117	-	-	-
Repurchase of shares	購回股份	(39,521)	-	-	-
Minority interests' share of losses	少數股東應佔虧損	-	(8,913)	-	-
Repayments	還款	-	-	(156)	(30)
Disposal of subsidiaries	出售附屬公司	-	2,534	(3,377)	-
2002/2003 Interim dividend paid	二零零二/二零零三年度已派中期股息	(12,667)	-	-	-
2002/2003 Special dividend paid	二零零二/二零零三年度已派特別股息	(12,667)	-	-	-
At 31st March 2003	於二零零三年三月三十一日	792,455	-	-	-

Notes to the Accounts (continued)

賬目附註 (續)

26. Commitments

(a) Capital commitments in respect of acquisition of fixed assets:

		Group 本集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Contracted but not provided for	已簽約但未作出撥備	417	550
Authorised but not contracted	已批准但未簽約	-	7,286

(b) Commitments under operating leases

As at 31st March 2003, the Group had total future aggregate minimum lease payments under non-cancellable operating leases as follows:

		Group 本集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Land and buildings	土地及樓宇		
Within one year	一年內	138,767	142,059
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)	106,361	170,859
After the fifth year	第五年以後	-	5,600
		245,128	318,518

(c) Foreign currency contracts

The Group and the Company had entered into agreements for forward purchases of foreign currencies in the ordinary course of business. As at 31st March 2003, the total outstanding foreign exchange contracts purchased with banks amounted to HK\$32,031,000 (2002: nil) for the Group and HK\$16,394,000 (2002: nil) for the Company.

26. 承擔

(a) 購買固定資產之資本承擔

		Group 本集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Contracted but not provided for	已簽約但未作出撥備	417	550
Authorised but not contracted	已批准但未簽約	-	7,286

(b) 經營租約承擔

於二零零三年三月三十一日，本集團根據不可撤銷之經營租賃而須於未來支付之最低租賃付款總額如下：

		Group 本集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Land and buildings	土地及樓宇		
Within one year	一年內	138,767	142,059
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)	106,361	170,859
After the fifth year	第五年以後	-	5,600
		245,128	318,518

(c) 外幣合約

本集團及本公司就其日常業務所需，簽訂了購買遠期外幣合約。於二零零三年三月三十一日，本集團及本公司向銀行購買而未行使之外匯合約總餘額分別為32,031,000港元(二零零二年：無)及16,394,000港元(二零零二年：無)。

Notes to the Accounts (continued)

賬目附註 (續)

27. Contingent liabilities

27. 或然負債

		Group 本集團	
		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Bank guarantees in lieu of deposits	銀行保證以代替按金	6,152	6,805
		Company 本公司	
Bank guarantees in lieu of deposits	銀行保證以代替按金	3,982	3,790

28. Pledge of assets

28. 資產抵押

At 31st March 2003, cash deposits of HK\$3,296,000 (2002: HK\$630,000) is pledged for general banking facilities amounted to HK\$3,296,000 (2002: HK\$630,000), of which HK\$2,170,000 (2002: HK\$83,000) has been utilised.

於二零零三年三月三十一日，3,296,000港元之現金存款（二零零二年：630,000港元）被用作3,296,000港元（二零零二年：630,000港元）銀行信貸之抵押，其中2,170,000港元（二零零二年：83,000港元）已被動用。

29. Related party transactions

29. 有關連人士之交易

(a) Prior to 10th March 2003, the Group held 58.33% interests in Lisbeth Enterprises Limited and its subsidiaries ("Lisbeth Group"). Pursuant to the "Settlement Agreement" dated 19th February 2003 (note 30), the Group acquired the remaining 41.67% of the shareholding of Lisbeth Group from Mr. Edwin John Phillips, former shareholder and director of Lisbeth Enterprises Limited, at a consideration of HK\$3,688,000. The transaction was completed on 10th March 2003.

