

NB 自然美

Natural Beauty

Bio-Technology Limited

自然美生物科技有限公司

interim report 2003

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明合併財務報表

CONDENSED CONSOLIDATED INCOME STATEMENT

簡明合併收益表

FOR THE SIX MONTHS ENDED 30 JUNE 2003

截至二零零三年六月三十日止六個月

(With comparatives for the six months ended 30 June 2002)

(連同截至二零零二年六月三十日止六個月的比較數字)

(Expressed in thousands of Hong Kong dollars (HK\$'000))

(以千港元為單位)

For the six months
ended 30 June
截至六月三十日止六個月

			2003 二零零三年	2002 二零零二年
			(unaudited) (未經審核)	(unaudited) (未經審核)
			HK\$'000 千港元	HK\$'000 千港元
Turnover	營業額	3	103,390	141,355
Cost of sales	銷售成本		(20,163)	(32,115)
Gross profit	毛利		83,227	109,240
Other revenues	其他收入		6,717	1,391
Distribution costs	分銷成本		(40,322)	(46,164)
Administrative expenses	行政開支		(23,754)	(26,475)
Other operating (expenses)/incomes	其他業務(支出)/收益		(391)	422
Operating profit	經營溢利		25,477	38,414
Finance costs	融資成本		-	(696)
Income from trading securities	買賣證券收益		271	1,120
Profit before taxation	除稅前溢利	4	25,748	38,838
Taxation	稅項	5	(2,196)	(9,111)
Profit after taxation	除稅後溢利		23,552	29,727
Minority interests	少數股東權益		689	(650)
Profit attributable to shareholders	股東應佔溢利		24,241	29,077
Dividends	股利	6	12,000	15,000
Earnings per share	每股盈利	7	0.012	0.017
- Basic	- 基本		Not applicable	Not applicable
- Diluted	- 攤薄		不適用	不適用

CONDENSED CONSOLIDATED BALANCE SHEET

AS OF 30 JUNE 2003

(With comparatives as of 31 December 2002)

(Expressed in thousands of Hong Kong dollars (HK\$'000))

簡明合併資產負債表

於二零零三年六月三十日

(連同於二零零二年十二月三十一日的比較數字)

(以千港元為單位)

		Note	As of 30 June 2003 於二零零三年 六月三十日 (unaudited) (未經審核) HK\$'000 千港元	As of 31 December 2002 於二零零二年 十二月三十一日 (audited) (經審核) HK\$'000 千港元
Non-current assets	非流動資產			
Intangible assets	無形資產	8	27,465	16,466
Property, plant and equipment	不動產、廠場及設備	8	357,221	362,186
Interests in an associated company	於聯營公司之投資		942	942
Non-trading securities	非買賣證券		11,282	11,282
Deferred tax assets	遞延稅項資產		480	806
Other assets	其他資產		-	11,043
			397,390	402,725
Current assets	流動資產			
Inventories	存貨		65,101	52,718
Trade and other receivables	貿易及其他應收賬款	9	131,939	101,132
Trading securities	買賣證券		89,299	88,133
Bank balances and cash	銀行結存及現金		149,049	216,778
			435,388	458,761
Total assets	總資產		832,778	861,486

CONDENSED CONSOLIDATED BALANCE SHEET (Continued)

AS OF 30 JUNE 2003

(With comparatives as of 31 December 2002)

(Expressed in thousands of Hong Kong dollars (HK\$'000))

簡明合併資產負債表 (續)

於二零零三年六月三十日

(連同於二零零二年十二月三十一日的比較數字)

(以千港元為單位)

			As of 30 June 2003 於二零零三年 六月三十日 (unaudited) (未經審核) HK\$'000 千港元	As of 31 December 2002 於二零零二年 十二月三十一日 (audited) (經審核) HK\$'000 千港元
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	10	80,443	88,133
Taxation payable	應付稅項		6,274	11,303
			86,717	99,436
Net current assets	流動資產淨值		348,671	359,325
Total assets less current liabilities	總資產減流動負債		746,061	762,050
Non-current liabilities	非流動負債			
Retirement benefit obligation	應計退休金責任	11	8,112	7,598
Minority interests	少數股東權益		19,633	20,322
			718,316	734,130
Financed by:	資金來源:			
Capital and reserves	股本及儲備			
Share capital	股本	12	200,000	200,000
Reserves	儲備	13	415,883	415,938
Retained earnings	保留盈利			
Proposed dividend	建議股利	13	12,000	40,000
Others	其他	13	90,433	78,192
Shareholders' funds	股東權益		718,316	734,130

**CONDENSED CONSOLIDATED STATEMENT OF
RECOGNISED GAINS**

FOR THE SIX MONTHS ENDED 30 JUNE 2003

(Expressed in thousands of Hong Kong dollars (HK\$'000))

簡明合併已確認收益表

截至二零零三年六月三十日止六個月

(以千港元為單位)

		For the six months ended 30 June	
		截至六月三十日止六個月	
		2003	2002
		二零零三年	二零零二年
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Total equity as at 1 January	於一月一日之股東權益	734,130	454,343
Exchange differences arising on translation of the accounts of foreign subsidiaries and associated companies	國外附屬公司及聯營公司之賬目滙率折算差額	(55)	14,201
4 Gain/(loss) not recognised in the condensed consolidated income statement	簡明合併收益表內未有確認收益／(虧損)	(55)	14,201
Profit for the period	期間溢利	24,241	29,077
Dividends	股利	(40,000)	(22,960)
Proceeds from issuance of shares	發行股份所得款項	-	275,000
Share issuance expenses	股份發行費用	-	(27,648)
Total equity as at 30 June	於六月三十日之股東權益	718,316	722,013

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2003

(With comparatives for the six months ended 30 June 2002)

(Expressed in thousands of Hong Kong dollars (HK\$'000))

簡明合併現金流量表

截至二零零三年六月三十日止六個月

(連同截至二零零二年六月三十日止六個月的比較數字)

(以千港元為單位)

**For the six months
ended 30 June
截至六月三十日止六個月**

			2003	2002
			二零零三年	二零零二年
			(unaudited)	(unaudited)
			(未經審核)	(未經審核)
			HK\$'000	HK\$'000
			千港元	千港元
Net cash (outflow)/inflow generated from operations	經營業務之現金 (流出)／流入淨額	14	(18,426)	32,917
Interest paid	支付利息		-	(696)
Interest received	收取利息		756	902
Overseas taxation paid	支付海外稅項		(6,899)	(24,305)
Net cash (outflow)/inflow from operating activities	來自經營業務之現金 (流出)／流入淨額		(24,569)	8,818
Investing activities	投資業務			
Acquisition of property, plant and equipment	購置不動產、廠場及設備		(2,103)	(17,532)
Proceeds from disposals of property, plant and equipment	出售不動產、廠場及設備所得款項		87	876
Net increase in trading securities	證券買賣增加淨額		(1,166)	(10,409)
Net realized gain from trading securities	證券買賣之已變現收益淨額		271	1,120
Increase in intangible assets	無形資產增加		(161)	(807)
Net cash outflow from investing activities	來自投資業務之現金流出淨額		(3,072)	(26,752)
Net cash outflow before financing activities	融資業務前之現金流出淨額		(27,641)	(17,934)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2003

(With comparatives for the six months ended 30 June 2002)

(Expressed in thousands of Hong Kong dollars (HK\$'000))

簡明合併現金流量表 (續)

截至二零零三年六月三十日止六個月

(連同截至二零零二年六月三十日止六個月的比較數字)

(以千港元為單位)

**For the six months
ended 30 June
截至六月三十日止六個月**

Financing activities

融資業務

		2003 二零零三年 (unaudited) (未經審核) HK\$'000 千港元	2002 二零零二年 (unaudited) (未經審核) HK\$'000 千港元
Proceeds from issuance of share capital	發行股本所得款項	-	247,352
Net (decrease) increase in short-term bank borrowings, net of repayments	短期銀行借款(減少)增加淨額, 減償還款項	-	(2,112)
Dividends paid	支付股利	(40,000)	(56,084)
Net cash (outflow)/inflow from financing activities	來自融資業務之現金(流出)/流入淨額	(40,000)	189,156
Effect of foreign exchange rate changes	滙率變動之影響	(88)	3,480
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(67,729)	174,702
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	216,778	76,110
Cash and cash equivalents at 30 June	於六月三十日之現金及現金等價物	149,049	250,812

Note
附註

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF 30 JUNE 2003

(With comparatives for the six months ended 30 June 2002 and as of 31 December 2002)

(Expressed in thousands of Hong Kong dollars (HK\$'000) unless otherwise stated)

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

The accompanying unaudited condensed consolidated interim consolidated financial statements are prepared in accordance with Statements of Standard Accounting Practice ("SSAP") 25, Interim Financial Reporting, issued by the Hong Kong Society of Accountants and accounting principles generally accepted in Hong Kong and Appendix 16 of the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The principal accounting policies and basis of preparation adopted in preparing the condensed consolidated interim financial statements of the Group are the same as those adopted in the preparation of the annual financial statements as of and for the year ended 31 December 2002, except that the Group has adopted the SSAP 12 (revised), Income Taxes, which is effective for accounting periods commencing on or after 1 January 2003. The adoption of the SSAP 12 (revised) has had no material effect on the Group's condensed consolidated interim financial statements.

Cost that incur unevenly during the financial year are anticipated or deferred in the interim report only if it would be also appropriate to anticipate or defer such costs at the end of the financial year.

These interim financial statements should be read in conjunction with the 2002 annual financial statements.

Comparative figures have been adjusted to conform with the current year's presentation.

簡明合併財務報表附註

於二零零三年六月三十日

(連同截至二零零二年六月三十日止六個月及於二零零二年十二月三十一日的比較數字)

(除另有說明外，所有款項均以千港元為單位)

1. 會計政策及編製基準

隨附的未經審核簡明合併中期合併財務報表乃根據香港會計師公會頒佈的會計實務準則（「會計實務準則」）第25號「中期財務報告」及香港公認會計原則及香港聯合交易所有限公司證券上市規則附錄十六的規定編製。

編製本集團簡明合併中期財務報表所採用的主要會計政策及編製基準，與編製結算至二零零二年十二月三十一日及截至該日止年度的全年財務報表所採用者相同，除本集團所採用並於二零零三年一月一日或以後展開的會計期間生效之會計實務準則第12號（經修訂）「所得稅」外。採用會計實務準則第12號（經修訂）對本集團簡明合併中期財務報表並無重大影響。

於財政年度內不定期產生的費用只在亦同時適宜於財政年度終結時預計或遞延處理的情況下始在中期報告中預計或遞延處理。

此等中期財務報表應與二零零二年度的全年財務報表一併閱讀。

比較數字已予調整，以符合本年度之呈列方式。

Details of the Group's subsidiaries as of 30 June 2003 were as follows:

本集團附屬公司於二零零三年六月三十日之詳情如下：

Name 名稱	Place and date of incorporation 註冊成立地點及日期	Kind of legal entity 法律實體類型	Interest held 2003 持有股益 二零零三年	Registered capital/issued share capital 註冊資本/ 已發行股本	Principal activities and place of operation 主要業務及營運地點
Shanghai Natural Beauty Cosmetics Company Limited * 上海自然美化粧品有限公司 *	PRC 23 November 1992 中國大陸 一九九二年 十一月二十三日	Sino-foreign cooperative joint venture enterprise 中外合作企業	100%	United States Dollars ("US\$") 29,980,000 美金 ("美金") 29,980,000元	Production and sales of skin care and beauty products 生產及銷售護膚及美容產品
Shanghai Natural Beauty Sanlian Cosmetics Company Limited * 上海自然美三聯化粧品 有限公司 *	PRC 12 December 1994 中國大陸 一九九四年 十二月十二日	Limited liability company 有限責任公司	90%	Renminbi ("RMB") 8,000,000 人民幣 ("人民幣") 8,000,000元	Wholesale and retail of skin care and beauty products; beauty treatment service 批發及零售護膚與美容產品： 美容護理服務
Shanghai Natural Beauty Qingbo Cosmetics Company Limited * 上海自然美清波化粧品 有限公司 *	PRC 30 September 2002 中國大陸 二零零二年 九月三十日	Limited liability company 有限責任公司	90%	RMB 5,000,000 人民幣 5,000,000元	Wholesale and retail of skin care and beauty products 批發及零售護膚與美容產品
Shanghai Natural Beauty Fansi Jewellery Co., Ltd. * 上海自然美梵斯珠寶有限公司*	PRC 31 December 2002 中國大陸 二零零二年 十二月三十一日	Limited liability company 有限責任公司	51%	RMB 5,000,000 人民幣 5,000,000元	Sales of jewellery, craftwork, adornment, leather and horologe 銷售珠寶、工藝品、裝飾品、 皮革及鐘錶
Xi An Natural Beauty Mingyu Cosmetics Co., Ltd. * 西安自然美明宇化粧品 有限責任公司 *	PRC 10 March 1995 中國大陸 一九九五年 三月十日	Limited liability company 有限責任公司	81%	RMB 3,000,000 人民幣 3,000,000元	Sales of skin care and beauty products and related instruments; skin care and beauty consulting 銷售護膚及美容產品及 美容器材；護膚及美容 諮詢服務

Name 名稱	Place and date of incorporation 註冊成立地點及日期	Kind of legal entity 法律實體類型	Interest held 2003 持有股益 二零零三年	Registered capital/issued share capital 註冊資本/ 已發行股本	Principal activities and place of operation 主要業務及營運地點
Qingdao Natural Beauty Ornaments Co., Ltd. * 青島自然美飾品有限公司 *	PRC 7 November 1995 中國大陸 一九九五年 十一月七日	Limited liability company 有限責任公司	81%	RMB 4,000,000 人民幣 4,000,000元	Sales of skin care and beauty products and adornment 銷售護膚及美容產品及裝飾品
Nanjing Natural Beauty Cosmetics Co., Ltd. * 南京自然美化妝品 有限責任公司 *	PRC 15 October 1999 中國大陸 一九九九年 十月十五日	Limited liability company 有限責任公司	81%	RMB 2,000,000 人民幣 2,000,000元	Sales skin care and beauty products; beauty treatment service; skin care and beauty consulting and training 銷售護膚及美容產品; 美容護理服務、護膚及美容 諮詢服務及培訓
Chengdu Natural Beauty Cosmetics Co., Ltd. * 成都自然美化妝品有限公司 *	PRC 4 April 2000 中國大陸 二零零零年 四月四日	Limited liability company 有限責任公司	81%	RMB 2,500,000 人民幣 2,500,000元	Sales of skin care and beauty products; beauty treatment service; skin care and beauty consulting and training 銷售護膚及美容產品; 美容護理服務; 護膚及美容 諮詢服務及培訓
Hainan Natural Beauty Cosmetics Co., Ltd. * 海南自然美化妝品有限公司 *	PRC 6 December 2000 中國大陸 二零零零年 十二月六日	Limited liability company 有限責任公司	81%	RMB 2,500,000 人民幣 2,500,000元	Sales of skin care and beauty products; beauty treatment service; skin care and beauty consulting and training 銷售護膚及美容產品; 美容護理服務; 護膚及美容 諮詢服務及培訓

Name 名稱	Place and date of incorporation 註冊成立地點及日期	Kind of legal entity 法律實體類型	Interest held 2003 持有股益 二零零三年	Registered capital/issued share capital 註冊資本/ 已發行股本	Principal activities and place of operation 主要業務及營運地點
Shenzhen Natural Beauty Cosmetics Co., Ltd. * 深圳市自然美化粧品有限公司 *	PRC 18 December 2000 中國大陸 二零零零年 十二月十八日	Limited liability company 有限責任公司	81%	RMB 4,000,000 人民幣 4,000,000元	Sales of skin care and beauty products and related instruments; skin care and beauty consulting 銷售護膚及美容產品及 美容器材; 護膚及美容 諮詢服務
Haerbin Sanlian Natural Beauty Cosmetics Co., Ltd. * 哈爾濱三聯自然美化粧品 有限公司 *	PRC 18 December 2000 中國大陸 二零零零年 十二月十八日	Limited liability company 有限責任公司	72%	RMB 1,000,000 人民幣 1,000,000元	Sales of skin care and beauty products and related instruments 銷售護膚及美容產品及 美容器材
Ningbo Hai Shu Natural Beauty Cosmetics Co., Ltd. * 寧波海曙自然美化粧品 有限公司 *	PRC 21 December 2000 中國大陸 二零零零年 十二月二十一日	Limited liability company 有限責任公司	81%	RMB 3,500,000 人民幣 3,500,000元	Sales of skin care and beauty products and related instruments 銷售護膚及美容產品及 美容器材
Wuhan Natural Beauty Cultural Development Co., Ltd. * 武漢自然美美容文化發展 有限公司 *	PRC 27 December 2000 中國大陸 二零零零年 十二月二十七日	Limited liability company 有限責任公司	81%	RMB 2,500,000 人民幣 2,500,000元	Sales of skin care and beauty products and instrument 銷售護膚及美容產品及 美容器材
Jiangxi Natural Beauty Sanlian Cosmetics Co., Ltd. * 江西自然美三聯化粧品 有限公司 *	PRC 17 January 2001 中國大陸 二零零一年 一月十七日	Limited liability company 有限責任公司	81%	RMB 3,000,000 人民幣 3,000,000元	Sales of skin care and beauty products; beauty treatment service; skin care and beauty consulting and training 銷售護膚及美容產品; 美容護理服務; 護膚與美容 諮詢服務及培訓

Name 名稱	Place and date of incorporation 註冊成立地點及日期	Kind of legal entity 法律實體類型	Interest held 2003 持有股益 二零零三年	Registered capital/issued share capital 註冊資本/ 已發行股本	Principal activities and place of operation 主要業務及營運地點
Tianjin Natural Beauty Cosmetics Co., Ltd. * 天津自然美化粧品有限公司 *	PRC 6 March 2001 中國大陸 二零零一年 三月六日	Limited liability company 有限責任公司	81%	RMB 2,000,000 人民幣 2,000,000元	Wholesale and retail of skin care and beauty products and related instruments; skin care and beauty consulting 批發及零售護膚及美容產品及 美容器材; 護膚及美容 諮詢服務
Wenzhou Natural Beauty Cosmetics Co., Ltd. * 溫州市自然美化粧品 有限公司 *	PRC 14 March 2001 中國大陸 二零零一年 三月十四日	Limited liability company 有限責任公司	81%	RMB 2,000,000 人民幣 2,000,000元	Sales of skin care and beauty products and related instruments; skin care and beauty consulting 銷售護膚及美容產品及 美容器材; 護膚及美容 諮詢服務
Beijing Natural Beauty Cosmetics Co., Ltd. * 北京自然美化粧品有限公司 *	PRC 23 March 2001 中國大陸 二零零一年 三月二十三日	Limited liability company 有限責任公司	72%	RMB 20,000,000 人民幣 20,000,000元	Sales of skin care and beauty products; beauty treatment service; skin care and beauty consulting 銷售護膚及美容產品; 美容護理服務; 護膚及美容 諮詢服務
Kunshan Natural Beauty Sanlian Cosmetics Co., Ltd. * 昆山自然美三聯化粧品 有限公司 *	PRC 6 April 2001 中國大陸 二零零一年 四月六日	Limited liability company 有限責任公司	81%	RMB 1,500,000 人民幣 1,500,000元	Sales of skin care and beauty products; beauty treatment service; skin care and beauty consulting 銷售護膚及美容產品; 美容護理服務; 護膚及美容 諮詢服務

Name 名稱	Place and date of incorporation 註冊成立地點及日期	Kind of legal entity 法律實體類型	Interest held 2003 持有股益 二零零三年	Registered capital/issued share capital 註冊資本/ 已發行股本	Principal activities and place of operation 主要業務及營運地點
Longyan Natural Beauty Cosmetics Co., Ltd. * 龍岩自然美化粧品有限公司 *	PRC 11 May 2001 中國大陸 二零零一年 五月十一日	Limited liability company 有限責任公司	81%	RMB 800,000 人民幣 800,000元	Sales of skin care and beauty products and related instruments; skin care and beauty consulting 銷售護膚及美容產品及 美容器材; 護膚及美容 諮詢服務
Xiangfan Natural Beauty Cosmetics Co., Ltd. * 襄樊自然美化粧品有限公司 *	PRC 17 May 2001 中國大陸 二零零一年 五月十七日	Limited liability company 有限責任公司	81%	RMB 1,000,000 人民幣 1,000,000元	Sales of skin care and beauty products; beauty treatment service; skin care and beauty consulting and training 銷售護膚及美容產品; 美容護理服務; 護膚及美容 諮詢服務及培訓
Taiyuan Natural Beauty Cosmetics Co., Ltd. * 太原市自然美化粧品有限公司 *	PRC 19 May 2001 中國大陸 二零零一年 五月十九日	Limited liability company 有限責任公司	81%	RMB 1,000,000 人民幣 1,000,000元	Wholesale and retail of skin care and beauty products; beauty treatment service; skin care and beauty consulting 批發及零售護膚及美容產品; 美容護理服務; 護膚及美容 諮詢服務
Changchun Natural Beauty Cosmetics Co., Ltd. * 長春自然美化粧品有限公司 *	PRC 24 May 2001 中國大陸 二零零一年 五月二十四日	Limited liability company 有限責任公司	81%	RMB 1,500,000 人民幣 1,500,000元	Sales of skin care and beauty products; beauty treatment service; skin care and beauty consulting 銷售護膚及美容產品; 美容護理服務; 護膚及美容 諮詢服務