(a) 於二零零三年三月十日以前，本集團持有Lisbeth Enterprises Limited及其附屬公司（「Lisbeth集團」）58.33%權益。按照二零零三年二月十九日之「和解協議書」（附註30），本集團以3,688,000港元之代價，向Lisbeth Enterprises Limited之前股東及董事，Edwin John Phillips先生，收購餘下之41.67%股權。此項交易已於二零零三年三月十日完成。

Notes to the Accounts (continued)

賬目附註 (續)

29. Related party transactions (continued)

- (b) On 6th March 2003, the Group 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 Enterprise Limited and Ebeca Cosmetic (Holding) Limited (collectively "Sa Sa Ebeca Group"), subsidiaries of the Group as at the date of the Agreement. Sa Sa Ebeca Group was owned as to 55% by Sa Sa (China) Holdings Limited ("Sa Sa China"), a wholly owned subsidiary of the Group as at the date of the Agreement.

Pursuant to the Agreement, the Group disposed of its entire shareholding in Sa Sa China and its interests in Sa Sa Ebeca Group to Forerun at a consideration of HK\$3,000,000. The transaction was completed on 28th March 2003.

- (c) Save as those disclosed above and in other notes to the accounts, other significant related party transactions, which were carried out in the ordinary course of the Group's business and on normal commercial terms are as follows:

29. 有關連人士之交易 (續)

- (b) 於二零零三年三月六日，本集團與Forerun International Limited (「Forerun」) 簽訂合約 (「該合約」)。Forerun為區紹雄先生及陳麗絹女士共同擁有之公司，而區紹雄先生及陳麗絹女士亦為深圳莎莎依貝佳實業有限公司及依貝佳化粧品(集團)有限公司(統稱「莎莎依貝佳集團」)之董事。莎莎依貝佳集團於簽約日乃本集團之附屬公司。於簽約日，本集團之全資附屬公司莎莎(中國)控股有限公司(「莎莎中國」)擁有莎莎依貝佳集團55%之股權。

按照該合約，本集團將莎莎中國之全部股份及其下莎莎依貝佳集團之權益以3,000,000港元之代價售予Forerun。此項交易已於二零零三年三月二十八日完成。

- (c) 除以上及已在賬目其他附註中披露以外，本集團與有關連人士在正常業務範圍內以正常商業條款進行之重要交易如下：

		Group 本集團	
		2003 HK\$'000 港幣千元 (note (i)) (附註(i))	2002 HK\$'000 港幣千元
Sales to Lisbeth Group	售予Lisbeth集團	2,252	2,770
Sales to Ebeca Cosmetic (Holding) Limited	售予依貝佳化粧品(集團)有限公司	921	578
Purchases from Ebeca Cosmetic (Holding) Limited	購自依貝佳化粧品(集團)有限公司	412	635
Interest income from Lisbeth Group (note (ii))	收取Lisbeth集團之利息(附註(ii))	264	-
Management fee from Lisbeth Group (note (iii))	收取Lisbeth集團之管理費(附註(iii))	838	-

Notes to the Accounts (continued)

賬目附註 (續)

29. Related party transactions (continued)

29. 有關連人士之交易 (續)

		Group 本集團	
		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Loans to Lisbeth Group (note (ii))	給予Lisbeth集團之借貸 (附註(ii))	10,983	–
Net amount due from Lisbeth Group (note (iv))	應收Lisbeth集團淨額 (附註(iv))	2,006	2,010
Net amount due from/(to) Ebeca Cosmetic (Holding) Limited (note (iv))	應收／(付) 依貝佳化粧品(集團)有限公司淨額 (附註(iv))	412	(105)

Notes:

- (i) Transactions entered into prior to the dates of acquisition or disposal (notes (a) & (b)).
- (ii) Loans to Lisbeth Group are interest bearing at prime lending rate quoted by The Hongkong and Shanghai Banking Corporation Limited and the base lending rate quoted by Malayan Banking Berhad Limited.
- (iii) Management fee are charged on a cost reimbursement basis for the provision of staff and administrative services.
- (iv) The balances are unsecured, interest free and have no fixed repayment terms.

附註:

- (i) 交易發生於收購日或出售日前 (附註(a)及(b))。
- (ii) 給予Lisbeth集團之借貸付息·年利率為香港上海滙豐銀行有限公司所報的最優惠放款利率及由Malayan Banking Berhad Limited所報的基本放款利率。
- (iii) 管理費是按所提供員工及行政服務之成本計算。
- (iv) 結欠額並無抵押·免息及無特定還款期。

30. Litigations

On 19th February 2003, the Company, Lisbeth Enterprises Limited ("Lisbeth"), Mr. Edwin John Phillips ("Mr. Phillips") and Mr. Barry Richard Wain ("Mr. Wain") entered into an agreement (the "Settlement Agreement") pursuant to which, amongst others, a total of five separate sets of proceedings as disclosed in the Company's annual report for the year ended 31st March 2002 between the Company, Lisbeth and Messrs. Phillips and Wain were being settled.

30. 訴訟

於二零零三年二月十九日·本公司·Lisbeth Enterprises Limited (「Lisbeth」)·Edwin John Phillips先生 (「Phillips先生」) 及 Barry Richard Wain 先生 (「Wain先生」) 共同簽署了一份協議 (「和解協議書」)。根據該協議其中之條款·於本公司截至二零零二年三月三十一日止之年報內所提及之五宗有關本公司·Lisbeth·Phillips先生及Wain先生的訴訟全部得以和解。

Notes to the Accounts (continued)

賬目附註 (續)

31. Ultimate holding company

The directors regard, Sunrise Height Incorporated, a company incorporated in the British Virgin Islands, as being the ultimate holding company.

32. Group structure

The following is a list of the principal subsidiaries at 31st March 2003:

31. 最終控股公司

董事認為Sunrise Height Incorporated (於英屬處女群島註冊成立之公司) 為最終控股公司。

32. 集團架構

以下是於二零零三年三月三十一日主要附屬公司名單：

Name 名稱	Place of incorporation 註冊地點	Principal activities and place of operation (if different from place of incorporation) 主要業務及 營業地點 (如與註冊 地點不同)	Particulars of issued share capital 已發行股本	Indirect interest held 間接 持有之權益
* Albaster Management Limited	British Virgin Islands 英屬處女群島	Trading and retailing of cosmetic and skin care products in Taiwan 於台灣買賣及 零售化粧品及護膚品	Ordinary US\$6,880,000 普通股 6,880,000美元	100%
Base Sun Investment Limited 鵬日投資有限公司	Hong Kong 香港	Property holding 持有物業	Ordinary HK\$100 Deferred HK\$2 普通股100港元 遞延股2港元	100%
Cyber Colors Limited	British Virgin Islands 英屬處女群島	Holding of trademarks 持有商標	Ordinary US\$1 普通股1美元	100%
Docile Company Limited	British Virgin Islands 英屬處女群島	Holding of trademarks 持有商標	Ordinary US\$2 普通股2美元	100%

Notes to the Accounts (continued)

賬目附註 (續)

32. Group structure (continued)

32. 集團架構 (續)

Name 名稱	Place of incorporation 註冊地點	Principal activities and place of operation (if different from place of incorporation) 主要業務及 營業地點 (如與註冊 地點不同)	Particulars of issued share capital 已發行股本	Indirect interest held 間接 持有之權益
Gig Limited	Samoa 薩摩亞	Holding of trademarks 持有商標	Ordinary US\$1 普通股1美元	100%
* Hong Kong Sa Sa (M) Sdn. Bhd.	Malaysia 馬來西亞	Trading and retailing of cosmetic and skin care products 買賣及零售化粧品 及護膚品	Ordinary RM20,000,000 普通股 20,000,000馬幣	100%
Lea Limited	Samoa 薩摩亞	Holding of trademarks 持有商標	Ordinary US\$1 普通股1美元	100%
Matford Trading Limited 美福貿易有限公司	Hong Kong 香港	Property holding 持有物業	Ordinary HK\$100 Deferred HK\$6 普通股100港元 遞延股6港元	100%
Sa Sa Beauty Plus (Light Therapy) Company Limited	Hong Kong 香港	Provision of beauty services 提供美容服務	Ordinary HK\$2 普通股2港元	100%
Sa Sa Cosmetic Company Limited 莎莎化粧品有限公司	Hong Kong 香港	Trading and retailing of cosmetic and skin care products 買賣及零售化粧品 及護膚品	Ordinary HK\$100 Deferred HK\$2 普通股100港元 遞延股2港元	100%