Name 名稱	Place and date of incorporation 註冊成立地點及日期	Kind of legal entity 法律實體類型	Interest held 2003 持有股益 二零零三年	Registered capital/issued share capital 註冊資本/ 已發行股本	Principal activities and place of operation 主要業務及營運地點
Mudanjiang Natural Beauty Cosmetics Co., Ltd. * 牡丹江市自然美化粧品 有限公司 *	PRC 1 June 2001 中國大陸 二零零一年 六月一日	Limited liability company 有限責任公司	81%	RMB 800,000 人民幣 800,000元	Sales of skin care and beauty products and related instruments 銷售護膚及美容產品及 美容器材
Lanzhou Natural Beauty Cosmetic Co., Ltd. * 蘭州自然美化粧品有限公司 *	PRC 7 June 2001 中國大陸 二零零一年 六月七日	Limited liability company 有限責任公司	81%	RMB 1,000,000 人民幣 1,000,000元	Wholesale and retail of skin care and beauty products; beauty treatment service; skin care and beauty consulting and training 批發及零售護膚及美容產品; 美容護理服務; 護膚及美容 諮詢服務及培訓
Anshan Natural Beauty Cosmetics Co., Ltd. * 鞍山市自然美化粧品有限公司 *	PRC 13 June 2001 中國大陸 二零零一年 六月十三日	Limited liability company 有限責任公司	81%	RMB 1,000,000 人民幣 1,000,000元	Sales of skin care and beauty products and related instruments; skin care and beauty consulting 銷售護膚及美容產品及 美容器材; 護膚及美容 諮詢服務
Henan Natural Beauty Cosmetics Co., Ltd. * 河南自然美化粧品有限公司 *	PRC 17 June 2001 中國大陸 二零零一年 六月十七日	Limited liability company 有限責任公司	81%	RMB 3,000,000 人民幣 3,000,000元	Sales of skin care and beauty products; beauty treatment service; skin care and beauty consulting 銷售護膚及美容產品; 美容護理服務; 護膚及美容 諮詢服務

Name 名稱	Place and date of incorporation 註冊成立地點及日期	Kind of legal entity 法律實體類型	Interest held 2003 持有股益 二零零三年	Registered capital/issued share capital 註冊資本/ 已發行股本	Principal activities and place of operation 主要業務及營運地點
Suzhou Natural Beauty Cosmetics Co., Ltd. * 蘇州自然美化粧品有限公司 *	PRC 20 June 2001 中國大陸 二零零一年 六月二十日	Limited liability company 有限責任公司	81%	RMB 1,200,000 人民幣 1,200,000元	Sales of skin care and beauty products and related instruments 銷售護膚及美容產品及 美容器材
Kunming Natural Beauty Cosmetics Co., Ltd. * 昆明自然美化粧品有限公司 *	PRC 3 July 2001 中國大陸 二零零一年 七月三日	Limited liability company 有限責任公司	81%	RMB 1,000,000 人民幣 1,000,000元	Wholesale and retail of skin care and beauty products; beauty treatment service; skin care and beauty consulting 批發及零售護膚及美容產品; 美容護理服務; 護膚及美容 諮詢服務
Fuzhou Natural Beauty Cosmetics Co., Ltd. * 福州自然美化粧品有限公司 *	PRC 16 July 2001 中國大陸 二零零一年 七月十六日	Limited liability company 有限責任公司	81%	RMB 1,500,000 人民幣 1,500,000元	Wholesale and retail of skin care and beauty products and related instruments; skin care and beauty consulting 批發及零售護膚及美容產品及 美容器材; 護膚及美容 諮詢服務
Natural Beauty Cosmetics Co., Ltd. ("NB Taiwan") * 自然美化粧品股份有限公司 ([「自然美台灣」]) *	Taiwan 25 June 1984 台灣 一九八四年 六月二十五日	Limited liability company 有限責任公司	99.97%	Taiwan Dollars ("NT\$") 660,000,000 新台幣([「新台幣」]) 660,000,000元	Production and sales of skin care and beauty products 生產及銷售護膚及美容產品
Tian Ran Mei Bio-Technology Co., Ltd. * 天然美生物科技股份有限公司 *	Taiwan 30 December 1991 台灣 一九九一年 十二月三十日	Limited liability company 有限責任公司	99.97%	NT\$ 30,000,000 新台幣 30,000,000元	Production and sales of skin care and beauty products 生產及銷售護膚及美容產品

Name 名稱	Place and date of incorporation 註冊成立地點及日期	Kind of legal entity 法律實體類型	Interest held 2003 持有股益 二零零三年	Registered capital/issued share capital 註冊資本/ 已發行股本	Principal activities and place of operation 主要業務及營運地點
Da Shun Development Co., Ltd. * 達順開發股份有限公司 *	Taiwan 24 December 1997 台灣 一九九七年 十二月二十四日	Limited liability company 有限責任公司	99.94%	NT\$ 90,000,000 新台幣 90,000,000元	Investment holding 投資控股
Jiun Yuh Investment Co., Ltd. * 駿鈺投資股份有限公司 *	Taiwan 29 December 1997 台灣 一九九七年 十二月二十九日	Limited liability company 有限責任公司	99.976%	NT\$ 174,681,140 新台幣 174,681,140元	Investment holding 投資控股
Huei Yao, Investment Co., Ltd. * 輝耀投資股份有限公司 *	Taiwan 29 December 1997 台灣 一九九七年 十二月二十九日	Limited liability company 有限責任公司	99.97%	NT\$ 234,681,140 新台幣 234,681,140元	Investment holding 投資控股
Wan Fang Investment Co., Ltd. * 萬方投資股份有限公司 *	Taiwan 31 December 1997 台灣 一九九七年 十二月三十一日	Limited liability company 有限責任公司	99.97%	NT\$ 242,681,140 新台幣 242,681,140元	Investment holding 投資控股
Belem Holdings Sdn. Bhd.	Malaysia 19 August 1999 馬來西亞 一九九九年 八月十九日	Limited liability company 有限責任公司	100%	Malaysian Ringgit ("RM") 123,235,408 Class B shares 10,000 Class A shares 馬來西亞元 (「馬來西亞元」) 123,235,408股B股 10,000股A股	Investment holding 投資控股

Name 名稱	Place and date of incorporation 註冊成立地點及日期	Kind of legal entity 法律實體類型	Interest held 2003 持有股益 二零零三年	Registered capital/issued share capital 註冊資本/ 已發行股本	Principal activities and place of operation 主要業務及營運地點
Ice Crystal Management Limited 水晶管理有限公司	British Virgin Islands ("BVI") 5 January 2000 英屬維京群島 ("英屬維京群島") 二零零零年 一月五日	Limited liability company 有限責任公司	100%	US\$52,000 美金 52,000元	Investment holding 投資控股
Great Glamour Co., Ltd.	BVI 22 January 2001 英屬維京群島 二零零一年 一月二十二日	Limited liability company 有限責任公司	100%	US\$50,000 美金 50,000元	Investment holding 投資控股
Next Success International Limited	BVI 2 September 2002 英屬維京群島 二零零二年 九月二日	Limited liability company 有限責任公司	100%	US\$50,000 美金 50,000元	Investment holding 投資控股
Natural Beauty Bio-Technology (Hong Kong) Co., Ltd. * 自然美生物科技(香港) 有限公司*	Hong Kong 16 May 2001 香港 二零零一年 五月十六日	Limited liability company 有限責任公司	100%	HK\$10,000 10,000港元	Wholesale and retail of skin care and beauty products; beauty treatment service; skin care and beauty consulting and training 批發及零售護膚及美容產品; 美容護理服務; 護膚及美容 諮詢服務及培訓
Fortune Investment Global Limited	BVI 6 January 2003 英屬維京群島 二零零三年 一月六日	Limited liability company 有限責任公司	100%	US\$50,000 美金 50,000元	Investment holding 投資控股
Billion Synergy SDN. BHD. *	Malaysia 5 March 2003 馬來西亞 二零零三年 三月五日	Limited liability company 有限責任公司	100%	Malaysia Ringgits \$2 2馬來西亞元	Wholesale of skin care and beauty products 批發護膚及美容產品

* These subsidiaries are indirectly held and controlled by the Company.

* 該等附屬公司乃由本公司間接持有及控制。

2. SEGMENT INFORMATION

(a) Geographical segment

The Group conducts the majority of its business activities in three geographical areas, the PRC, Taiwan and Hong Kong. An analysis by geographical segment is as follows:

2. 分部資料

(a) 地域分部

本集團業務主要在中國大陸、台灣及香港三地經營，按地域分部的分析如下：

		For the six months ended 30 June 2003 截至二零零三年六月三十日止六個月				For the six months ended 30 June 2002 截至二零零二年六月三十日止六個月			
		PRC unaudited 中國大陸 未經審核 HK\$'000 千港元	Taiwan unaudited 台灣 未經審核 HK\$'000 千港元	Hong Kong unaudited 香港 未經審核 HK\$'000 千港元	Total unaudited 總計 未經審核 HK\$'000 千港元	PRC unaudited 中國大陸 未經審核 HK\$'000 千港元	Taiwan unaudited 台灣 未經審核 HK\$'000 千港元	Hong Kong unaudited 香港 未經審核 HK\$'000 千港元	Total unaudited 總計 未經審核 HK\$'000 千港元
TURNOVER	營業額	48,487	53,245	1,658	103,390	88,709	51,980	666	141,355
SEGMENT RESULTS	分部業績	17,586	11,254	(368)	28,472	32,120	11,320	(5,026)	38,414
Unallocated costs	未撥配成本				(2,995)				-
Operating profit	經營溢利				25,477				38,414
Finance costs	融資成本	-	-	-	-	(696)	-	-	(696)
Income from trading securities	來自買賣證券之收益	-	271	-	271	-	1,120	-	1,120
Profit before taxation	除稅前溢利				25,748				38,838
Taxation	稅項				(2,196)				(9,111)
Profit after taxation	除稅後溢利				23,552				29,727
Minority interests	少數股東權益				689				(650)
Profit attributable to shareholders	股東應佔溢利				24,241				29,077

(b) Business segment

Other than the skin care, beauty and aromatherapeutic business segment, the Group held certain land and buildings for investment purposes. Details of this business segment are presented below:

(b) 業務分部

除護膚、美容及芳香療法業務分部外，本集團持有若干土地及樓宇作投資用途。此項業務分部之詳情如下：

**For the six months
ended 30 June
截至六月三十日止六個月**

		2003 二零零三年 (unaudited) (未經審核) HK\$'000 千港元	2002 二零零二年 (unaudited) (未經審核) HK\$'000 千港元
Revenue	收入	2,859	859
Net profit	純利	2,305	564

3. TURNOVER

Turnover represents the net invoiced value of goods sold or services rendered after allowances for returns and discounts, net of consumption tax.