Notes to the Accounts (continued)

賬目附註 (續)

32. Group structure (continued)

32. 集團架構 (續)

Name 名稱	Place of incorporation 註冊地點	Principal activities and place of operation (if different from place of incorporation) 主要業務及 營業地點 (如與註冊 地點不同)	Particulars of issued share capital 已發行股本	Indirect interest held 間接 持有之權益
* Sa Sa Cosmetic Co. (S) Pte Ltd.	Singapore 新加坡	Trading and retailing of cosmetic and skin care products 買賣及零售化粧品 及護膚品	Ordinary S\$19,500,000 普通股 19,500,000新加坡元	100%
Sa Sa dot Com Limited	Hong Kong 香港	E-commerce 網上商貿	Ordinary HK\$1,000,000 普通股 1,000,000港元	100%
Sa Sa Information Technology Limited	British Virgin Islands 英屬處女群島	Provision of information technology services in Hong Kong 於香港提供資訊科技服務	Ordinary US\$1 普通股1美元	100%
Sa Sa Investment Limited 莎莎投資有限公司	Hong Kong 香港	Property holding 持有物業	Ordinary HK\$100 Deferred HK\$2 普通股100港元 遞延股2港元	100%
Sa Sa Overseas Limited	British Virgin Islands 英屬處女群島	Holding of trademarks 持有商標	Ordinary US\$2 普通股2美元	100%
Sa Sa Property Limited 莎莎地產有限公司	Hong Kong 香港	Property holding 持有物業	Ordinary HK\$100 普通股100港元	100%

Notes to the Accounts (continued)

賬目附註 (續)

32. Group structure (continued)

32. 集團架構 (續)

Name 名稱	Place of incorporation 註冊地點	Principal activities and place of operation (if different from place of incorporation) 主要業務及 營業地點 (如與註冊 地點不同)	Particulars of issued share capital 已發行股本	Indirect interest held 間接 持有之權益
Swiss Balance Limited	British Virgin Islands 英屬處女群島	Holding of club debentures 持有會籍債券	Ordinary US\$1 普通股1美元	100%
Suisse Programme Limited	Gibraltar 直布羅陀	Holding of trademarks 持有商標	Ordinary Gibraltar £100 普通股 100直布羅陀鎊	100%
Vance Trading Limited 榮森貿易有限公司	Hong Kong 香港	Property holding 持有物業	Ordinary HK\$400,100 Deferred HK\$1,600,000 普通股 400,100港元 遞延股 1,600,000港元	100%
* Lisbeth Enterprises Limited	Hong Kong 香港	Provision of beauty and health club services 提供美容及 健美中心服務	Ordinary HK\$120,000 普通股 120,000港元	100%
* Phillip Wain International (Singapore) Pte Limited	Singapore 新加坡	Provision of beauty and health club services 提供美容及 健美中心服務	Ordinary S\$100,000 普通股 100,000新加坡元	100%

Notes to the Accounts (continued)

賬目附註 (續)

32. Group structure (continued)

Name 名稱	Place of incorporation 註冊地點	Principal activities and place of operation (if different from place of incorporation) 主要業務及 營業地點 (如與註冊 地點不同)	Particulars of issued share capital 已發行股本	Indirect interest held 間接 持有之權益
* Phillip Wain (M) Sdn Bhd	Malaysia 馬來西亞	Provision of beauty and health club services 提供美容及 健美中心服務	Ordinary RM300,000 普通股 300,000馬幣	100%
* Phillip Wain (Thailand) Limited	Thailand 泰國	Provision of beauty and health club services 提供美容及 健美中心服務	Ordinary Baht4,000,000 普通股 4,000,000泰銖	100%

* Subsidiaries not audited by PricewaterhouseCoopers, Hong Kong. The aggregate net assets of subsidiaries not audited by PricewaterhouseCoopers, Hong Kong amounted to approximately 4% of the Group's total net assets.