3. 營業額

營業額指銷售貨品或提供服務的發票淨值（已扣除退貨、折扣及消費稅）。

An analysis of turnover by major categories is as follows:

以下為按主要類別劃分的營業額分析：

**For the six months
ended 30 June
截至六月三十日止六個月**

		2003 二零零三年 (unaudited) (未經審核) HK\$'000 千港元	2002 二零零二年 (unaudited) (未經審核) HK\$'000 千港元
Sales of goods	產品銷售	92,450	118,251
Service income	服務收益	10,940	22,245
Others	其他	0	859
		103,390	141,355

4. PROFIT BEFORE TAXATION

Profit before taxation in the condensed consolidated income statement was determined after charging the following items:

4. 除稅前溢利

簡明合併收益表內的除稅前溢利已扣除下列各項：

		For the six months ended 30 June	
		截至六月三十日止六個月	
		2003	2002
		二零零三年	二零零二年
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Crediting:	計入：		
Interest income on bank deposits	銀行結存利息收益	756	902
Realized gain on disposal of short-term investments	出售短期投資之已變現收益	271	1,120
Gain on disposals of property, plant and equipment	出售不動產、廠場及設備之收益	-	7
		_____	_____
Charging:	扣除：		
Loss on disposals of property, plant and equipment	出售不動產、廠場及設備之虧損	117	-
Staff costs, excluding directors' emoluments	員工成本(不包括董事酬金)		
- Salaries and wages	- 薪金及工資	16,451	16,280
- Pension costs	- 退休金成本		
- PRC	- 中國大陸	1,338	1,129
- Taiwan	- 台灣	665	552
- Hong Kong	- 香港	9	-
Directors' emoluments (salaries and allowances)	董事酬金(薪金及津貼)	350	871
Depreciation of property, plant and equipment	不動產、廠場及設備之折舊	6,896	8,174
Provision for write-down of inventory	存貨減值撥備	-	192
Provision for doubtful debts	呆賬撥備	-	102
Interest expense on bank borrowings	銀行借款利息開支	-	696
Operating lease expense on land and buildings	土地及樓宇之經營租賃開支	7,185	9,248
Research and development costs	研發成本	721	269
Amortization of other long-term assets	其他長期資產攤銷	206	101
		_____	_____

5. TAXATION

No Hong Kong profits tax has been provided, as the Group has no assessable profits in Hong Kong for the six months ended 30 June 2003.

Taxation in overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries/places in which the Group operates.

5. 稅項

由於本集團於截至二零零三年六月三十日止六個月並無在香港賺得任何應課稅溢利，故並無提撥香港利得稅。

海外溢利之稅項已就期間之預計應課稅溢利按本集團經營所在國家／地點通行之稅率計算。

**For the six months
ended 30 June
截至六月三十日止六個月**

Group:	本集團：
Overseas taxation	海外稅項
Deferred taxation	遞延稅項
Overseas financial refunds	海外財政返還
Taxation for the period	期間稅項

2003 二零零三年 (unaudited) (未經審核) HK\$'000 千港元	2002 二零零二年 (unaudited) (未經審核) HK\$'000 千港元
6,112	12,994
326	(112)
6,438	12,882
(4,242)	(3,771)
2,196	9,111

6. DIVIDENDS

2002 Interim, paid, of HK\$0.0075 per ordinary share

2003 Interim, proposed, of HK\$0.006 per ordinary share

二零零二年已派付之
中期股利每股普通股
0.0075港元
二零零三年建議之
中期股利每股普通股
0.006港元

6. 股利

For the six months
ended 30 June
截至六月三十日止六個月

2003 二零零三年 (unaudited) (未經審核) HK\$'000 千港元	2002 二零零二年 (unaudited) (未經審核) HK\$'000 千港元
-	15,000
12,000	-
12,000	15,000

The directors proposed an interim dividend of HK\$0.006 per share. This proposed dividend is not reflected as dividend payable in the current period financial statements, but will be reflected as an appropriation of retained earnings for the period ended 30 June 2003.

董事擬派中期股利每股0.006港元。此等擬派股利並不反映本期間財務報表之應付股利，惟反映了於截至二零零三年六月三十日止期間所撥配之保留盈利。

7. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the Group's unaudited profit attributable to shareholders of approximately HK\$24,241,000 for the six months ended 30 June 2003 (2002: HK\$29,077,000) divided by weighted average number of approximately 2,000,000,000 ordinary shares (2002: 1,751,000,000) in issue during the period.

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

7. 每股盈利

每股基本盈利乃根據本集團截至二零零三年六月三十日止六個月的未經審核股東應佔溢利約24,241,000港元(二零零二年: 29,077,000港元)除以期內已發行加權平均普通股數目約2,000,000,000股(二零零二年: 1,751,000,000股)計算。

由於本公司並無具潛在攤薄影響的股份，故並無呈列每股攤薄盈利。

8. CAPITAL EXPENDITURE

8. 資本支出

For the six months ended 30 June 2003
截至二零零三年六月三十日止六個月

		Property, plant and equipment 不動產、廠場 及設備	Freehold investment properties 具有永久業權 之投資物業	Intangible assets 無形資產	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Opening net book amount (audited)	期初賬面淨值 (經審核)	221,706	140,480	16,466	378,652
Addition	增添	2,103	-	11,204	13,307
Disposal	出售	(204)	-	-	(204)
Depreciation/amortisation charge	折舊/攤銷費用	(6,896)	-	(206)	(7,102)
Currency realignment	匯率折算差額	28	4	1	33
Closing net book amount (unaudited)	期終賬面淨值 (未經審核)	216,737	140,484	27,465	384,686

9. TRADE AND OTHER RECEIVABLES

9. 貿易及其他應收賬款

		As of 30 June 於六月三十日 2003 二零零三年 (unaudited) (未經審核) HK\$'000 千港元	As of 31 December 於十二月三十一日 2002 二零零二年 (audited) (經審核) HK\$'000 千港元
Trade receivables	貿易應收賬款	44,329	49,248
Other receivables	其他應收賬款	88,896	53,170
		133,225	102,418
Less: Provision for bad and doubtful debts	減: 呆壞賬撥備	(1,286)	(1,286)
		131,939	101,132

Trade receivables were generated from credit sales with general credit terms of one to six months.

貿易應收賬款來自信貸銷售，信貸期一般為一至六個月。

Ageing analysis of accounts receivable was as follows:

應收賬款之賬齡分析如下：

		As of 30 June 於六月三十日 2003 二零零三年 (unaudited) (未經審核) HK\$'000 千港元	As of 31 December 於十二月三十一日 2002 二零零二年 (audited) (經審核) HK\$'000 千港元
Ageing	賬齡		
- Within 6 months	- 6個月內	34,550	48,090
- 6 to 12 months	- 6至12個月	8,833	639
- 1 to 2 years	- 1至2年	796	352
- Over 2 years	- 2年以上	150	167
		44,329	49,248

10. TRADE AND OTHER PAYABLES

The Group's trade payables were all with ageing less than one year.

10. 貿易及其他應付賬款

本集團貿易應付賬款的賬齡全部均不足一年。

11. RETIREMENT BENEFIT OBLIGATION

11. 應計退休金責任

		As of 30 June 於六月三十日	As of 31 December 於十二月三十一日
		2003 二零零三年 (unaudited) (未經審核) HK\$'000 千港元	2002 二零零二年 (audited) (經審核) HK\$'000 千港元
Obligations on:	責任:		
– defined contribution plans	– 界定供款計劃	–	–
– defined benefits plans	– 界定福利計劃	8,112	7,598
		8,112	7,598

The Group has defined benefit plans in Taiwan. Most of the pension plans are final salary defined benefit plans. The assets of the funded plans are held independently of the Group assets in separate trustee administered funds.

本集團於台灣設有界定福利計劃。大多數退休金計劃為最終薪金界定福利計劃。基金計劃資產由受託人管理基金另外持有，與本集團資產分開處理。

24

The amounts recognised in the condensed consolidated income statement were as follows:

於簡明合併收益表確認之款項如下:

		2003 二零零三年 (unaudited) (未經審核) HK\$'000 千港元	2002 二零零二年 (unaudited) (未經審核) HK\$'000 千港元
Current service cost	現時服務成本	430	434
Interest cost	利息成本	162	164
Expected return on plan assets	計劃資產預計回報	(22)	(36)
Net actuarial loss/(gain) recognised	已確認精算虧損/(收益) 淨額	95	(10)
For the six months ended 30 June	截至六月三十日止六個月	665	552

Movement in the liability recognised in the balance sheet:

於資產負債表確認之負債變動如下:

		For the six months ended 30 June 截至 六月三十日 止六個月 2003 二零零三年 (unaudited) (未經審核) HK\$'000 千港元	For the year ended 31 December 截至 十二月三十一日 止年度 2002 二零零二年 (audited) (經審核) HK\$'000 千港元
Accrued retirement benefit obligations, beginning	期初應計退休金責任	7,598	6,776
Total expense	總支出	665	1,102
Contributions paid	已付供款	(161)	(351)
Currency realignments	匯率折算差額	10	71
		<hr/> 8,112	<hr/> 7,598
Accrued retirement benefit obligations, ending	期末應計退休金責任		

12. SHARE CAPITAL

12. 股本

		Nominal value 面值	
		As of 30 June 於六月三十日 2003 二零零三年 (unaudited) (未經審核) HK\$'000 千港元	As of 31 December 於十二月三十一日 2002 二零零二年 (audited) (經審核) HK\$'000 千港元
Authorised:	法定:		
– 4,000,000,000 ordinary shares of HK\$0.10 each	– 4,000,000,000股 每股面值0.10港元 普通股	400,000	400,000
Issued and fully paid:	已發行及繳足股款:		
– 2,000,000,000 ordinary shares of HK\$0.10 each	– 2,000,000,000股 每股面值0.10港元 普通股	200,000	200,000

The Company adopted a share option scheme under which the directors may, at their absolute discretion, invite any executive and/or employee of the Company and/or its subsidiaries to take up options to subscribe for shares. The exercise price is determined by the directors and will at least be the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which shall be a business day; and (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant.

As of 30 June 2003, no share options were granted.

本公司採納一項認股權計劃；據此，董事可行使絕對酌情權邀請本公司及／或其附屬公司的任何行政人員及／或僱員接納認股權以便認購股份。行使價由董事釐定，金額至少須為以下兩種價格的較高者：(i) 授予認股權日期（必須為營業日），股份在聯交所每日報價單所示的收市價；及(ii) 於授予有關認股權日期前五個營業日，股份於聯交所每日報價單所示的平均收市價。

截至二零零三年六月三十日，本公司並未授出任何認股權。

13. RESERVES

Group

		Capital surplus	Share premium	Property revaluation reserve	Statutory reserve	Exchange translation reserve	Retained profits	Total
		資本盈餘	股票溢價	不動產重估儲備	法定儲備	外匯儲備	保留溢利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Balances as of 31 December 2002 (audited)	於二零零二年十二月三十一日之結存（經審核）	42,554	336,758	10,198	44,334	(17,906)	118,192	534,130
Currency realignment	滙率折算差額	-	-	-	-	(55)	-	(55)
Net profit	純利	-	-	-	-	-	24,241	24,241
2002 final dividend	二零零二年末期股利	-	-	-	-	-	(40,000)	(40,000)
Balances as of 30 June 2003 (unaudited)	於二零零三年六月三十日之結存（未經審核）	42,554	336,758	10,198	44,334	(17,961)	102,433	518,316
Representing:	包括：							
2003 interim dividend proposed	二零零三年建議中期股利						12,000	
Others	其他						90,433	
Retained profits as at 30 June 2003 (unaudited)	於二零零三年六月三十日之保留溢利（未經審核）						102,433	

13. 儲備

本集團

14. NOTES TO THE CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Reconciliation of operating profit before working capital changes to net cash (outflow)/inflow generated from operations.

14. 簡明合併現金流量表附註

營運資金變動前之經營溢利與營業所得之現金（流出）／流入淨額對賬。

For the six months ended 30 June

截至六月三十日止六個月

		2003	2002
		二零零三年	二零零二年
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Operating profit before working capital changes	營運資金變動前之經營溢利	31,940	51,091
(Increase)/decrease in inventories	存貨（增加）／減少	(12,383)	4,812
Increase in trade and other receivables	貿易及其他應收賬款增加	(30,807)	(16,059)
Decrease in trade and other payables	貿易及其他應付賬款減少	(7,690)	(7,681)
Increase in retirement benefit obligations	退休金責任增加	514	754
Net cash (outflow)/inflow generated from operations	經營業務之現金（流出）／流入淨額	(18,426)	32,917

15. RELATED PARTY TRANSACTIONS

Parties are considered to be related if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence.

The Group had the following material transactions with related parties in the usual course of business. In the opinion of the directors of the Company, these related party transactions were carried out on normal commercial terms and will continue after the listing of the Company's shares on the Stock Exchange.

15. 關聯人士交易

關聯人士指企業在財務及經營決策中，如果一方有能力直接或間接地控制另一方或對另一方施加重大影響，則雙方互為關聯人士。如果雙方同受另一方控制或重大影響，則該雙方亦為關聯人士。

本集團與關聯人士在日常業務範圍內訂有以下各項重大交易，本公司董事認為，此等關聯人士交易乃按一般商業條款進行，並將於本公司股份在聯交所上市後繼續進行。

**For the six months
ended 30 June
截至六月三十日止六個月**

		2003 二零零三年 (unaudited) (未經審核) HK\$'000 千港元	2002 二零零二年 (unaudited) (未經審核) HK\$'000 千港元
Rental income	租金收入	16	785
Rental expenses	租金開支	95	98

In addition to above transactions, the Group also had the following material transactions with related parties for the six months ended 30 June 2003:

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

Amounts due to related parties are unsecured and interest-free, and have no fixed repayment terms.

除上述交易外，於截至二零零三年六月三十日止六個月，本集團亦曾與關聯人士進行下列重大交易：

- (a) 根據一項特許權協議，本公司一位董事授予自然美台灣對皮膚測試軟件的使用權，年期由一九九七年一月一日至二零一一年十二月三十一日，象徵性收費為新台幣1元。
- (b) 於二零零一年十月五日，自然美台灣與本公司兩位董事分別簽訂了兩份特許權協議。根據該等協議，有關董事同意特許自然美台灣獨家使用若干商標，象徵性收費為新台幣1元。特許權協議的有效期限直至各項商標的註冊期滿之日止。

應付關聯公司款項均無抵押及免息且無固定償還期限。

16. COMMITMENTS

Commitments under operating leases

At 30 June 2003, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

Not later than one year	一年內
Later than one year and not later than five years	一年後但於五年內
Later than five years	五年後

16. 承諾事項

經營租賃承諾

於二零零三年六月三十日，本集團根據不可撤銷經營租賃於日後支付的最低租賃款項總額如下：

As of 30 June 於六月三十日 2003 二零零三年 (unaudited) (未經審核) HK\$'000 千港元	As of 31 December 於十二月三十一日 2002 二零零二年 (audited) (經審核) HK\$'000 千港元
11,100	24,255
29,142	58,726
5,745	35,823
45,987	118,804

17. SUBSEQUENT EVENTS

There was no significant subsequent event as of 30 June 2003.

17. 結算日後事項

於二零零三年六月三十日，並無任何重大的結算日後事項。

CHAIRPERSON'S STATEMENT

In the first six months of 2003, Natural Beauty's unaudited consolidated turnover and profit attributable to shareholders amounted to approximately HK\$103.4 million and HK\$24.2 million respectively.

Market and Business Overview

Owing to the adverse effects brought through by the Severe Acute Respiratory Syndrome ("SARS") epidemic in our key markets, mainly including China, Hong Kong and Taiwan, turnover for sales of goods and service income decreased approximately 21.8% to HK\$92.5 million and 50.8% to HK\$10.9 million. Like many companies over the regions, the Group was hard hit by SARS. The impact had particular adverse effect on the cosmetic and beauty salon businesses. During the period under review, the Group's self-owned and franchised beauty salons and outlets operations were adversely affected by the outbreak of SARS since March 2003, resulting in an abrupt decline in customer patronage or temporary closure throughout most of the second quarter of the year. Although the Group successfully explored and launched the anti-germ aromatherapeutic products in Taiwan, Hong Kong and China consecutively in May and June 2003, and the Group had adopted a series of hygiene precaution measures in all beauty salons, the devastating impact of SARS deeply undermined the customers' confidence in the Greater China region and impaired the subdued economies in Hong Kong and Taiwan and their consumer spending. Therefore, the unexpected arrival of SARS made the Group's profit inevitably fall during the interim period.

Forward Strategic Planning

Nonetheless, the market and environment were particularly difficult during the SARS period, Natural Beauty applied itself to improving business efficiency in most of our businesses and operations. The Group made a series of solid business accomplishments. Noticeably, the Group continued to consolidate and enhance its core operations since beginning

主席報告書

於二零零三年首六個月，自然美之未經審核合併營業額及股東應佔溢利分別約為103,400,000港元及24,200,000港元。

市場推廣及業務概覽

由於嚴重急性呼吸系統綜合症（「非典型肺炎」）疫症在中國大陸、香港及台灣等集團重要市場內爆發，對集團造成不利影響，產品銷售及服務收入之營業額分別減少約21.8%及50.8%，分別跌至92,500,000港元及10,900,000港元。本集團與區內眾多公司同樣受到非典型肺炎的嚴重打擊，化粧及美容中心等行業更首當其衝受其影響。於回顧期間內，本集團自資經營及加盟經營之專業美容中心及專門店之業務自二零零三年三月起均受非典型肺炎爆發所拖累，導致於本年度第二季大部份期間內惠顧之客戶數目驟跌或專門店須暫時休業。儘管本集團先後於二零零三年五月及六月成功開發防菌芳香療法產品，並在台灣、香港及中國大陸等地相繼推出，加上在全線專業美容中心採取一系列個人護理預防措施，惟非典型肺炎的威力已大幅動搖大中華區客戶之消費信心，並削弱香港及台灣之經濟及該等地區客戶之消費。因此，本集團之中期溢利亦受這突如其來的非典型肺炎之影響而無可避免地減少。

前瞻性策略計劃

無論如何，非典型肺炎肆虐期間之市場及營商環境異常惡劣，自然美亦致力於提升集團大部份業務及營運的業務效率。本集團亦作出一系列實質的業務成績。值得一提的是本集團自年初起繼續鞏固及改善其核心業務，其中，生製工序及產品物流方面均有改善。與此同時，集團亦制訂出下列策略，有待於本

of the year, in which we have improved our manufacturing process and production logistic. Meanwhile, we formulated the following strategies to be implemented in current year. We trust that the following major strategic plans provide a strong foundation for our future growth:

- (i) Introduction of market stabilization strategy: the Group will closely monitor the performance and operation of outlets in individual cities or areas, in particular in China and Taiwan, adopting a series of measures to improve or streamline their performance in order to maximize their contribution to the Group's profit;
- (ii) Differentiation of product lines: the Group will differentiate the product lines distributed among different channels in order to enhance the total product sales and the sales volume in respective distribution channels and avoid intra-group competition; and
- (iii) Strengthening and fully utilization of management control system: the Group will further enhance and utilize the management control system in order to strengthen the control among various subsidiaries, branches and outlets. For examples, their internal control and financial control can be improved by utilization of the management control system.

The above strategies had been formulated and partly put in force during the interim period, the Group aims to make continuous adjustments in relation to the operations of the Group with the intention of further improving the Group's operating efficiency. Although the process was painful, the positive results will be of great long term benefit to the Group in enabling products to be offered at lower cost, saving further administrative and distribution costs and maximizing the return of the Company's shareholders. The Group had spent part of the resources in formulation of above planning during the first half of 2003 and it might probably to some extent affect the Group's results in the period, but we strongly believe that fruitful results will be seen in second half of 2003 and future.

Regarding the Group's sales and distribution channels, the Group was hit by SARS which has caused our sales and

年度推行。集團相信下列主要策略計劃將可為集團未來發展奠定良好基礎：

- (i) 引入市場穩定策略：本集團將密切注視位於各城市或地區，尤其是中國大陸及台灣之專門店之表現及業務，採用一系列措施改善其表現及使其更具效率化，為本集團爭取最大溢利；
- (ii) 產品線路區隔化：本集團將把分佈於不同渠道銷售之各產品系列區別分開，以提升各分銷渠道之產品銷售量及總銷售額，及避免集團內部之競爭；及
- (iii) 強化及全面運用管理監控系統：本集團將進一步提升及運用管理監控系統，以加強對各附屬公司、分店及專門店之監管。例如，其內部監控及財務監控，可由充份運用管理監控系統而得以提升。

上述策略已制訂完畢，部份策略亦已於中期期間開始推行，本集團擬繼續就本集團之營運作出調整，務求進一步改善本集團之經營效率。儘管過程艱苦，其成果卻可為本集團帶來可觀的長遠利益，令產品可以較低成本發售，節省額外行政及分銷成本，並替本公司股東帶來最大回報。本集團於二零零三年上半年已將部份資源用作制訂上述計劃，在若干程度上，本集團於期間之業績可能因此而受影響，但集團深信可於二零零三年下半年及未來取得豐碩成果。

就本集團之銷售及分銷渠道而言，本集團受非典型肺炎影響，導致其銷售及市場推廣員工須延緩集團

marketing staff having to defer many of our channel expansion programs. In particular, the expansion plans of the mini SPA and dedicated counter were deterred due to SARS because of swift plunge in consumer confidence in the market. Therefore, the number of distribution outlets had no significant increase during the interim period. However, the management had thoroughly reviewed and further studied the possible undeveloped distribution channels over the Greater China region during the interim period, and making solid planning and groundwork, we are confident that our channels expansion internal target can be achieved on schedule.

Community Involvement

The first two quarters of this year have been a serious challenge for all of us and the community. On behalf of the Company, I give my heartfelt thanks for the hard work and dedication of the healthcare professionals over China, Hong Kong and Taiwan who were not only limited to taking care of patients, but also fighting the war against SARS and prevent themselves being the vector of the virus. Their contributions over the last few months have demonstrated their selfless devotion and professionalism. The Group has sponsored anti-germ aromatherapeutic and cleanliness products to the hospitals and healthcare workers over the Greater China region during the SARS period. SARS was not only a local event but a global one; and it is not only has influence in people's personal lives, but also in the fates of China, Hong Kong and Taiwan and even the global economy. We are committed and continue to resolve the social problems through the utilization of social resources.

Looking Ahead

In the second half of 2003, the Group will continue to expand and diversify our sales and distribution channels and the total of outlets over the Greater China region. We intend to set up 300 new mini SPA and 100 new dedicated counters in the second half of 2003 to cope with the growing demand of our products and services.