* 並非由香港羅兵咸永道會計師事務所審核之附屬公司。該等並非由香港羅兵咸永道會計師事務所審核之附屬公司之資產淨值總計約佔本集團總資產淨值4%。

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

根據董事之意見，上列乃主要影響本年度之業績或構成本集團主要資產淨值之附屬公司，詳列其他附屬公司之資料將令致篇幅過長。

33. Approval of Accounts

The accounts were approved by the board of directors on 25th June 2003.

33. 賬目之批准

董事局已於二零零三年六月二十五日批准本賬目。

Notice of Annual General Meeting

股東週年大會通告

NOTICE IS HEREBY GIVEN that the annual general meeting of Sa Sa International Holdings Limited (the "Company") will be held at Chatham Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 28th August 2003 at 11:00 a.m. for the following purposes:—

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31st March 2003.
2. To consider and declare a final dividend for the year ended 31st March 2003.
3. To re-elect the retiring directors and to authorise the board of directors to fix the directors' remuneration.
4. To re-appoint auditors and to authorise the board of directors to fix their remuneration.
5. As special business, to consider and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution of the Company:—

"THAT:—

- (A) subject to paragraph 5(C) below, the exercise by the directors of the Company (the "Directors") during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with unissued shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (B) the approval in paragraph 5(A) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;

茲通告莎莎國際控股有限公司(「本公司」)謹訂於二零零三年八月二十八日(星期四)上午十一時假座香港金鐘道88號太古廣場港麗酒店7樓漆咸廳舉行股東週年大會·藉以處理下列事項:—

1. 省覽截至二零零三年三月三十一日止年度之經審核綜合財務報表·以及董事會報告與核數師報告。
2. 考慮及宣派截至二零零三年三月三十一日止年度之末期股息。
3. 重選退任董事並授權董事會釐定董事之酬金。
4. 續聘核數師並授權董事會釐定其酬金。
5. 作為特別事項·考慮並酌情通過或經修訂後通過下述決議案為本公司之普通決議案:—

「動議:—

- (A) 在下文5(C)段之規限下·一般及無條件地批准本公司董事會(「董事會」)於有關期間(定義見下文)行使本公司之一切權力·以配發·發行及處理本公司股本中之未發行股份·並作出或授予可能需要行使該項權力之建議·協議及購股權(包括本公司之認股權證·債券及可換股債券);
- (B) 根據上文5(A)段之批准·董事會有權於有關期間內作出或授予可能須於有關期間屆滿後行使該等權力之建議·協議及購股權(包括本公司之認股權證·債券及可換股債券);

Notice of Annual General Meeting (continued)

股東週年大會通告 (續)

(C) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph 5(A) and (B), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares under any options granted under the share option scheme adopted by the Company; (iii) an issue of shares upon the exercise of subscription rights attached to the warrants which might be issued by the Company; (iv) an issue of shares in lieu of the whole or part of a dividend pursuant to any scrip dividend scheme or similar arrangement in accordance with the articles of association of the Company; and (v) any adjustment, after the date of grant or issue of any options, rights to subscribe or other securities referred to in (ii) and (iii) above, in the price at which shares in the Company shall be subscribed, and/or in the number of shares in the Company which shall be subscribed, on exercise of relevant rights under such options, warrants or other securities, such adjustment being made in accordance with, or as contemplated by, the terms of such options, rights to subscribe or other securities, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the time of passing this resolution; and

(D) for the purposes of this resolution:—

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:—

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable laws of Cayman Islands to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