For the purpose of further enhancing the operations of the non-wholly owned subsidiaries of the Group that served as the regional vehicles of the Group to manage the self-owned and franchised outlets in China, the Group will continue to negotiate

之擴充渠道項目，尤其非典型肺炎令客戶對市場之信心跌至谷底而須暫緩mini SPA及專櫃之擴充計劃。因此，分銷專門店之數目於中期期間並無大幅增加。然而，管理層已於中期期間內全面審核及進一步研究大中華地區內具潛力而尚未開發之分銷渠道，並已訂出確實計劃及基礎工作，集團有信心可如期達成擴充渠道之內部目標。

社區服務

今年首兩季所經歷種種對本集團全體全人及社會均是嚴峻之挑戰。本人謹代表本公司向中國大陸、香港及台灣三地醫護專業人員之努力及付出表示由衷謝意。彼等不單照顧病者，並且奮力抵禦非典型肺炎之突襲及將自身保守免成病毒之媒體。彼等於過去數月所作之貢獻在在顯示彼等無私委身及專業之精神。於非典型肺炎肆虐期間，本集團向大中華地區醫院及醫護人員捐獻防菌芳香療法產品及清潔用品。非典型肺炎之發生非獨屬於地區性，更是世界性事件，非典型肺炎不僅有關人民生命，更關乎於中國大陸、香港及台灣以至全球經濟前途。集團承諾並將繼續秉承取諸社會用諸社會之精神回饋社會。

前瞻

於二零零三年下半年，本集團將繼續擴充及分散集團於大中華地區之銷售及分銷渠道及專門店總數。集團計劃於二零零三年下半年成立300間新mini SPA及設立100個新專櫃，以應付對集團產品及服務持續增加之需求。

為提高本集團非全資附屬公司作為本集團管理於中國大陸自資經營及加盟專門店區域總部之營運效率，本集團將繼續與有意投資人士磋商訂立資產承包協議，原因是集團堅信如可利用當地承包商於管

with interested potential parties with a view to entering into the assets entrustment agreements as we believe that it will be beneficial for the Group to have the opportunity to rely on the experience and expertise of the local trustees over the management of the Natural Beauty SPA and training centers. In the first half of 2003, it proved that the operations of the entrusted assets under the management of the local trustees have been gradually improved. Nonetheless, there was no adverse influence on the Group's product selling income and overall revenue. However, the Group had further saving on the operating expenses.

In order to further strengthen our corporate governance as a publicly listed company, we will further strengthen our management control, formulating clear business plans and strategies on every department and the members of each department of the Group will be served as a profit center. In order to incentivise the members of each department, a portion of their remuneration is directly linked to their contribution made in the Group.

In the second half of 2003, we will continue to develop the highest quality, advance and charming products to further expand our market reach and brand recognition in the Greater China region. We will launch a series of new products to the markets over the Greater China region in October 2003.

Meanwhile, in order to enhance the operations of our distribution outlets, including the self-owned and franchised Natural Beauty SPA, NB Salon SPA, mini SPA and dedicated counters, we aim to uniformize and improve their operating practices, such as, their store images (Corporate Identification System - the same signage, promotion and advertising materials and etc. among the outlets) and their internal control and information control systems.

Our management will try our best to accomplish all original business targets before the end of 2003.

Looking ahead 2004, our strategy will be to continue to move forward, step-by-step, to develop and expand our existing businesses. We will diversify our distribution network further and we will form sales committee to further improve our sales

理自然美SPA生活館及培訓中心之經驗及知識，對本集團有莫大裨益。於二零零三年上半年，在當地承包人管理之下，承包資產之營運已逐漸改善。另一方面，本集團之產品銷售收益及其整體收入並無受到任何不利影響。反之，本集團更可進一步節省了經營開支。

為進一步加強作為一家公開上市公司之企業管治，集團將再加強管理監控，為各部門制定清晰明確之業務計劃及策略，而本集團各部門之成員將定位為賺取盈利之中心單位。為激勵各部門成員之表現，彼等部分薪酬與彼等對本集團之貢獻直接掛鉤。

於二零零三年下半年度，集團將繼續開發高質、先進及富魅力的產品，以擴充集團於大中華地區之市場領域及品牌知名度。集團將於二零零三年十月在大中華地區市場推出一系列新產品。

與此同時，為提升集團經銷專門店（包括自資經營及加盟之自然美 SPA生活館、NB沙龍SPA、mini SPA及專櫃等）之營運效率，集團致力統一及規範其經營習慣，如其店鋪形象（企業識別系統—店鋪之間共用同一類招牌、推銷及宣傳資料等）及其內部監控及資訊監控系統等。

集團管理層將竭盡所能於二零零三年底前達成所有原訂之業務目標。

展望二零零四年，集團將繼續邁步向前，穩紮穩打，開發及擴充集團現有之業務。集團將進一步將集團分銷網絡多元化，並將組成銷售隊伍，務求進一步改善集團銷售組織及結構模式。集團將繼續開發新產

in organizational and structural manners. We will continue to develop new products and further improve the production and distribution logistics so as to keeping our highest product quality and saving our expenses and enabling our products to be offered at higher margin. In respect of the Group's human resources, we will continue to provide quality professional training course to our beauticians in order to maintain the highest quality of our services. On the other hand, we are committed to provide professional training and development to all employees in order to continuously improve the operating efficiency of all divisions in the Group.

In next few years, we will develop new production plant in China in order to cope with the growing demand of the products. Besides, we will establish the product logistic centers in order to further streamline the operating process. In order to expand our distribution network, the Group will develop a new type of outlets specifically for the aged group for provision of healthcare, beauty and leisureliness services.

We are confident of our leading position in the market in the region in addition the Group has strong financial position, we believe that the Group will has significant escalation, in terms of business prospect, operating efficiency and performance, in next few years.

All the directors of the Company and staff of Natural Beauty have worked hard in the last six months, in difficult circumstances, to continuously progress our company, and I thank them for this and dedication and commitment to excellence.

Dr. Tsai Yen Yu
Chairperson

品及進一步改良生產及分銷物流，以保持集團產品達到最高質素及減少集團開支，讓集團產品享有較高利潤。關於本集團人力資源方面，集團將繼續為美容師提供優良專業培訓課程以確保集團能為客人提供最佳之服務水準。另一方面，集團致力向全體僱員提供專業培訓及發展，以持續改善本集團各個環節之經營效率。

於未來數年，集團將於中國開發新生產廠房以應付產品持續增長之需求。再者，集團將成立產品物流中心以進一步精簡營運程序。為擴充集團之分銷網絡，本集團將開發新型專門店，專門為長者提供醫護、美容及休閒服務。

集團對保持於區內市場領導地位充滿信心，加上本集團財務狀況穩健，本集團相信於未來數年在業務前景、經營效率及表現方面將有顯著提升。

在過去六個月，縱使經營環境困難，本公司全體董事及自然美之員工為公司持續業務發展辛勤工作，本人為此及彼等傑出之貢獻及承擔精神對彼等致以由衷感激。

主席
蔡燕玉博士

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Turnover decreased by approximately 26.9% or approximately HK\$38.0 million to approximately HK\$103.4 million for the six months ended 30 June 2003 compared to the corresponding period in last year (2002: approximately HK\$141.4 million).

The decrease in the turnover is primarily due to the outbreak of the Severe Acute Respiratory Syndrome ("SARS") over the Greater China area. The spillover effect of SARS epidemic and a languid economic environment affected the turnover of the Group the most since March 2003 over Hong Kong, China and Taiwan. The unexpected and devastating arrival of SARS epidemic deeply undermined the consumer confidence and pushed the retail spending lower still.

Despite the inevitable fall in the turnover after outbreak of SARS for the current period, the Group was able to take a series of solid business accomplishments which strategically consolidates the businesses of the Group in due course. Firstly, since May 2003, the Group launched the anti-germs aromatherapeutic products under the brand names of Natural Beauty and Oriental Beauty over the markets in Taiwan, Hong Kong and China consecutively, the strong demand of customers quickly proved the success of our strategy. The Group's anti-germs aromatherapeutic products fully capitalize the proven high demand of the personal health care and hygiene products during the SARS rampant period over the regions. Secondly, since the beginning of 2003, the Group continued to focus on improving the quality of its products and services, and increasing the efficiency of its operations, and enhancing the production efficiency. The gross profit margin of the Group increased slightly to approximately 80.5% (2002: approximately 77.3%), it was mainly attributable to the improved production and distribution logistics and effective research and development efforts. The Group has also been continuing to explore and implement a number of cost controlling measures in order to enhance profitability besides from improving the overall operating efficiency. Administrative expenses in particular are

管理層討論及分析

財務回顧

截至二零零三年六月三十日止六個月，營業額減少至約103,400,000港元，與去年同期比較（二零零二年：約141,400,000港元），減幅約為26.9%或約38,000,000港元。

營業額下跌主要由於受大中華地區爆發嚴重急性呼吸系統綜合症（「非典型肺炎」）拖累所致。由二零零三年三月份起，非典型肺炎疫症造成之衝擊及經濟表現呆滯對本集團在香港、中國大陸及台灣之營業額影響尤其明顯。非典型肺炎疫症突然來襲，嚴重打擊消費信心及進一步推低零售消費金額。

儘管非典型肺炎爆發令本期間營業額下跌在所難免，但本集團仍可取得一連串實質業務成果，以把握適當時機在策略上鞏固其業務。首先，自二零零三年五月起，本集團以自然美及奧葳朵品牌名稱先後於台灣、香港及中國大陸推出多種防菌芳香療法產品，客戶之強勁需求瞬即證明集團策略成功。本集團於非典型肺炎在區內肆虐期間，適時推出防菌芳香療法產品，全面滿足對個人護理及保健產品之強大需求。其次，於二零零三年起始，本集團繼續專注於改良其產品及服務之質素，並且提高其營運效率，從而提升其生產效率。本集團之邊際毛利微增至約80.5%（二零零二年：約77.3%），主要歸功於生產及分銷物流有所改進及研究與開發成效不俗。本集團亦已持續開拓及實行多項成本控制措施，於改進整體營運效率之餘，提高盈利能力。本集團於本期間特別嚴格控制行政開支，譬如本集團與不少自資經營專門店之業主磋商，要求調低或削減租金，以減輕集團於非典型肺炎期間之負擔。與此同時，本公司執行及非執行董事亦已同意於二零零三年自願減少酬金超過約70%。此外，憑藉經改進及有效之市場推廣及宣傳，分銷成本證實較去年同期為低。行政開支及分銷成本之總額較二零零二年同期下跌約11.8%。第三，藉着地方管理層於經營及管理本集團於中國大陸之非

being stringently controlled in current period, such as, in many cases, the Group negotiated with the landlords of the self-owned outlets to appeal for rental reduction or abatement to relieve our burden during the SARS period. Meanwhile, the executive and non-executive directors of the Company voluntarily agreed to reduce their emolument by over approximately 70% in 2003. In addition, the improved and effective marketing and promotion efforts proved that the distribution costs lessened compared with corresponding period in last year. In aggregate, the administrative expenses and distribution costs decreased by approximately 11.8% compared with the same period in 2002. Thirdly, in order to further leverage on the experience of the respective local management in the operation and management of the non-wholly owned subsidiaries of the Group in China, the Group continued to negotiate with the relevant local management to enter into the assets entrustment agreements to entrust the management and operation of certain assets, like part of the beauty salons, of the subsidiaries for a period of range over around five years. As at the first half of 2003, the Group had entered a total of six assets entrustment agreements with relevant local management. Pursuant to the assets entrustment agreements, the trustees would bear the risks and rewards from the operation of these entrusted assets and will pay an annual entrustment fee to the Group. Part of the entrustment fees have been accrued in the condensed consolidated income statement of approximately HK\$3.2 million, the relevant parties are in the process of preparing the financial review and the final fee payable will be concluded before the end of current year. The Board considers that it is beneficial for the Group to enter into the assets entrustment agreements because it can highly utilize the expertise and experience on the local management over management of the entrusted assets. At the same time, it significantly reduces the administrative expenses of the Group over management of these assets. The Group will continue to roll-out such program carefully to other non-wholly owned subsidiaries of the Group in China in particular the third or second tier cities where the markets are newly explored.

全資附屬公司的經驗，本集團繼續與有關地方管理層磋商訂立資產承包協議，將附屬公司若干資產（例如部分專業美容中心）之管理及經營承包，為期約五年。於二零零三年上半年，本集團已與有關地方管理層訂立共6項資產承包協議。根據資產承包協議，承包人會承受經營該等承包資產的風險及報酬，並向本集團支付年度承包費。部分承包費約3,200,000港元已計入簡明合併收益表，有關訂約方正在編製財務回顧，並且於本年度年終前將會確定最終應付費。董事會認為，訂立資產承包協議對本集團有利，原因是可充份發揮地方管理層於管理承包資產之專業知識及經驗。同時，可顯著減低本集團於管理此等資產之行政開支。本集團將繼續謹慎地向本集團在中國大陸其他非全資附屬公司推廣此計劃，尤其是在剛開拓該市場之第二、三線城市推廣該計劃。

Tax expenses net of financial refunds for the six months ended 30 June 2003 amounted to approximately HK\$2.2 million (2002: approximately HK\$9.1 million), representing a decrease of approximately 75.9% over 2002. The decrease in net tax expenses was mainly attributable to change and set up new entity for the production facilities in China and in which new and further preferential treatments are entitled by the Group.

As a result of the above, the Group recorded profit attributable to shareholders amounted to approximately HK\$24.2 million (2002: approximately HK\$29.1 million), representing a decrease of approximately 16.6% over corresponding period in 2002. The decrease was mainly attributable to the substantial adverse effect of SARS and its impact on the Group's turnover. The net profit margin was approximately 23.4% (2002: 20.6%). The slight increase in the net profit margin was mainly attributable to the stringent cost-cutting and tax planning measures and improved production and operating efficiencies.

In the PRC, the turnover and segment result for the six months ended 30 June 2003 were approximately HK\$48.5 million (2002: approximately HK\$88.7 million) and HK\$17.6 million (2002: approximately HK\$32.1 million) respectively. The decrease in turnover and segment result was primarily due to the adverse impact of SARS in China. SARS significantly affected the Group's key markets in China, including the northern and southern regions of the Chinese Mainland. The closure of public facilities and shopping centers and decrease in total number of local and foreign visitors during the SARS period made the sale turnover in China decreased by approximately 45.3% compared with the first half of 2002.

In Taiwan, the turnover and segment result for the six months ended 30 June 2003 were approximately HK\$53.2 million (2002: approximately HK\$52.0 million) and HK\$11.3 million (2002: approximately HK\$11.3 million) respectively. The result was considered close to the corresponding period in last year. Although the quarantine measure adopted in Taiwan, as SARS affected the region in later time of the interim period (around mid-May and June 2003). Therefore, it was considered that

截至二零零三年六月三十日止六個月，扣除財政返還的稅項開支約為2,200,000港元（二零零二年：約9,100,000港元），較二零零二年下跌約75.9%。稅項開支淨額下跌主要由於位於中國大陸之生產設施轉移及成立新銷售公司，因而本集團可享有全新及更多優惠待遇。

由於上述各項，本集團錄得股東應佔溢利約24,200,000港元（二零零二年：約29,100,000港元），較二零零二年同期下跌約16.6%。是項跌幅主要由非典型肺炎沉重打擊及其對本集團營業額之影響造成。邊際利潤淨額約為23.4%（二零零二年：20.6%）。邊際利潤淨額輕微上升端賴嚴格削減成本及稅務規劃措施及生產與營運效率提高。

於中國大陸方面，截至二零零三年六月三十日止六個月之營業額及分部業績分別約為48,500,000港元（二零零二年：約88,700,000港元）及17,600,000港元（二零零二年：約32,100,000港元）。營業額及分部業績之下跌主要是受中國大陸之非典型肺炎疫情打擊所致。非典型肺炎嚴重打擊本集團於中國大陸之主要市場（包括華北及華南地區）。於非典型肺炎肆虐期間，公共設施及購物中心暫停服務及營業，加上本地及外來旅客總數減少，導致於中國大陸之銷售營業額較二零零二年上半年下跌約45.3%。

於台灣方面，截至二零零三年六月三十日止六個月之營業額及分部業績分別約為53,200,000港元（二零零二年：約52,000,000港元）及11,300,000港元（二零零二年：約11,300,000港元）。業績與去年同期相若。雖然台灣採取檢疫隔離措施，非典型肺炎於期中稍後時間（二零零三年五月中旬及六月）才在區內爆發。因此，非典型肺炎對本集團於區內業績影響在時間上不算太長及與中國大陸內地相比影響不會太

the impact of SARS on the Group's result in the region was short and not very substantial compared with China. On the other hand, the group launched its anti-germs products to the region in due course on around May 2003, the products were well received by the customers in the region.

In Hong Kong, the loss in respect of the segment result was narrowed to approximately HK\$0.4 million (2002: approximately loss of HK\$5.0 million). It was mainly attributable to the promptly roll-out of assets entrustment program for part of the outlets in Hong Kong during the interim period.

In overall, the Group's result was adversely affected by the slow growth in economy over the Greater China region, onset of SARS, weakening retail and consumer product markets. Nonetheless, having roll-out the strategic moves by the Group, and the markets have been picked up in the mid second quarter, the Board of Directors of the Company was confident about the future prospects of the Group. With a strong balance sheet and steady cashflow, the Group is well positioned to capitalise on the tremendous opportunities ahead.

Liquidity and Financial Management

As at 30 June 2003, the Group's total shareholders' funds were approximately HK\$718.3 million including share capital and reserves of approximately HK\$200.0 million and HK\$518.3 million respectively. The Group continued to maintain a strong financial position with cash and bank balances plus investment securities (which are mainly capital guaranteed bond funds held in Taiwan) in aggregate of approximately HK\$238.3 million with no external bank borrowing or any charge on assets. Cash inflow from operating profit before working capital changes was approximately HK\$31.9 million for the six months ended 30 June 2003. Accordingly, the Group has adequate resources to fund its future operation.

大。另一方面，本集團於二零零三年五月前後適時在區內推出防菌產品，區內消費者對產品反應不俗。

於香港方面，分部業績虧損收窄至約400,000港元（二零零二年：虧損約5,000,000港元），全賴於期中向香港部分零售門市推廣資產承包計劃。

整體而言，本集團之業績受大中華地區經濟緩慢增長、非典型肺炎肆虐、零售及消費品市道不景等因素所拖累。儘管如此，由於本集團展開策略行動，加上市場亦已於第二季中期開始復甦，故本公司董事會對本集團業務前景充滿信心。鑑於本集團財力雄厚，加上現金流量穩定，本集團已整裝待發，待商機湧現時大展拳腳。

流動資金及財務管理

於二零零三年六月三十日，本集團之股東資金總額約為718,300,000港元，其中包括股本及儲備分別約200,000,000港元及518,300,000港元。本集團之財務狀況仍然穩健，現金及銀行結存以及投資證券（主要為於台灣持有之保本債券基金）合共約為238,300,000港元，並無在外界銀行借款或抵押資產。於截至二零零三年六月三十日止六個月，營運資金變動前來自經營溢利之現金流入約為31,900,000港元。因此，本集團之財務資源充裕，足以應付其日後營運所需。

In terms of gearing, as at 30 June 2003, the Group had a negative gearing level (defined as net debt divided by shareholders' funds) as the Group has a net cash balance at the period end date. Current ratio of the Group (defined as the current assets divided by the current liabilities) as at 30 June 2003 was approximately 5.0 times (as at 31 December 2002: approximately 4.6 times). As at 30 June 2003, the Group had no material contingent liabilities or outstanding contracted capital commitments.

Treasury Policies and Exposure to Fluctuations in Exchange Rates

The Group derives most of its revenue from the PRC and Taiwan as its operations are mainly concentrated in these two areas. The Group did not engage in highly leverage or speculative derivative products. In this respect, the Group continued to adopt a conservative approach to financial risk management and with no external bank borrowing during the current period. The Group does not have significant exposure to foreign exchange fluctuations. Periodic review of the Group's exposure to foreign exchange risk will be conducted and derivative financial instruments may be used to hedge against such risks when necessary.

關於資產負債情況，於二零零三年六月三十日，本集團之資產負債比率（即負債淨額除以股東權益）為負值，原因是本集團於期末日有淨現金結餘。於二零零三年六月三十日，本集團之流動比率（即流動資產除以流動負債）約為5.0倍（於二零零二年十二月三十一日：約4.6倍）。於二零零三年六月三十日，本集團並無重大或有負債或未履約資本承擔。

理財政策及所承受之滙兌風險

基於本集團業務主要集中於中國大陸及台灣，故其大部份收入均來自上述兩地。本集團並無涉足於高槓桿作用或投機衍生產品。在財務風險管理方面，本集團繼續採取保守政策，且於本期間內並無在外銀行借款，本集團亦毋須承受重大外滙波動風險。本集團將定期檢討其所承受之外滙風險，並將於有需要時使用金融衍生工具對沖有關風險。

Employment, Training and Employment

As at 30 June 2003, the Group had a total of 1,586 employees of which 1,382 were based in the PRC, 168 in Taiwan and 36 in Hong Kong, total remuneration for the period ended 30 June 2003 was approximately HK\$16.5 million. Remuneration package of the Group are maintained at a competitive level to attract, retain and motivate high performing staff and are reviewed on a periodical basis.

員工、培訓及發展

於二零零三年六月三十日，本集團分別在中國大陸、台灣及香港聘用1,382名、168名及36名僱員，合共1,586名。於截至二零零三年六月三十日止期間之酬金總額約為16,500,000港元。為吸引、挽留及激勵表現卓越的僱員，本集團保持具競爭力的酬金組合，並定期檢討有關組合。

The Group always maintains good working relations with its employees and is committed to employee training and development. Professional training courses to the beauticians employed by the Group and its franchisees are held on a regular basis to promote and maintain the quality and consistency of the services provided.

In addition, the Group has adopted a share option scheme on 11 March 2002, for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operation. The directors of the Company may at their discretion invite any employees or directors of the Group and any qualified persons as set out on the scheme, to subscribe for the shares of the Company. Up to the date of this report, no share option has been granted under the share option scheme.