(C) 董事會根據5(A)及(B)段批准配發或有條件或無條件地同意配發(不論是否根據購股權或以其他方式配發)之股本面值總額,除(i)根據配售新股(定義見下文);(ii)根據本公司所採納之購股權計劃而授出之任何購股權;(iii)本公司可予發行之認股權證所附認購權而配發股份;(iv)根據本公司組織章程細則按任何以股代息計劃或類似安排發行股份以代替全部或部分股息;及(v)在上文(ii)或(iii)所述授予任何購股權、認購權或發行其他證券之日期後,在根據上述購股權、認股權證或其他證券而行使有關權利時,可認購本公司股份之價格,及/或可認購本公司股份之數目出現任何調整,而該項調整乃遵照該等購股權、認購權或其他證券之條款或彼等預定之步驟而作出者外,不得超過於本決議案通過時本公司已發行股本總面值之20%;及

(D) 就本決議案而言:—

「有關期間」指本決議案獲通過時至下列最早日期止之期間:—

- (i) 本公司下屆股東週年大會結束時;
- (ii) 本公司組織大綱及章程細則或開曼群島任何適用法例規定本公司下屆股東週年大會須予舉行之期限屆滿之時;及
- (iii) 本公司股東於股東大會上通過普通決議案撤銷或修訂本決議案所授予權利。

Notice of Annual General Meeting (continued)

股東週年大會通告 (續)

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

6. As special business, to consider and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution of the Company:—

“THAT:—

- (A) subject to paragraph 6(C) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all powers of the Company to purchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, and that the exercise by the Directors of all powers of the Company to purchase such securities are subject to and in accordance with all applicable laws and/or requirement of the Rules Governing the Listing of Securities on the Stock Exchange or any other stock exchange from time to time, be and is hereby, generally and unconditionally approved;
- (B) the approval in paragraph 6(A) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the Directors;
- (C) the aggregate nominal amount of share capital of the Company purchased or agreed conditionally or unconditionally to be purchased by the Company pursuant to the approval in paragraph 6(A) during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the time of passing this resolution; and

「配售新股」指董事會於指定期間內向於指定記錄日期名列股東名冊之股份持有人按彼等當時持有該等股份之比例提呈配售股份（惟本公司董事會可就零碎配額或經考慮任何有關司法權區法例規定之任何限制或責任或任何認可監管機構或任何證券交易所之要求，作出彼等認為必須或適當之行動以取消若干股東在此方面之權利或另作安排）。

6. 作為特別事項，考慮並酌情通過或經修訂後通過下述決議案為本公司之普通決議案：—

「動議：—

- (A) 受下文6(C)段之限制，一般及無條件地批准本公司董事會（「董事會」）於有關期間（定義見下文）內，行使本公司之一切權力，於香港聯合交易所有限公司（「聯交所」）或本公司證券可能上市並獲證券及期貨事務監察委員會及聯交所認可之其他交易所購回本公司資本中已發行股份，及本公司董事將按照所有不時更改之適用法例及/或香港聯合交易所證券上市規則行使本公司一切權力購回該等證券；
- (B) 第6(A)段之批准為賦予董事會之任何其他授權以外所附加者，其授權董事代表本公司於有關期間促使本公司按董事會釐定的價格購回其股份；
- (C) 本公司根據6(A)段之批准，於有關期間購回或有條件或無條件地同意購回之股本面值總額不得超過本公司於此決議案通過時已發行股本面值總額10%；及

Notice of Annual General Meeting (continued)

股東週年大會通告 (續)

(D) for the purposes of this resolution:—

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:—

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable laws of Cayman Islands to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

7. As special business, to consider and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution of the Company:—

“**THAT** conditional upon the passing of the ordinary resolutions numbered 5 and 6 in the notice convening this meeting, the aggregate nominal amount of the shares in the capital of the Company which are purchased by the Company pursuant to and in accordance with the said resolution numbered 6 shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with the resolution numbered 5 set out in this notice of meeting.”