Closure of Register of Members

The register of members of the Company will be closed from 23 October 2003 to 24th October 2003, both dates inclusive, during which period no transfer of shares may be registered. In order to qualify for the interim dividend, all completed transfer forms together with relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Hong Kong Registrars Limited at Room 1901-5, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on 22 October 2003.

本集團與僱員一向維持良好合作關係，並且著重彼等的培訓及發展。本集團定期為所聘用的美容師及其加盟經營者提供專業培訓課程，以提升及保證所提供服務之質量及統一性。

此外，本集團已於二零零二年三月十一日採納認股權計劃，旨在回饋及激勵對本集團業務作出貢獻的合資格參與人士。本公司董事可酌情邀請本集團任何僱員或董事及該計劃所載任何合資格人士認購本公司股份。截至本報告日期止，並無根據認股權計劃授出任何認股權。

暫停辦理股份過戶登記

本公司之股份過戶登記處將於二零零三年十月二十三日至二零零三年十月二十四日（包括首尾兩日）暫停辦理股份過戶登記手續。為確保獲派發中期股利，所有已填妥之過戶表格，連同有關股票必須於二零零三年十月二十二日下午四時正前，送交本公司於香港之股份過戶登記分處香港證券登記有限公司，地址為香港皇后大道東183號合和中心19樓1901-5室。

Directors

At the annual general meeting held on 29th May 2003, Dr. Tsai Yen Yu and Ms. Su Sh Hsyu retired and re-elected by shareholders as directors of the Company.

The directors of the Company during the interim period and up to the date of this report were:

Executive Directors:

Dr. Tsai Yen Yu
Mr. Lee Ming Ta
Mr. Su Chien Cheng

Non-executive Director:

Ms. Su Sh Hsyu

Independent non-executive Directors

(and members of the audit committee):

Mr. Yeh Liang Fei
Mrs. Chen Shieh Shu Chen

Directors' Interests in Securities

As at 30 June 2003, the interests of the directors and the chief executive of the Company in the equity securities of the Company and its associated corporations (within the meaning of the then Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") (which has been replaced by the Securities and Futures Ordinance effective on 1 April 2003)) as recorded in the register required to be kept pursuant to Section 29 of the SDI Ordinance or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock

董事

於二零零三年五月二十九日召開之股東週年大會上，蔡燕玉博士及蘇詩琇女士輪值告退，惟獲股東重選為本公司董事。

於中期期間及截至本報告刊發日期止，本公司之董事包括：

執行董事：

蔡燕玉博士
李明達先生
蘇建誠先生

非執行董事：

蘇詩琇女士

獨立非執行董事

(及審核委員會成員)：

葉良輝先生
陳謝淑珍女士

董事於證券的權利

於二零零三年六月三十日，本公司董事及行政總裁於本公司及其相聯法團（定義見當時之證券（披露權益）條例（「披露權益條例」）（於二零零三年四月一日生效之證券及期貨條例所取代））根據披露權益條例第29條須登記於該條例規定存置的登記冊，或根據披露權益條例第28條及上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及香港

Exchange”) pursuant to Section 28 of the SDI Ordinance and the Model Code for Securities Transactions by Directors of Listed Companies (the “Model Code”) were as follows: 聯合交易所有限公司(「聯交所」)的股本證券權益如下:

Name of directors 董事姓名		Number of ordinary shares of the Company 本公司普通股數目				Number of share options 認股權數目
		Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	Other Interests 其他權益	
Dr. Tsai Yen Yu	蔡燕玉博士	-	-	1,500,000,000 (Note 1) (附註1)	-	-
Mr. Su Chien Cheng	蘇建誠先生	-	-	225,000,000 (Note 2) (附註2)	-	-
Ms. Su Sh Hsyu	蘇詩琇女士	-	-	225,000,000 (Note 2) (附註2)	-	-
Mr. Lee Ming Ta	李明達先生	-	1,500,000,000 (Note 1) (附註1)	-	-	-

Notes:

附註:

- (1) The two references to 1,500,000,000 shares relate to the same block of shares. Such shares are held by Efficient Market Investments Limited which is beneficially owned as to 70% by Dr. Tsai Yen Yu through Knightcote Enterprises Limited.
- (2) The two references to 225,000,000 shares are included in the 1,500,000,000 shares held by Efficient Market Investments Limited which Mr. Su Chien Cheng and Ms. Su Sh Hsyu each have 15% beneficial interest through Knightcote Enterprises Limited.

- (1) 以上兩次提述的1,500,000,000股股份指同一批股份。該等股份由Efficient Market Investments Limited持有，而Efficient Market Investments Limited則由蔡燕玉博士透過Knightcote Enterprises Limited實益擁有70%。
- (2) 以上兩次提述的225,000,000股股份計入由Efficient Market Investments Limited所持有的1,500,000,000股股份中，而蘇建誠先生及蘇詩琇女士各於Efficient Market Investments Limited透過Knightcote Enterprises Limited佔有15%實益權益。

Other than as disclosed above, none of the directors, the chief executive or their associates had any personal, family, corporate or other interests in the securities of the Company or any of its associated corporations as defined in the SDI Ordinance as at 30 June 2003.

除上文所披露者外，於二零零三年六月三十日，概無董事、行政總裁或其聯繫人士於本公司或其他任何相聯法團(定義見披露權益條例)的證券中擁有任何個人、家族、公司或其他權益。

Share Option Scheme and Directors' Rights to Acquire Shares in the Company

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

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

認股權計劃及董事購買本公司股份之權利

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

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

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

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

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

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

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

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

於直至向各參與者授出認股權之日止之任何十二個月期間，由一名認股權計劃參與者行使獲授認股權（包括經已行使及未行使的認股權）而發行及將予發行的股份總數不得超過已發行股份的1%，而再授出認股權以至超過該限額須在股東大會上取得股東的批准，而參與者及其聯繫人士須就此放棄投票。本公司亦須就此向其股東寄發通函。

本公司自採納認股權計劃以來並無根據認股權計劃授出任何認股權。

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

Substantial Shareholders

The register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance showed that, other than the interests disclosed above in respect of certain directors, the following shareholders had a beneficial interest of 10 per cent or more in the issued share capital of the Company as at 30 June 2003:

除上文披露者外，於中期期間之任何時間，本公司或其任何附屬公司並無訂立任何安排，令本公司董事可藉收購本公司或任何其他法人團體的股份或債券獲利，而董事、主管或行政總裁或彼等的配偶或十八歲以下子女亦無擁有任何權利可認購本公司的證券或曾行使任何該等權利。

主要股東

根據披露權益條例第16(1)條規定存置的主要股東登記冊顯示，除上文所披露有關若干董事持有的權益外，於二零零三年六月三十日，下列股東擁有本公司已發行股本10%或以上的實益權益：

Name		Note	Number of ordinary shares	Percentage of the Company's issued share capital
名稱		附註	普通股數目	佔本公司已發行股本之百分比
Efficient Market Investments Limited	Efficient Market Investments Limited	1	1,500,000,000	75.00%
Knightcote Enterprises Limited	Knightcote Enterprises Limited	2	1,500,000,000	75.00%
Dr. Tsai Yen Yu	蔡燕玉博士	3	1,500,000,000	75.00%
Mr. Su Chien Cheng	蘇建誠先生	4	225,000,000	11.25%
Ms. Su Sh Hsyu	蘇詩琇女士	5	225,000,000	11.25%

Notes:

附註：

- Efficient Market Investments Limited is beneficially owned by Knightcote Enterprises Limited.
 - Knightcote Enterprises Limited is beneficially owned by Dr. Tsai Yen Yu as to 70%, Mr. Su Chien Cheng as to 15% and Ms. Su Sh Hsyu as to 15%.
 - These shares are attributable to Dr. Tsai Yen Yu in respect of 70% interest in Knightcote Enterprises Limited.
- Efficient Market Investments Limited乃由Knightcote Enterprises Limited實益擁有。
 - Knightcote Enterprises Limited分別由蔡燕玉博士實益擁有70%、蘇建誠先生實益擁有15%及蘇詩琇女士實益擁有15%。
 - 由於蔡燕玉博士擁有Knightcote Enterprises Limited的70%權益，故該等股份屬彼所擁有。

4. These shares are attributable to Mr. Su Chien Cheng in respect of 15% interest in Knightcote Enterprises Limited.
5. These shares are attributable to Ms. Su Sh Hsyu in respect of 15% interest in Knightcote Enterprises Limited.
4. 由於蘇建誠先生擁有Knightcote Enterprises Limited的15%權益，故該等股份屬彼所擁有。
5. 由於蘇詩琇女士擁有Knightcote Enterprises Limited的15%權益，故該等股份屬彼所擁有。

Directors' Interests in Contracts of Significance

Save as disclosed in note 15 to the unaudited condensed consolidated financial statements and the web site development costs included in the Group's intangible assets incurred for the development of the "Natural Beauty" web site where the web site development was partly undertaken by a related company, in which a director of the Company has a significant influence, for a consideration of approximately HK\$1.6 million (its relevant detail was set out in the annual report of the Company dated 23 April 2003), no director had a significant beneficial interest, either direct or indirect, in any contracts of significance to the business of the Group to which the Company or any of its holding companies and subsidiaries was a party during the interim period.

Directors' Interests in Competing Business

During the six months ended 30 June 2003 and up to the date of this report, no director is considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group, as defined by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), other than those businesses of which the directors of the Company have been appointed as directors to represent the interests of the Company and/or the Group.

Purchase, Redemption or Sale of Listed Securities

During the six months ended 30 June 2003, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities.

董事於重大合約之權益

除未經審核簡明合併財務報表附註15所披露者及代價約1,600,000港元的網站開發成本(已計入本集團就開發「自然美」網站所產生的無形資產，而部份網站開發由一家本公司董事具重大影響力之關連公司負責，有關詳情載於本公司於二零零三年四月二十三日刊發的年報內)外，各董事概無在本公司或其任何控股公司及附屬公司於中期期間訂立任何與本集團業務存有密切關係的合約中直接或間接擁有重大實益權益。

董事在競爭性業務中擁有之權益

截至二零零三年六月三十日止六個月內及截至本報告日期止，除本公司董事獲委任為董事以代表本公司及／或本集團權益的業務外，各董事概無被視為在一項足以或可能足以與本集團業務構成直接或間接競爭的業務中擁有權益(定義見聯交所證券上市規則(「上市規則」))。

購買、贖回或出售上市證券

截至二零零三年六月三十日止六個月，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

Corporate Governance

The audit committee has reviewed the unaudited consolidated financial statements of the Group for the six months ended 30 June 2003.

None of the directors of the Company is aware of information that would reasonably indicate that the Company is not, or was not at any time during the six months ended 30 June 2003, in compliance with the Code of Best Practice as set out in appendix 14 of the Listing Rules.

By Order of the Board

Dr. Tsai Yen Yu

Chairperson

Hong Kong, 24 September 2003

企業管治

審核委員會已審閱本集團截至二零零三年六月三十日止六個月的未經審核合併財務報表。

本公司董事並不知悉任何資料合理顯示本公司於截至二零零三年六月三十日止六個月內任何時間並無遵守載於上市規則附錄14的最佳應用守則。

承董事會命

主席

蔡燕玉博士

香港，二零零三年九月二十四日