By Order of the Board
Chuang Sze Tseng, Donna
Company Secretary

Hong Kong, 25th June 2003

(D) 就本決議案而言：—

「有關期間」指本決議案獲通過時至下列最早日期止之期間：—

- (i) 本公司下屆股東週年大會結束時；
- (ii) 本公司組織大綱及章程細則或開曼群島任何適用法例規定本公司下屆股東週年大會須予舉行之期限屆滿之時；及
- (iii) 本公司股東於股東大會上通過普通決議案撤銷或修訂本決議案所授予權利。」

7. 作為特別事項，考慮並酌情通過或經修訂後通過下述決議案為本公司之普通決議案：—

「**動議**待召開本大會之通告所載第5項及第6項普通決議案獲通過後，本公司根據及按照上述第6項決議案購回之本公司股本中股份之面值總額須一併計入本公司董事會根據及按照召開本大會之通告所載第5項決議案配發或有條件或無條件地同意配發之本公司股本面值總額內。」

承董事會命
公司秘書
莊思箴

香港，二零零三年六月二十五日

Notice of Annual General Meeting (continued)

股東週年大會通告 (續)

Notes:

1. The register of members of the Company will be closed from 25th August 2003 to 28th August 2003, both days inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office, Abacus Share Registrars Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 22nd August 2003.
2. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend in his stead.
3. The enclosed form of proxy and (if required by the Directors) the power of attorney or other authority (if any), under which it is signed, or a notarially certified copy of such power or authority shall be deposited at the Company's branch share registrar and transfer office, Abacus Share Registrars Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than forty-eight hours before the time appointed for holding the above meeting or adjourned meeting at which the person named in the enclosed form of proxy proposes to vote, or, in the case of a poll taken subsequently to the date of the above meeting or adjourned meeting, not less than forty-eight hours before the time appointed for the taking of the poll, and in default the enclosed form of proxy shall not be treated as valid provided always that the chairman of the meeting may at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited upon receipt of telex or cable or facsimile confirmation from the appointor that the instrument of proxy duly signed is in the course of transmission to the Company. Delivery of any instrument of proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument of proxy shall be deemed to be revoked.
4. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, then one of the said persons so present being the most, or as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.
5. The enclosed form of proxy must be signed by the appointor or by his attorney authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same.

附註:

1. 本公司將於二零零三年八月二十五日至二零零三年八月二十八日期間(首尾兩天包括在內)暫停辦理股份過戶登記手續。股東最遲須於二零零三年八月二十二日下午四時將所有過戶文件連同有關股票送交本公司之香港股份過戶登記分處雅柏勤證券登記有限公司(地址為香港灣仔告士打道56號東亞銀行港灣中心地下),辦理登記手續。
2. 凡有權出席本公司股東大會及於會上投票之股東可委任其他人士(須為個人)代其出席大會並於會上投票。進行不記名投票時,股東或受委代表均可投票。受委代表毋須為本公司股東。股東可委任一名或以上之代表代其出席任何股東大會。
3. 隨年報附奉之代表委任表格連同(倘董事會要求)經簽署之授權書或其他授權文件(如有)或經公證人簽署核實之授權書或授權文件副本,最遲須於大會或隨年報附奉之代表委任表格所指定人士擬於會上投票之任何續會指定舉行時間48小時前或倘不記名投票於大會或續會日期後進行,則於進行不記名投票之指定時間不少於48小時前送達本公司之股份過戶登記分處雅柏勤證券登記有限公司,地址為香港灣仔告士打道56號東亞銀行港灣中心地下,否則隨年報附奉之代表委任表格將視作無效。惟倘委任人透過電報、電訊或傳真確認已向本公司發出正式簽署之代表委任文據,則大會主席可酌情指示視代表委任文據已正式呈交。交回代表委任文據後,股東仍可親自出席股東週年大會或進行不記名投票,於該等情況下,代表委任文據將視作已被撤回。
4. 如屬任何股份之聯名登記持有人,則任何一位聯名登記持有人均可親身或委派代表就其股份於任何大會上投票,猶如彼等為唯一有權就有關股份投票者。惟倘超過一名聯名持有人親身或委派代表出席大會,則僅限於排名首位或排名較高(或視情況而定)之持有人方有權就有關聯名股份投票,就此而言,排名次序乃按聯名股東就有關聯名持有股份於股東名冊之排名先後釐訂。
5. 隨年報附奉之代表委任表格須由委任人或以書面正式授權之人士簽署;或倘委任人為公司,則須加印公司印章或由獲正式授權之人員、授權代表或其他正式獲授權人士簽署。